

## **EPFO members may get option to draw pension after 60**

By Yogima Sharma | Oct 21, 2019, 08.44 AM IST

**The proposal to increase the superannuation age for drawing pension under the scheme is expected to help a beneficiary grow his/her pension kitty, while also aiding the pension fund in reducing its deficit.**

The Employees' Provident Fund Organisation (EPFO) may soon give members an option to start drawing their pension once they turn 60 instead of 58 currently.

The proposal to increase the superannuation age for drawing pension under the scheme is expected to help a beneficiary grow his/her pension kitty, while also aiding the pension fund in reducing its deficit. The EPFO could also offer incentives, such as additional bonus, to those who agree to draw their pension at 60.

"Age of superannuation, which is 58 years, needs to be increased to 60 years as most of the pension funds world over, are giving pension after 65 years," the retirement fund manager said in amendments proposed to the EPF Act, 1952. ET has seen a copy of the proposal.

EPFO is of the view that the pensionable age should be aligned to the government pension scheme and the National Pension System, where the superannuation age is 60 years.

A senior government official told ET that the proposal will be presented to the EPFO's Central Board of Trustees at the next meeting, expected in November.

"Once approved by CBT, the proposal will be sent by the labour ministry for Cabinet approval," the official said on condition of anonymity.

According to the EPFO, raising the age limit will cut the pension fund's deficit by Rs 30,000 crore and will increase benefits to members since they would have two additional years of service.

As per the Employees' Pension Scheme, 1995, an employer contributes 8.33% of an employee's salary to pension, with a ceiling on pensionable salary at Rs 15,000.

"We are in support of the proposal. In fact, it should have been done long back as this will benefit pensioners with significant increase in their pensionable amount by extending the tenure for two years," said Vrijesh Upadhyay, general secretary of the Bharatiya Mazdoor Sangh.