

Government approves 8.5% interest rate on EPF for fiscal year 2021

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The government has approved 8.5 per cent rate of interest on employees' provident fund for the 2020-21 fiscal, a source said.

Just ahead of Diwali, this is a good news for over five crore (50 million) subscribers of the Employees Provident Fund Organisation (EPFO).

The 8.5 per cent rate of interest on provident fund deposits for the current financial year was decided by the EPFO's apex decision making body Central Board of Trustees (CBT) headed by Labour Minister in March this year.

A source said on Friday, "The rate of interest on EPF for 2020-21 has been ratified by the Ministry of Finance and now it would be credited into the accounts of over five crore subscribers."

In March last year, the EPFO had lowered interest rate on provident fund deposits to a seven-year low of 8.5 per cent for 2019-20, from 8.65 per cent in 2018-19.

The EPF (Employees Provident Fund) interest rate provided for 2019-20 was the lowest since 2012-13, when it was brought down to 8.5 per cent.

The EPFO had provided 8.65 per cent interest rate to its subscribers in 2016-17 and 8.55 per cent in 2017-18. The rate of interest was slightly higher at 8.8 per cent in 2015-16.

It had given 8.75 per cent rate of interest in 2013-14 as well as in 2014-15, higher than 8.5 per cent for 2012-13. The rate of interest was 8.25 per cent on provident fund in 2011-12.

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