

EPFO to take call on interest rate for 2021-22 in March meeting

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EPFO's apex decision-making body Central Board of Trustee will take a call on interest rate on employees' provident fund deposits for 2021-22 in its meeting next month.

"The Employees' Provident Fund Organisation (EPFO) CBT meeting will be held in Guwahati in March where proposal for interest rate for 2021-22 would be listed as it is end of the fiscal year," Union Labour Minister Bhupender Yadav told PTI when asked about EPF interest rate for 2021-22.

Asked whether EPFO would maintain the 8.5 per cent interest rate for 2021-22 as decided for 2020-21, Yadav, who also heads the CBT, said the decision would be taken on the basis of income projection for the financial year.

The 8.5 per cent interest rate on EPF deposits for 2020-21 was decided by the Central Board of Trustees (CBT) in March 2021.

It was ratified by the finance ministry in October 2021 and thereafter, EPFO issued directions to field offices to credit the interest income at 8.5 per cent for 2020-21 into the subscribers' account.

Once CBT decides an interest rate on EPF deposits for a fiscal year, it is sent to Ministry of Finance for concurrence.

EPFO provides the rate of interest only after it is ratified by the government through the finance ministry.

In March 2020, 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 provided for 2018-19.

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

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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