

Now employees can opt for EPS enhanced pension coverage within 4 months

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- **As per the new rule, the employees can contribute higher and also get enhanced benefits**

Employees who have not yet opted for enhanced pension coverage prior to 2014 can now do the same jointly with their employers within the next four months. This comes after a Supreme Court order regarding the same upholding the Employees' Pension (Amendment) Scheme, 2014.

On Friday, the apex court struck down the requirement in the 2014 amendments mandating employee contribution of 1.16% of the salary exceeding ₹15,000 per month.

Now the existing EPS members (as on September 1, 2014) can contribute up to 8.33 per cent of their 'actual' salaries -- as against 8.33 per cent of the pensionable salary capped at ₹15,000 a month -- towards pension. This way they can contribute higher and also get enhanced benefits, including higher annuity after retirement.

Following the order, trade unions asked the government to call an extraordinary meeting of the central board of trustees of the retirement fund body EPFO for quick implementation of the same.

General Secretary, Hind Mazdoor Sabha, Harbhajan Singh Sidhu told PTI, "The apex court has given relief to subscribers of the Employees' Provident Fund Organisation (EPFO) to opt for pension on higher earnings. Now we demand from the government to immediately call a special meeting of Central Board of Trustees (CBT) headed by the Union Labour Minister to discuss the order in detail and implement the relief given to members."

Apart from this, SC also stated EPFO cannot ask subscribers for an additional 1.16 per cent of contribution of salary for opting pension on higher earnings without amending the existing law.

The court has given the option of pension on higher earnings to subscribers of exempted provident fund trusts also.

Another EPFO trustee and All India Vice-President of Bharatiya Mazdoor Sangh (BMS) Sunkari Mallesham also demanded an extraordinary meeting of the CBT. "There is a need to call an extraordinarily meeting of the CBT to discuss the order thoroughly and provide relief given to members," Mallesham told PTI.

The apex court stated: "Time to exercise option under paragraph 11(4) of the scheme, under these circumstances, shall stand extended by a further period of four months. We are giving this direction in exercise of our jurisdiction under Article 142 of the Constitution of India."

Paragraph 11 (4) of EPS-95 provides for members to opt for pension on higher earnings. The window to opt for contribution on higher earning was open to subscribers for six months from September 1, 2014.

(With inputs from agencies)