

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

RAJYA SABHA

**UNSTARRED QUESTION NO. 268
TO BE ANSWERED ON 03.02.2021**

EMPLOYEES' AND EMPLOYERS' CONTRIBUTIONS TO EPF

268. SHRI MAHESH PODDAR:

Will the Minister of Labour and Employment be pleased to state:

- (a) whether it is a fact that Government intends to mandate reductions in employees' and employers' contributions to Employees Provident Funds (EPF);**
- (b) if so, whether percentage contributed by employees and employers will reduce by the same amount and from when it is expected;**
- (c) for how long does Government intend to keep the reduction in place; and**
- (d) whether Government will take any steps to ensure that employers do not unduly reduce their contributions under the garb of this proposed move?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) to (d): There is no proposal for reduction of the rate of contributions under section 6 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. However, due to Covid-19 pandemic and to provide liquidity in the hands of the employers and employees, statutory rate of contributions was reduced from 12% of wages to 10% of wages for three wage months from May, 2020 to July, 2020, as specified vide notification number S.O. 1513(E) dated the 18th May, 2020.
