

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

**UNSTARRED QUESTION NO. 3739
TO BE ANSWERED ON 24.03.2025**

EMPLOYEES' PENSION SCHEME (EPS), 1995

3739. SHRI VIJAY BAGHEL:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Employees' Pension Scheme (EPS), 1995, which is a statutory scheme under the Employees' Provident Fund Organisation (EPFO), overrides the internal trust rules of exempted establishments;**
- (b) if so, whether the EPFO is denying higher pension claims of eligible employees of SAIL Bhilai Steel Plant based on trust rules, if so, the details thereof;**
- (c) whether there was no such condition imposed when the pensionable salary ceiling was increased from 6,500 to 15,000 in 2014; and**
- (d) the details of legal basis which allow EPFO interprets trust rules as a precondition for higher pension eligibility?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SUSHRI SHOBHA KARANDLAJE)**

(a) to (d): Contribution on higher wages under the proviso to unamended para 11(3) of the Employees' Pension Scheme (EPS), 1995 is the employees' conscious choice between larger provident fund or larger pension expressed through their employers in the form of a Joint Option. In the case of SAIL-Bhilai Steel Plant this choice against contribution to EPS on higher wages is made out in terms of the relevant rules framed for their exempted PF trust. Therefore, there is no conflict between the trust rules of exempted provident fund trusts and EPS.

EPFO had argued before the Supreme Court that employees who exited the EPS must abide by their choice between larger provident fund or larger pension. This argument was upheld by the Hon'ble Supreme Court in EPFO v. Sunil Kumar B. [2022]11 SCC

Contd..2/-

959. It held that employees' rights to pension crystallized at the time of their exit from EPS in terms of their choice made prior to such exit. Even the exception carved out under Art. 142 of the Constitution in para 44(iv) of that judgment was for employees who had remained undecided between larger provident fund or larger pension at the time of the omission of the proviso to para 11(3) from EPS on 01.09.2014. Accordingly, EPFO has implemented the judgment of the Hon'ble Supreme Court in letter and spirit.

Further, the trust rules are also guided by the Para 27AA of EPF scheme, 1952 where under condition no. 10 of Appendix A, the wage ceiling applicable would automatically enhance with the enhancement of wage ceilings under the EPF scheme, 1952. Accordingly, contribution on Pension fund on salary upto Rs. 15,000/- is according to the condition of the Act & the scheme.
