

# **EPFO approves raising Provident Fund interest rate to 8.75%**

NEW DELHI: Retirement fund body [EPFO](#) on Monday decided to increase the rate of interest on Provident Fund deposits to 8.75% for 2013-14, a move that will benefit about 5 crore subscribers.

"We have decided to recommend to the government 8.75% rate of interest for 2013-14 to its subscribers," labour minister Oscar Fernandes told reporters after a meeting of the EPFO trustees.

The Central Board of Trustees, which is the apex decision-making body of the Employees' Provident Fund Organization (EPFO), met on Monday and approved the interest rate.

According to sources, the body had surplus funds, which enabled the interest rate to be increased from 8.5% in the previous financial year (2012-13).

The EPFO's recommendation will be vetted by the finance ministry. Once the ministry approves the decision, the interest would be credited to the accounts of subscribers.

According to sources, the decision to enhance the rate was taken in view of the forthcoming Lok Sabha polls.

The EPFO is estimated to have an income of Rs 20,796.96 crore in the current financial year.

Payment of interest at the rate of 8.5% to subscribers would have required Rs 20,740 crore and left a surplus of Rs 56.96 crore, according to earlier projections.

Source :TOI