

## **Finance Ministry may ratify 8.75% interest rate on EPF next week**

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The Finance Ministry is likely to give its concurrence next week to retirement fund body EPFO's trustees' decision to provide 8.75 per cent rate of interest on PF deposits to over five crore subscribers this fiscal.

"It has been almost two weeks since the trustees decided to pay 8.75 per cent. The Finance Ministry is most likely to give its concurrence next week to the decision as payment of 8.75 per cent in 2014-15 will leave a surplus of Rs 242.26 crore," an official said.

He said, "The Finance Ministry should not have any issue as central government would not have to shell out anything for payment of 8.75 per cent rate of interest and it would leave some surplus for the body."

After the Finance Ministry concurrence, the EPFO would implement the trustees' decision on interest rate and its subscribers would get tax rebate on accrual of approved interest rate on PF deposits for the current fiscal.

The Employees' Provident Fund Organisation's (EPFO) apex decision making body the Central Board of Trustees (CBT), headed by Labour Minister Narendra Singh Tomar, had decided to retain 8.75 per cent rate of interest for 2014-15 for this fiscal in its meeting on August 26.

The EPFO had provided 8.75 per cent rate of interest on PF deposits in 2013-14 which was slightly higher than 8.5 per cent paid in the previous fiscal.

The CBT-approved proposal for payment of 8.75 per cent rate of interest has already been sent to the Finance Ministry for its concurrence on the issue, the official said.

*(Financial Express)*