

Finance Ministry ratifies 8.5% interest on Provident Fund deposits for 2012-13

The Finance Ministry has approved payment of 8.5 per cent rate interest for 2012-13, up from 8.25 per cent in the previous fiscal, benefiting over 5 crore Employees Provident Fund Organisation's (EPFO) subscribers deposits.

"Finance Ministry has notified 8.5 per cent interest rate for 2012-13. It will be implemented with immediate effect," EPFO's Central Provident Fund Commissioner Anil Swarup said.

The notification, he further said, "will enable EPFO to settle claims at 8.5 per cent and also credit interest into the accounts of subscribers for 2012-13."

The EPFO apex decision making body, the Central Board of Trustee (CBT), on February 25 had decided to pay 8.5 per cent rate of interest to subscribers for 2012-13.

The CBT's decision on interest rate is required to be notified by the Finance Ministry. Only after notification, the interest is credited into the accounts of subscribers.

As per the norms, EPFO is expected to announce rate of interest on PF deposits before the beginning of a financial year. However, for the past few years, there has been delay in announcement of the rates. This time, the rate of interest is

being notified after the end of the financial year.

In the absence of the notification, the claims are settled at the interest rate approved for the previous fiscal and subscribers can claim the differential after the notification of rates by the Finance Ministry.

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