

Employees Pension Scheme 1995 amended to provide withdrawal benefit to members having less than 6 months service; Amendment to benefit more than 7 lakh EPS members every year

Government also modifies Table D ensuring fair payment of withdrawal benefit; more than 23 lakh members to benefit from this modification

Posted On: 28 JUN 2024 7:32PM by PIB Delhi

Government of India has amended the Employees' Pension Scheme (EPS), 1995 to ensure that EPS members with less than 6 months of contributory service also receive withdrawal benefit. This amendment will benefit more than 7 lakh EPS members every year who leave the scheme with less than 6 months of contributory service.

Further, the Central Government has modified the Table D and has ensured that every completed month of service rendered is taken into account to give proportionate withdrawal benefit to the members. The amount of withdrawal benefit will henceforth depend upon the number of completed months of service rendered by the member and the wages on which EPS contribution was received. The above measure has rationalized the payment of withdrawal benefit to members. It is estimated that every year more than 23 lakh members will benefit from this modification of the Table D.

Every year, lakhs of EPS 95 members leave the scheme prior to rendering the requisite 10 years of contributory service for pension. Such members are given withdrawal benefit as per the provisions of the Scheme.

More than 30 lakh withdrawal benefit claims were settled in the financial year 2023-24.

Till now, the withdrawal benefit was being calculated on the basis of the period of contributory service in completed years and the wages on which EPS contribution has been paid.

Therefore, only after completing 6 months and above of contributory service, the members were entitled for such withdrawal benefit. Consequently, the members leaving scheme, before contributing for 6 months or more, used to get no withdrawal benefit. This was a cause of many claim rejections and grievances as many members were exiting without having less than 6 months of contributory service. During the financial year 2023-24, approximately 7 lakh claims for withdrawal benefits were rejected due to contributory service being less than 6 months. Henceforth, all such EPS members who have not attained the age of 58 years as on 14.06.2024 will become entitled for withdrawal benefit.

Earlier, the calculation under erstwhile Table D ignored the fractional period of service rendered for less than 6 months after each completed year. This resulted in lesser amount of withdrawal benefit in many cases. With the modification of Table D, the Contributory service for calculating the withdrawal benefit will be now considered in completed months. This will ensure fair payment of withdrawal benefit. E.g. a member taking withdrawal benefit after 2 years and 5 months of contributory service & wages of 15,000/-

per months was earlier entitled to Rs. 29,850/- withdrawal benefit. Now he will receive Rs. 36,000/- withdrawal benefit.

Pragya Paliwal Gaur/ Himanshu Pathak

(Release ID: 2029381) Visitor Counter : 609

Read this release in: Urdu , Hindi