

EPFO decides to retain 8.5% rate of interest on EPF deposits for 2020-21

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Retirement fund body EPFO recently decided to retain 8.5 percent rate of interest on provident fund deposits for the current financial year. EPFO has more than five crore active subscribers.

The Employees' Provident Fund Organisation's (EPFO) apex decision-making body Central Board of Trustees decided to fix 8.5 percent rate of interest for 2020-21 at its meeting in Srinagar recently.

Key Highlights

- There were speculations that the EPFO would lower interest on provident fund deposits for this fiscal (2020-21) from 8.5 percent given in 2019-20 in view of more withdrawals and lesser contribution by members amid the coronavirus pandemic.
- In March last year, the EPFO had lowered interest rate on provident fund deposits to a seven-year low of 8.5 percent for 2019-20, from 8.65 percent in 2018-19.
- The EPF (Employees Provident Fund) interest rate provided for 2019-20 was the lowest since 2012-13, when it was 8.5 percent.
- The EPFO had provided 8.65 percent interest rate to its subscribers in 2016-17 and 8.55 percent in 2017-18. The rate of interest was slightly higher at 8.8 percent in 2015-16.
- It had given 8.75 percent rate of interest in 2013-14 as well as 2014-15, higher than 8.5 percent for 2012-13. The EPFO had provided 8.25 percent rate of interest on provident fund in 2011-12.

SOURCE: *The Indian Express*