

Pension on the basis of Total Salary: Supreme Court gives breather to govt, EPFO in pensions case

Supreme Court gives breather to govt, EPFO in pensions case: Hindustan Times

It also directed that no adverse orders be issued against EPFO and the government for not complying with the apex court's 2019 judgment, which ordered that subscribers of the Employee Pension Scheme or EPS be given the full pension as calculated by their last drawn salaries, irrespective of the ceiling.

A bench of justices Uday U Lalit and K M Joseph ordered that contempt proceedings will not go be initiated in the high courts of Kerala, Rajasthan and Delhi, where cases related to employees' pensions are pending.

In a reprieve for the central government and the Employees' Provident Fund Organisation (EPFO), the Supreme Court on Thursday restrained courts in the country from initiating contempt proceedings against them for not paying pension to employees on the basis of their total salary, and instead capping the amount at a maximum of Rs15,000 per month.

A bench of justices Uday U Lalit and K M Joseph ordered that contempt proceedings will not go be initiated in the high courts of Kerala, Rajasthan and Delhi, where cases related to employees' pensions are pending.

It also directed that no adverse orders be issued against EPFO and the government for not complying with the apex court's 2019 judgment, which ordered that subscribers of the Employee Pension Scheme or EPS be given the full pension as calculated by their last drawn salaries, irrespective of the ceiling.

On January 29, the court recalled its 2019 order which paved way for higher pensions for employees by removing the salary ceiling of ₹15,000. The recall order was passed on EPFO's review petition.

Observing that these issues have to be heard in detail because of the huge financial implications on EPFO as well as to dispel the uncertainty around the entitlement of employees, the bench has decided to hear the clutch of cases regarding the pension on a day-to-day basis from March 23.

"Sooner we decide this, the better. These matters are going to affect lakhs of employees. We want to decide it as soon as possible so that people are at least aware of what is in store for them in future," said the bench, urging all lawyers to come prepared to argue the case on March 23.

On April 1, 2019, by a brief order, the Supreme Court dismissed the EPFO's appeal against the Kerala HC's judgment, which obligated the EPFO to abide by the latter's 2018 judgement removing the ₹15,000 cap on monthly salaries for calculating the pension.

Subsequently, the union labour ministry also filed a separate appeal against the Kerala HC's judgment claiming that such an order would make EPFO financially unviable.

Read at: Hindustan Times

[<https://www.hindustantimes.com/business/supreme-court-gives-breather-to-govt-epfo-in-pensions-case-101614306651363.html>]