

The pension conundrum: On the EPFO resource base

A higher pension may quickly **deplete** the EPFO resource base

Union Minister for Labour and Employment Bhupender Yadav **seems** to have little to say on the issue of the Employees' Provident Fund Organisation (EPFO) allowing sections of **subscribers** and pensioners to **opt for** higher pension under the Employees' Pension Scheme (EPS), 1995. With the four-month period fixed by the Supreme Court in November last year set to **lapse** soon for those who were in service as on September 1, 2014 to **exercise** the option, his **observation** that the Court's **directions**, which have "legal, financial, **actuarial** and **logistical implications**", **are** under examination, **has** not been **reassuring**. **The issue** of allowing higher pension — pension **proposed in the event of** employers making 12% mandatory PF contributions on employees' actual pay that exceeds the **statutory ceiling** — **has** been **bothering** the PF **establishment** almost from the start. **Adopting** actuarial principles for ensuring long-term financial **viability**, the Pension Scheme is funded by the transfer of 8.33 percentage points out of the 12% PF contributions by employers **coupled with** the central government's contribution of 1.16% of the monthly wages that do not go beyond ₹15,000. Opposition to the higher pension is around the **projected actuarial deficit** in the valuation of PF, lower returns on investments and increasing pensioner **longevity**. The EPFO **top brass** feels that higher pension may deplete the resource base **in no time**. The PF establishment has every reason to feel **concerned** but what has not helped its case is the **proviso** — paragraph 11 (3) of the **pre-amended** rules of the EPS — allowing for such requests to be **entertained**.

Even in September 2014, when the proviso was removed and **amendments** made to the EPS's rules, the concept of higher pension was not **abolished**. Instead, the amendments provided 12 months for employees and employers to exercise the joint option. This is why sections of pensioners are **justified** in their demand for higher pension, as their employers had, during their service period, made contributions on their actual pay which had exceeded the statutory ceiling. But, the **authorities**, while providing an online option for pre-2014 **retirees** to exercise the option, **have sought** to **mirror** the conditions in Himachal Pradesh Tourism Development Corporation (a battle for higher pension that began over 15 years ago). Such an approach **goes against the spirit** of the Court's 2022 judgment, which was based on the 2016 **verdict** of the Court, as the two judgments are for eligible pensioners to **reap** the benefit. What has **added injury to insult** is the EPFO's circular (January) re-opening the cases of higher pension after 2016, and **initiating** recovery **proceedings**. The government and the EPFO must explain to the **stakeholders** the genuine difficulties in implementing the Court's directions. **Bureaucratic shortsightedness** and **compliance difficulties** around simplistic legal **directives** **have** raised hopes as well as **triggered anxieties** among pensioners and those nearing retirement.

- Red/blue coloring of words in the sentence indicates subject verb relationship; where 'red' denotes 'subject' and 'blue' denotes 'verb'.

Vocabulary

1. **Conundrum** (noun) – enigma, riddle, mystery, puzzle, problem पहेली
2. **Resource base** (noun) – Wealth of the organisation
3. **Deplete** (verb) – exhaust, consume, drain, use up, spend कम कर देना, समाप्त करना
4. **Subscriber** (noun) – a person who regularly contributes money to a fund, project, or cause. ग्राहक
5. **Opt** (for) (verb) – Choose, select, pick, pick out, go for चुनना
6. **Lapse** (verb) – expire, become void, become invalid, run out, terminate बीतना, समाप्त होना
7. **Exercise** (verb) – use, employ, make use of, utilize, avail oneself of प्रयोग करना
8. **Observation** (noun) – remark, comment, opinion, thought, statement टिप्पणी, विचार
9. **Actuarial** (adjective) – relating to the statistical calculation of risk or life expectancy for insurance purposes बीमांकिक
10. **logistical** (adjective) – relating to the process of planning and organizing to make sure that resources are in the places where they are needed, so that an activity or process happens effectively तार्किक
11. **Implication** (noun) – effect, consequence, result, repercussion, knock-on effect प्रभाव
12. **Reassuring** (adjective) – restoring or boosting confidence; certainty, encouraging आश्वासनपूर्ण
13. **Propose** (verb) – suggest, submit, offer, put forward, advance प्रस्तावित करना
14. **In the event of** (phrase) – if – happens. के होने पर, की स्थिति में
15. **Statutory** (adjective) – Required, permitted, or enacted by statute. वैधानिक
16. **Ceiling** (noun) – upper limit, maximum, limitation, highest permissible level उच्चतम सीमा
17. **Bother** (verb) – become upset, become confused, bother परेशान होना
18. **Establishment** (noun) – setting up, founding, formation, creation, launch स्थापना
19. **Adopt** (verb) – Accept, assume, take on अपनाना
20. **Viability** (noun) – practicality, survival, feasibility, sustainability व्यवहार्यता
21. **Couple** (with) (verb) – combine, integrate, mix, incorporate, accompany के साथ होना

22. **Projected** (adjective) – Expected, Anticipated, Estimated, Planned, Proposed अनुमानित
23. **Actuarial deficit** (noun) – Actuarial deficit refers to the difference between payout obligations of the Social Security program and the income rate of the Social Security Trust Fund.
24. **Longevity** (noun) – long existence or service/career दीर्घायु
25. **Top brass** (noun) – People in authority or of high military rank प्रमुख अधिकारी
26. **In no time** (phrase) – very quickly, very soon, in a second जल्द ही, कुछ ही समय में
27. **Concerned** (adjective) – worried, anxious, troubled, afraid, disturbed, alarmed, fretful चिंतित
28. **Proviso** (noun) – rule, law, regulations, regulation, principle, proviso प्रावधान/कानून
29. **Pre-amended** (adjective) – Before an amendment. पूर्व-संशोधित
30. **Entertain** (verb) – take into consideration, have in view; agree to, approve of, support to. विचारना, स्वीकार करना
31. **Amendment** (noun) – change, modification, revision, alteration, improvement संशोधन
32. **Abolish** (verb) – cancel, eliminate, repeal, destroy, remove समाप्त करना
33. **Justified** (adjective) – justifiable, warranted, right, legitimate, befitting न्यायोचित
34. **Retiree** (noun) – Pensioner, senior, retired person सेवानिवृत्त
35. **Seek** (verb) – Try, attempt, endeavour, effort, strive for प्रयास करना
36. **Mirror** (verb) – Represent, Illustrate, Symbolize, Signify, Embody प्रतिबिंबित करना, दर्शाना
37. **Go against the spirit** (phrase) – go against the purpose/intention of.
38. **Verdict** (noun) – Decision, adjudication, decree फैसला
39. **Reap** (verb) – gain, earn, receive, obtain, acquire लाभ उठाना
40. **Add injury to insult** (phrase) – act in a way that makes a bad situation worse. जले पर नमक छिड़कना
41. **Initiate** (verb) – start, begin, commence शुरू करना
42. **Proceedings** (noun) – course of action, action, step, measure, move कार्यवाही
43. **Stakeholder** (noun) – A person with an interest or concern in something हितधारक

44. **Bureaucratic** (adjective) – Administrative, official, governmental नौकरशाही
45. **Shortsightedness** (noun) –lack of imagination or foresight. अदूरदर्शिता
46. **Compliance** (noun) – The state or fact of according with or meeting rules or standards. अनुपालन
47. **Directives** (noun) –order, injunction, decree, command, regulation आदेश/निर्देश
48. **Trigger** (verb) –provoke, activate, cause, spark off, set off उत्पन्न करना
49. **Anxiety** (noun) – worry, concern, nervousness, apprehension चिंता

Practice Exercise

Direction (Q1 – Q3): Select the best express synonym of the given words [\[Editorial page\]](#)

1. **Conundrum**

- A. Riddle
- B. Coup
- C. Mutiny
- D. Remnant

2. **Justified**

- A. Brutal
- B. Warranted
- C. Concerning
- D. Lingering

3. **Ceiling**

- A. limitation
- B. Fragility
- C. Stability
- D. Discord

4. **Idioms & Phrase**

The new CEO has so far been keeping a firm grip on the company's direction, much to the chagrin of its investors.

- A. Bring down an aircraft or missile by shooting at it
- B. To take strong action to stop something
- C. To succeed very easily in something
- D. To maintain strict control over someone or something.

5. **Direction: Two statements are given below, which are jumbled in any random order. These statements will form a coherent and meaningful paragraph, when arranged in the correct sequence. Arrange the sentences in the right order and answer the questions that follow.**

(i) the discontinuation of a uniquely Kerala welfare scheme that covers around 1,200 (D)/ leaders of Opposition and government Chief Whips (E)/ the Kerala Governor has stirred up a hornet's nest by demanding (F)/ people who served on the personal staff of Ministers,(G)/

(ii) who were recruited during the previous government, are added(A)/ the exchequer is set to swell to around 1,500 when the additional beneficiaries,(B)/ the number of people who are eligible for lifetime pensions from (C)/

- A. ABC, EFDG
- B. DGFE, BAC
- C. BAC, FDEG
- D. FDGE, CBA
- E. None of the above

Direction (Q6 – Q9): Read the given sentences to find out whether there is any grammatical error in them

6. Closing the doors to a foreign citizen (A)/ seeking employment in India, the High Court on Thursday ruled (B)/ that it is not a foreign national's fundamental right (C)/ to get an employment visa in the country. (D)/ No Error. (E)
7. A new study has shown that kids (A)/ who have a high body mass index are (B)/ more likelier to have high blood pressure, cholesterol and blood insulin levels (C)/ by the time they reach adolescence. (D)/ No Error. (E)
8. For much of the developing world, (A)/ historically, environmentalism was seen as a luxury (B)/ rather than as a necessity because (C)/ always the development imperatives was seen to be urgent. (D)/ No Error. (E)
9. The consumer forum directed the power corporation to (A)/ compensate a complainant for the inconvenience and mental agony (B) /who he had to suffer (C)/ because of the power officials' irresponsible attitude. (D)/ No Error. (E)
10. **Find out the misspelt word**
 - A. Ambush
 - B. Indiscriminate
 - C. Unprecedented
 - D. Backpedalling

Direction: Read the passage given below and answer the following questions.

(The Hindu Editorial: A concerning sequence – Dec 22, 2022)

The spurt in coronavirus cases reported out of China has triggered global alarm. **(1)**/ India's official numbers suggest that, thus far, there is little to worry.**(2)**/ India's Health Ministry has issued a directive to States to send positive samples to the Indian SARS-CoV-2 Genomics Consortium (INSACOG) to check for new, concerning strains.**(3)**/ The Health Minister, too, has called for a review meeting of the coronavirus situation in India.**(4)**/ There are only 3,408 active cases. Only one district has a test positivity rate of over 10% and only four between 5 and 10%, as per the latest available weekly data. India's COVID-19 vaccination coverage has exceeded 219.33 crore, and there are no signs of **_____ (a) _____** being reported out of hospitals. However, the experience of previous years is that it is usually many weeks after which a noticeable spike, let alone a wave, is confirmed by health authorities. There is **root(A)** monitoring and mask **mandates(B)** for public gatherings, airports and railway stations have been removed everywhere; so, low numbers do not **necessarily(C)** mean new variants are not taking **scarce(D)**

In China, despite reports of crowded mortuaries, hospital admissions piling up and stocked-out pharmacies, weekly death counts are officially in the single digits. The **_____ (b) _____** opinion is that the lifting of curbs, after almost three years of some of the most restrictive containment measures, has now exposed a large **swathe** of people who lack 'natural immunity'. Some mathematical modelling projections calculate a million COVID-19 cases in the coming days in China. Given that much of the world has moved to **_____ (c) _____** in terms of travel, the concern is that this surge is likely to reverberate globally with many more infections, even in India, inevitable. There are two key lessons that can be derived from the Chinese experience: long lockdowns cannot eliminate the virus or prevent the development of new strains, and the only reasonable defence

possible against severe disease is via vaccines. China has largely depended on home-grown vaccines such as CoronaVac and Sinopharm vaccines that rely on the inactivated virus technology. Despite 90% of the population receiving a single dose, and half, a second dose, the numbers in China suggest that waning immunity is a fait accompli. The big lesson for India is to not only establish the prevalent coronavirus variants but also whether the administered vaccines continue to be ____ (d) _____. While the most of the vaccines administered in India are Covishield(A)/, and thus of the spike protein,(B)/ it may be time to(C)/ accommodate for changes in the virus.(D)/

Fill in the blanks with the most appropriate combinations of words

11. India's COVID-19 vaccination coverage has exceeded 219.33 crore, and there are no signs of ____ (a) ____ being reported out of hospitals.

Fill the most appropriate option in (a)

- (i) Displace
- (ii) Distress
- (iii) Distrust
- (iv) Adversity

- A. Only (i) B. Only (ii) C. Only (iii) D. Both (ii) and (iv) E. None of the above

12. The ____ (b) ____ opinion is that the lifting of curbs, after almost three years of some of the most restrictive containment measures, has now exposed a large swathe of people who lack 'natural immunity'.

Fill the most appropriate option in (b)

- (i) Prevalent
- (ii) Provocative
- (iii) Charged
- (iv) Rivalry

- A. Only (i) B. Only (ii) C. Only (iv) D. Both (ii) and (iv) E. None of the above

13. Given that much of the world has moved to ____ (c) ____ in terms of travel, the concern is that this surge is likely to reverberate globally with many more infections, even in India, inevitable

Fill the most appropriate option in (c)

- (i) Discourse
- (ii) Criticism
- (iii) Normalcy
- (iv) Assurance

- A. Only (i) B. Only (ii) C. Only (iii) D. Both (i) and (ii) E. None of the above

14. The big lesson for India is to not only establish the prevalent coronavirus variants but also whether the administered vaccines continue to be ____ (d) ____.

Fill the most appropriate option in (d)

- (i) Adverse

- (ii) Uncertainty
(iii) Unabashed
(iv) Efficacious
- A. Only (i) B. Only (ii) C. Only (iii) D. Both (iii) and (ii) E. None of the above
15. **The following sentence may or may not contain an error in one of its parts. Identify the part containing the error. If the sentence is correct, select 'No error' as your answers.**
While the most of the vaccines administered in India are Covishield **(A)**/, and thus of the spike protein,**(B)**/ it may be time to **(C)**/ accommodate for changes in the virus.**(D)**/
- A. (A)
B. (B)
C. (C)
D. (D)
E. No Error
16. **Rearrange the sentence to form a meaningful sentence.**
The spurt in coronavirus cases reported out of China has triggered global alarm. **(1)**/ India's official numbers suggest that, thus far, there is little to worry.**(2)**/ India's Health Ministry has issued a directive to States to send positive samples to the Indian SARS-CoV-2 Genomics Consortium (INSACOG) to check for new, concerning strains.**(3)**/ The Health Minister, too, has called for a review meeting of the coronavirus situation in India.**(4)**/
- A. 2341
B. 1342
C. 2134
D. 1432
E. 4321
17. Given below is a word, followed by three sentence that consist of that word. Identify the sentence (S) that best express (es) the meaning of the word. Choose option 5 'None of the above' if the word is not suitable in any of the sentence
SWATHE
- (i) The disease killed huge **swathes** of the population.
(ii) She has been the strongest **swathes** of the government's tax proposals.
(iii) Easter is one of the best times for a family **swathes**.
- A. Only (i)
B. Only (ii)
C. Only (iii)
D. (i), (ii)
E. (ii), (iii)
18. **In the following question, a sentence is given with four words marked as (A), (B), (C), and (D). These words may or may not be placed in the correct order. Four options with different arrangements of these have been provided. Mark the option with the correct arrangement as the answer. If no rearrangement is required, mark option (5) as your answer.**

There is **root(A)** monitoring and mask **mandates(B)** for public gatherings, airports and railway stations have been removed everywhere; so, low numbers do not **necessarily(C)** mean new variants are not taking **scarce(D)**

- A. A – D
- B. B – A
- C. C – D
- D. A – C
- E. No arrangement

19. In the following question, two statements and five connectors are given. Only one of the connectors from those given can be used to combine the given two statements into one sentence without changing the meaning. Choose that connector as your answer.

- (i) Water from the kitchen faucet can be as good as bottled water
- (ii) the city water supply is bad.

- A. Whenever
- B. Though
- C. Yet
- D. Unless
- E. None of these

20. Fill the appropriate preposition in the given blanks

Communal speech will spark _____ riots in the town.

- A. On
- B. In
- C. Off
- D. To

Answers

1. A 2.B 3.A 4. D 5. D 6.C 7. C 8.D 9.C 10.B 11. D
 12. A 13.C 14. E 15. A 16. B 17.A 18. A 19.D 20.C **[Practice Exercise]**

Explanations

- Conundrum** (noun) – enigma, riddle, mystery, puzzle, problem **पहेली**
 - Coup** (noun) – seizure of political power, takeover **तख्तापलट**
 - Mutiny** (noun) – an act of a group of people, especially sailors or soldiers, refusing to obey the person who is in command **सैनिक विद्रोह, बगावत, ग़दर**
 - Remnant** (noun) – A small part or portion that remains after the main part no longer exists **अवशेष**
- Justified** (adjective) – justifiable, warranted, right, legitimate, befitting **न्यायोचित**
 - Brutal** (adjective) – cruel, savage, vicious, ruthless, barbaric **क्रूर**
 - Concerning** (adjective) – Worrying, Troubling, Disturbing, Bothering, Upsetting **चिंताजनक**
 - Lingering** (adjective) – persistent, protracted, prolonged, remaining **लंबित /जारी**
- Ceiling** (noun) – upper limit, maximum, limitation, highest permissible level **उच्चतम सीमा**
 - Fragility** (noun) – delicacy, weakness, frailty, infirmity, debility **कमजोरी/ नाजुकता**
 - Stability** (noun) – permanence, constancy, balance, solidity, firmness **स्थिरता**
 - Discord** (noun) – Conflict, disagreement, dispute, argument **कलह**
- Maintain/keep a grip on something** (phrase) – To maintain strict or tight control over someone or something
- FDGE, CBA**
 The Kerala Governor has stirred up a hornet’s nest by demanding the discontinuation of a uniquely Kerala welfare scheme that covers around 1,200 people who served on the personal staff of Ministers, leaders of Opposition and government Chief Whips. The number of people who are eligible for lifetime pensions from the exchequer is set to swell to around 1,500 when the additional beneficiaries, who were recruited during the previous government, are added.
- (C) 'is' के बदले 'was' का प्रयोग होगा क्योंकि Reporting Verb यदि Past Tense में हो तो Indirect Narration में Reported Speech में Simple Present को Simple Past में बदल दिया जाता है; जैसे-
 - She said, 'Mohan is late.' [Direct Narration]
 - She said that Mohan was late. [Indirect Narration]
 - 'was' will be used instead of 'is' because if Reporting Verb is in Past Tense then Simple Present is changed to Simple Past in Reported Speech in Indirect Narration; like-
 - She said, 'Mohan is late.' [Direct Narration]

ii. She said that Mohan was late. [Indirect Narration]

7. (C) 'more' का प्रयोग अनावश्यक है और इसे हटाना पड़ेगा क्योंकि 'likelier' एक Comparative Adjective है औ किसी भी Comparative Adjective/ Adverb के पहले 'more' जोड़कर उसका Double Comparative या किसी Superlative Adjective/Adverb के पहले 'most' जोड़कर उसका Double Superlative नहीं बनाया जाता है।
- The use of 'more' is unnecessary and has to be removed because 'likelier' is a Comparative Adjective and by adding 'more' before any Comparative Adjective/ Adverb its Double Comparative or 'most' before any Superlative Adjective/ Adverb Its Double Superlative is not made by adding 'more'.
8. (D) 'was' के बदले 'were' का प्रयोग होगा क्योंकि इसका Subject 'imperatives' Plural है और इसके लिए Plural Verb का प्रयोग होगा।
- 'were' will be used instead of 'was' because its subject is 'imperatives' Plural and for this Plural Verb will be used.
9. (C) 'who' के बदले 'which' या 'that' का प्रयोग होगा क्योंकि Antecedent 'the inconvenience and mental agony' है जो 'वस्तु' है, न कि 'व्यक्ति'।
- 'who' shall be substituted with 'which' or 'that' because the Antecedent is 'the inconvenience and mental agony' which is 'object' and not 'person'.
10. **Indiscriminate** (verb) – random, haphazard, promiscuous, indiscriminating अंधाधुंध
11. **Distress** (noun) – hardship, **adversity**, tribulation, misfortune संकट, विपत्ति
- **Displace** (noun) – Move, shift, relocate, transfer, dislodge विस्थापित करना
 - **Distrust** (noun) – Disbelief, suspicion, doubt, mistrust अविश्वास
12. **Prevalent** (adjective) – common, widespread, prevailing, rife, popular प्रचलित
- **Provocative** (adjective) – annoying, irritating, exasperating, infuriating, provoking उत्तेजक
 - **Charged** (adjective) – filled with excitement, tension, or emotion.
 - **Rivalry** (noun) – contention, competition, conflict, contest, struggle प्रतिद्वंद्विता
13. **Normalcy** (noun) – the state of being normal सामान्य होने की स्थिति
- **Discourse** (noun) – Speech, Talk, Dialogue, Conversation संभाषण, भाषण
 - **Criticism** (noun) – censure, condemnation, critique, disapproval आलोचना
 - **Assurance** (noun) – confidence, certainty, conviction, sureness आश्वासन
14. **Efficacious** (adjective) – (of things) producing the desired result फलदायक
- **Adverse** (adjective) – Unfavorable, harmful, opposing प्रतिकूल
 - **Uncertainty** (noun) – changeability, changeableness, variability, inconstancy अनिश्चितता

- **Unabashed** (adjective) – Brazen, shameless, bold, blatant, brash, बेरोकटोक

15. 'the' का प्रयोग अनावश्यक है, क्योंकि 'most' का प्रयोग यदि Superlative Degree बताने के लिए हो तो इसके पहले 'the' का प्रयोग होता है, किन्तु 'most' का प्रयोग यदि 'संख्या मात्रा बताने लिए 'अधिकांश' के अर्थ में हो तो इसके पहले 'the' का प्रयोग नहीं होता है; जैसे-

- I know most of the students here.
- She has spent most of the money.
- She is the most beautiful girl in the class.

16. (B) 1342

The spurt in coronavirus cases reported out of China has triggered global alarm. India's Health Ministry has issued a directive to States to send positive samples to the Indian SARS-CoV-2 Genomics Consortium (INSACOG) to check for new, concerning strains. The Health Minister, too, has called for a review meeting of the coronavirus situation in India. India's official numbers suggest that, thus far, there is little to worry.

17. **Swathe** (noun) – a large number of people, or a large amount of something बड़ी संख्या में (आबादी)

According to the given options only (i) is contextually correct.

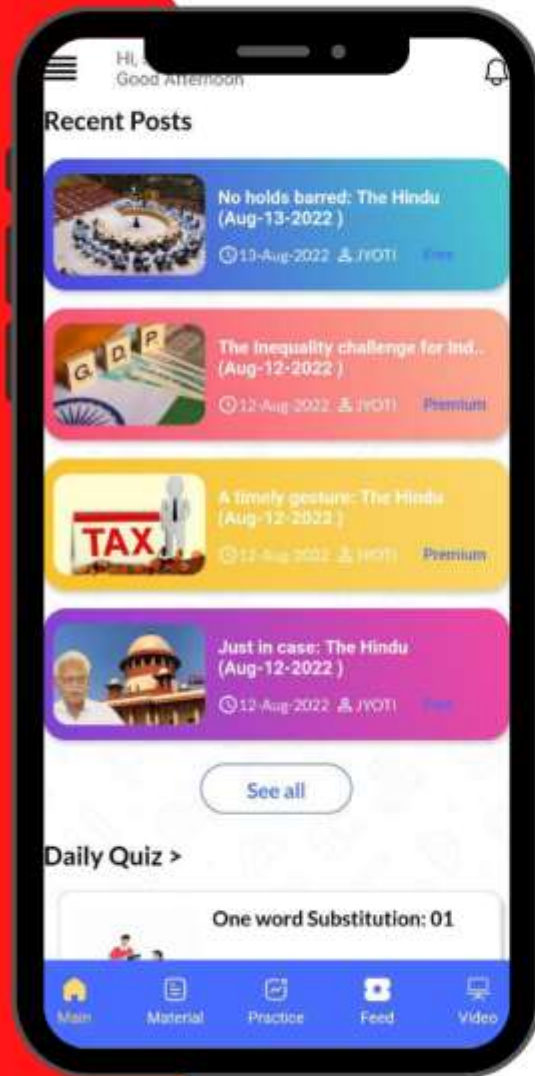
Because the (ii) AND (iii) sentences are not giving any meaning and correct sentences should be like

She has been the strongest **critic** of the government's tax proposals.

Easter is one of the best times for a family **gathering**

18. There is scarce monitoring and mask mandates for public gatherings, airports and railway stations have been removed everywhere; so, low numbers do not necessarily mean new variants are not taking root.

19. Water from the kitchen faucet can be as good as bottled water **unless** the city water supply is bad.



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