Message from the Hon. Minister for Labour & Employment, Govt of India, on the occasion of inaugural issue of e-newsletter by EPFO.

It's a matter of immense pleasure for me to see that EPFO is unveiling an e-newsletter for its stakeholders. The e-newsletter, a part of e-initiatives, will enable all the employers and the employees who are the pillars of Social Security System administered by EPFO, not only to get information about new initiatives taken by the EPFO, but also to find solutions to the day-to-day problems that may arise in course of interacting with the Organization.

EPFO has a vision of providing Social Security Cover to all the workers in the organized sector. It hopes to become a shining example to follow for all the service delivery organizations in the public sector. I am confident that this goal will be achieved with the involvement and active co-ordination of all the stakeholders of EPFO. I am very happy to add my best wishes for the new forward stride made by the Organization through e-magazine.

Message from the Secretary, Ministry of Labour & Employment, Govt of India, on the occasion of inaugural issue of e-newsletter by EPFO.

For meeting this end, the initiative of the organization to begin a quarterly e-newsletter is a great stride in e-governance. I believe that a proper dissemination of the contents of the e-magazine will encourage the employer to fulfill his obligations more responsibly. It is my wish that e-magazine initiative will help to educate all stakeholders and help the Organization meet its objectives.

Message from the Central PF Commissioner, EPFO on the occasion of inaugural issue of e-newsletter by EPFO.

EPFO is the largest social security organization in the world. A host of different types of modernizing trends have been launched to make its functioning more efficient. While providing a solid backbone for our efforts to manage and maintain the functions of the organization educating stakeholders is important for meeting the objective of the Organization.

The publication of e-newsletter with the intention of creating awareness on the functioning of the EPFO is a fulfillment of a long felt need to provide a platform for informal interaction and information exchange with the employers and employees. The e-newsletter will enable all the stakeholders to have better understanding of their rights and obligations.

While we have made all efforts to design the newsletter to make it interesting and informative. However, I would request the readers to send your suggestions in regard to the design and content for the newsletter. We have also provide section for giving information in the form of Frequently asked questions. However in case of any query of general interest, I would request the reader to forward the same on the following email address so that it can replied in our forthcoming issues. You may write to us on natrss@epfindia.gov.in.
"PF near you" - a quarterly e-newsletter from EPFO

EPF news is a quarterly e-newsletter for regular information updates regarding key developments in the social security sphere and EPFO specifically. This seeks to enhance the level of awareness regarding EPFO’s initiatives and programs among stake holders. nidhi news shall provide periodic update on social security scenario, EPFO’s practice and policies, fresh initiatives and other relevant information.

In keeping with the times, EPF news will be an e-newsletter that would enable it to reach the stakeholders at a faster pace. EPF news as e-newsletter shall be technology savvy, environment friendly and smart method of communication for a larger group.

Important News

Members please note that according to latest amendment to income tax laws, PF withdrawals before five years of continuous service will attract TDS (tax deducted at source) of 10 per cent. If PAN is not quoted to respective provident fund authorities when seeking withdrawal, the entire amount will attract maximum marginal Rate of approx. 35%.

PF Near You

In a further bid to extend the reach and quality of publicly managed income security programs through consistent and ever-improving standards of compliance and benefit delivery, we have adopted a new form and structure of Grievance Redressal mechanism named PF Near You, to reflect the changed ground realities regarding service delivery standards, in place of Bhavishya Nidhi Adalats.

The old nomenclature run the risk of being perceived as intimidating to the poor and the under-privileged and may put them off with its connotations of a courtroom atmosphere. PF near You moves away from a pure grievance redressal-centric approach to a broader and more participatory one.

News

We have upgraded the District Offices / Services Centres in Gangtok, Imphal, Aizwal, Itanagar and Dimapur to Special State Offices to focus on Compliance Monitoring, Grievance handling, Claims scanning and Forwarding etc.
Frequently asked Questions (FAQs)

How and when the establishments are covered?
Answer: Every establishment, which is engaged in, any one or more of the industries specified in Schedule-I of the Act or any activity notified by the Central Government in the Official Gazette, and employing 20 or more persons. The Act does not apply to Co-operative Societies / Establishments, employing less than 50 persons and working without the aid of power. An establishment which is not otherwise coverable under the Act can be covered voluntarily with the mutual consent of the employer and the majority of its employees under section 1(4) of the Act.

What are the benefits under the provisions of EPS'95, to the members and their families?
Answer: Benefits under EPS'95 are listed as below:
- Member Pension upon retirement/superannuation.
- Member Pension upon disablement while in service.
- Withdrawal Benefit upon leaving service after putting in less than 10 years but more than six months of service.
- Spouse Pension upon death of member.
- Spouse Pension upon death of member as pensioner.
- Children Pension along with spouse pension (up to age 25) for two children at a time.
- Children Pension along with spouse pension (up to age 25) for two children at a time.
- Disabled Child Pension to children/ orphan (life-long).
- Nominee Pension to the Nominee when no family exists.
- Orphan Pension when no family and nominee exists.
- Orphan Pension upon death or remarriage of spouse (up to age 25).

What is the process involved in the pension revision?
Answer: The Employees’ Pension Scheme’1995 is both a “defined contribution” scheme as well as a “defined benefit” scheme. As both contributions and benefits have been defined, the assets and liabilities are to be managed appropriately. The factors like interest rate, mortality rate, rate of wage increase, life expectancy are dynamic in nature and have impact on the Scheme. The Scheme design calls for continuous monitoring and careful calibration of both benefits and contributions so that the Scheme is sustainable and meets the aspiration of the members. To ensure the above, the scheme provides for annual valuation of the Scheme to find out whether the Scheme is actuarially adequate, actuarial surplus, which can be distributed to cohorts, or in the event the Scheme discloses deficit in the intervention to address such deficit. Further, in order to have further assurances on the sustainability, whether the scheme is actuarially fair etc.

What is the formula for determining pension under the EPS, 95?
Answer: Formula for calculating member pension under EPS 95 is as follows:-

\[
\text{Pension} = \left( \frac{\text{Pensionable Service} \times \text{Pensionable Salary}}{70} \right)
\]

The amount of member pension is directly proportional to Pensionable Service and Pensionable Salary.

What is the rate of interest declared by the Central Board of Trustees, EPF for the financial year 2013-14?
Answer: The Central Board of Trustees, EPF in its 202nd Meeting held on 13.01.2014 recommended 8.75% rate of interest for the financial year 2013-14 to its subscribers. The Central Government vide MOL&E letter no. R-11018/1/2014 dated 06.03.2014 has approved the rate of interest on EPF @ 8.75% for the financial year 2013-14.

What are the reasons of return of claims?
Answer: The reasons of return of claims are:
- Incomplete claims (no bank account no, incomplete employment details)
- Incorrect claims (wrong account no, incorrect personal details, etc.)
- Unattested claims
- Unsigned claims
- Default by employer in terms of remittance/returns

What is the grievance handling mechanism in the EPFO?
Answer: There is two-tier organizational structure of customer Service Division for handling and redressal of public grievances. At the Head Office level, this division is headed by Additional Central Provident Fund Commissioner and assisted by Regional Provident Fund Commissioner, Assistant Provident Fund Commissioner and Public Relation Officer. The Regional Provident Fund Commissioner of the regions and Officer-in-Charge of Sub-Regional Offices head the Customer Service Division in their respective offices and they are available for redressal of the grievance of the members on all working days. Each field office has a full-fledged facilitation centre and is manned by a Public Relation Officer. Apart from this all Zonal Additional central Provident Fund Commissioners in the country monitor the grievance handling system and attend grievances.

Who is an international workers (IW)?
An International Worker is:
(a) an Indian employee having worked or going to work in a foreign country with which India has entered into social security agreement and being eligible to avail benefits under a social security programme of that country, by virtue of the eligibility gained or going to gain, under the said agreement;
(b) an employee other than an Indian employee, holding other than an Indian passport, working for an establishment in India to which the EPF & MP Act applies.
April 2015

1. In the matter of M/s. Tasty Nut Industries v Union of India and Others, Supreme Court has held that till the Appellate Tribunal is constituted at Bangalore, the appeals that ought to have been filed at Bangalore and are filed in Delhi, no coercive steps shall be taken in respect of the cases which are required to be preferred before the Southern Tribunal to be situated at Bangalore. (For details please visit circulars section of www.epfindia.com at serial No.05)

2. The revised "SBI Life Sampoorna Suraksha" Policy, HDFC - Group Term Insurance Plan, has been approved by EPFO in lieu of EDLI, 1976. (For details please visit circulars section of www.epfindia.com at serial No.15&105)

3. Exide Life Group Term Life Policy & ICICI PruGroup Term plus Policy has been approved by EPFO in lieu of EDLI, 1976. (For details please visit circulars section of www.epfindia.com at serial No.205&206)

4. Consequent to a meeting of CPFC with BSNL Officials and President of BSNL Casual & Contract workers federation, BSNL agreed to comply with the Act in respect of Casual Labour engaged directly by them and through contractors from 01.10.2000 (For details please visit circulars section of www.epfindia.com at serial No. 48)

5. Zonal ACCs have been directed to ensure that no grievance is pending for more than 15 days with EPFO. (For details please visit circulars section of www.epfindia.com at serial No. 50)

6. The Act and the EPF Scheme doesn’t provide any discretion on the Inquiry authority in respect of Levy of Damages. Only the Central Board of Trustees has the power to reduce or waive damages. (For details please visit circulars section of www.epfindia.com at serial No.51)

7. Program PRAGATI- It has been decided that no grievance shall be pending for more than 15 days at any field office. If the same is pending for more than 15 days, RPFC-II shall personally review the case and Action taken report (For details please visit circulars section of www.epfindia.com at serial no. 64)

May 2015

1. It has been decided to implement Jeevan Pramaan-Aadhaar based Online Pensioners’ Digital Life Certificate for pensioners under EPS, 95. Under this a pensioner can provide digital proof of being alive to EPFO instead of submitting physical certificates. (For details please visit circulars section of www.epfindia.com at serial No.83)

2. EPFO has decided to open Special State Offices at Gangtok, Itanagar, Impal, Aizwal & Dimapur in the North Eastern states to look after compliance monitoring, Grievance Handling, Claim Scanning and forwarding etc (For details please visit circulars section of www.epfindia.com at serial No.99)

3. With a view to give wider publicity to initiatives taken by EPFO such as UAN, online help desk, OLRE etc., camps were held at in all major industrial belts / commercial hubs under the jurisdiction of our Field offices. Accordingly, a total of …… camps were held across the country. (For details please visit circulars section of www.epfindia.com at serial No.101)

4. Central Government has revised the investment pattern for the incremental funds managed by EPFO. (For details please visit circulars section of www.epfindia.com at serial No.104)

5. The Finance Act, 2015 has mandated that Income Tax shall be deducted at source (TDS) if at the time of payment of the accumulated PF balance is more than or equal to Rs.30,000/-, with service less than 5 years. (For details please visit circulars section of www.epfindia.com at serial No.110)

6. The functionality for allotting UAN to new employees of exempted establishments who have joined after 01/09/2014 and where wages more than Rs.15,000/- have been made available to the employers. (For details please visit circulars section of www.epfindia.com at serial No.111)

June 2015

1. EPFO has adopted a new form and structure of Grievance Redressal mechanism named “PF Near You” or “Nidhi Aapke Nikat” to reflect the changed ground realities regarding service delivery standards, in place of Bhavishya Nidhi Adalats. (For details please visit circulars section of www.epfindia.com at serial No.148)

2. Central Government has given a revised the investment pattern for the funds managed by Exempted Establishments. (For details please visit circulars section of www.epfindia.com at serial No.150,152&208)

3. It has been decided that NACO and their societies does not full fill the criteria laid under Gol notification dated 14/05/2010 and accordingly are not excluded from the operation of the EPF & MP Act. (For details please visit circulars section of www.epfindia.com at serial No.157)

4. In Para 9 of EPS’95 regarding Determination of Eligible Service, the words, actual service has been substituted with contributory service. For details please visit circulars section of www.epfindia.com at serial No.162)

5. Administrative charges to be paid by employers have been reduced from 1.10% to 0.85% with effect from 1st January, 2015. excess amount of administrative charges deposited is to be adjusted by the employers while remitting the administrative charges of following/current month. (For details please visit circulars section of www.epfindia.com at serial No.163 & 164)

6. Central Government has made it mandatory for employers to pay their statutory dues under the Act through Internet Banking. (For details please visit circulars section of www.epfindia.com at serial No.176)

7. Central Government has made it mandatory for members to fill up their Form 11, at the time of joining and seed the KYC details in EPFO before seeking any services from EPFO. (For details please visit circulars section of www.epfindia.com at serial No.180)
EPFO has rolled out UAN program which is a 12-digit number allotted to employee who is contributing to EPF. The main objective behind this new function is to capture KYC details of its members in order to eliminate the dependency on the employer and improve the quality of service. The main features included portability of UAN, downloadable UAN card, updated e-passbook, Confirmation through SMS & e-mail for receipt of monthly contributions, etc. In May, new functionality was provided to exempted establishments to generate UAN for members who get more than Rs. 15,000 wages & joined after 01/09/2014. UAN based search is also added into MIS portal.

From June, UAN has become mandatory for all members so that benefits could reach all members in timely manner.

"We have notified the draft order to make UAN compulsory for all organisations covered under the EPF & MP Act," EPFO’s Central Provident Fund Commissioner K K Jalan

PF aapke dwar

With a view to give wide publicity for the initiatives taken by the organization, we had organized camps in major industrial belts and commercial hubs under the jurisdiction of the field offices. These were public meetings coordinated by industrial associations and were attended by senior officials of the respective offices along with large number of members. Additionally, the officials also took up grievances of the members and facility for on-spot activation of UAN was also provided. Total of .. Camps were held all over India. Few photos taken in the Camps.
EPFO updates all accounts (15.5 cr) on 1st April itself

For the first time in the history of EPFO, accounts of all 15.54,20,749 members have been updated on 1st April 2015 itself. Earlier this work used to take years. The exercise has also enabled EPFO to know the status of inoperative and active accounts in a fairly reasonable manner. It has been found that 6, 56,06,009 accounts are active, 8,08,56,444 accounts are inoperative and 89, 58,296 accounts are already settled. This unique feat was made possible by extensive digitization of the process in all offices of EPFO. Shri Bandaru Dattatreya, Minister of State (IC), for Labour & Employment, has complimented EPFO for achieving this major milestone on the first day itself of the FY 2015-16.

Mandatory Deposit of Contributions through Internet Banking

The Central Government has made it mandatory for employers to pay the statutory PF contributions through Internet Banking, employer who makes payment of less than Rupees one lakh in a particular month as contributions shall have the option to make such payments through bank drafts or banker’s cheques or cheques drawn only on the local bank as was being done earlier till September 2015.

EPFO to invest in Equities

As part of a reform drive of the Government of India, aimed at boosting the economy, we will start investing a part of its corpus in equities in the form of exchange traded funds (ETFs) from July 2015. A decision in this regard was taken at the meeting of central board of trustees (CBT), the apex decision-making body of EPFO on March 31 and subsequently the Labour Minister had given EPFO a direction through a notification on April 23 for investment of 5% of its corpus into ETF. This would enable the us to invest around Rs.6000 to 7500 Crore of incremental corpus in ETF. It may be interesting to note that we received a contribution of Rs.94,762.09 Crore for the FY ending 2014. We currently manage retirement corpus of more than Rs.700,000 Crore, (including the exempted establishments) and invests predominantly in Government Securities. Hence, EPF dues electronically.

EPFO Website-An information Trove

- A member can view online the status of his Claim submitted to PF Office
- An employee working for an establishment can check whether the establishment in which he/she is working is covered under the EPF & MP ACT 1952
- He/she can also check whether his/her PF deductions are deposited by the employer. Facility is now available for online transfer of member accounts in the event of change of job / location through On-line Transfer of Claims Portal.
- A member can register himself/herself on the Member Portal and view and download his/her e-passbook having transaction wise details in PF Account.
- ECR is an on-line portal where establishments upload statutory returns
- The establishments can now remit EPF dues electronically.
- The establishments can now register on-line for getting a EPF registration number.
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Claims/Grievance Data

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