



EMPLOYEES' PROVIDENT FUND OFFICERS' ASSOCIATION

EMPLOYEES' PROVIDENT FUND ORGANISATION

Ministry of Labour and Employment, Government of India

(Regd No. 33/2015)

**Meeting of EPF Officers' Association with
the Hon'ble Secretary (L&E)**

For

**Submission of Strong Dissent to the
Proposal of Deputation in EPFO**

&

**For the Immediate Implementation of
Cadre Restructuring in the Organisation**

[In response to MoL&E's letter bearing number No. F. No.A-
32022/10/2014-SS.I dated August 21, 2015]

epfoaindia@gmail.com

www.epfoa.in

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PART – A

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के. जालान, भा.प्र.से.

कर्मचारी भविष्य निधि आयुक्त

K. Jalan, IAS

Central Provident Fund Commissioner



कर्मचारी भविष्य निधि संगठन

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)

मुख्य कार्यालय : भविष्य निधि भवन,

14, भिकाजी कामा प्लेस, नई दिल्ली-110068

दूरभाष : 011-26172671, फैक्स : 011-26189910

Employees' Provident Fund Organisation
(Ministry of Labour & Employment, Govt. of India)

Head Office : Bhavishye Nidhi Bhawan,

14, Bhikaji Cama Place, New Delhi-110 068

Phone : 011-26172671, Fax : 011-26189910

August 12, 2015

D.O.No.HRD/1(1)2011/Cadre-Restructuring /411.

Respected Sir,

At the outset, I thank you for your directions due to which EPFO could start participating in equity w.e.f. 6.8.2015. I also thank you for issuing directions for making Universal Account Number (UAN) mandatory for EPFO subscribers. As on today, more than one crore employees have already activated UAN.

2. Lately, we have seen that the fund size of the EPFO has increased considerably. The way fund size has increased, it is expected to cross 10 lac crores by March, 2019 and 20 lac crores by March, 2025. In such a scenario, it becomes imperative to look at the HR issues of the Organization.

3. Presently EPFO is being run by the Group 'A' officers of the EPFO. There are only two officers on deputation, i.e., Financial Advisor & Chief Accounts Officer and Chief Vigilance Officer. As the fund size is increasing, there is a need to segregate the post of FA & CAO. Seeing the state of accounts, it would be even better if we have two officers in the accounts section from outside, probably belonging to Indian Audit & Accounts Service or Indian Civil Accounts Service; one at JS level and another at Director level to take care of the accounts of the EPFO. Similarly, we need to have two officers (probably one from the Indian Administrative Service and one from Indian Revenue Service) for management of EPFO fund as over the years a major investment wing will have to be created within the EPFO itself.

4. Core HR issues i.e. recruitment, posting, transfer etc. of officers & officials are also critical for the Organization. I am of the considered view that the management of HR issues in such an Organization needs to be handled at second level by a dispassionate person, not by Group A officer of EPFO. I would suggest that one JS level IAS officer be posted to look into the HR issues of the Organization. He can be supported by a Director level officer belonging to Civil Services & other Group A officers of EPFO. Further, it would be better for the Organization if some deputationists are allowed to be brought at the level of Additional CPFC I & II. To start with 20% of 25 posts can be earmarked for deputationists. Bringing deputationists would require amendments in the Addl.CPFC (Hqrs.), Recruitment Rules, 2013, Addl.CPFC-I, Recruitment Rules 2013 and Addl.CPFC-II, Recruitment Rules 2013.

5. I would like to request your goodself that a thought may be given to the issue in the Ministry & to start with, a meeting may be held to finalize the changes which needed to be brought in EPFO.

With best regards,

Yours sincerely,


(K.K. JALAN)



EMPLOYEES' PROVIDENT FUND OFFICERS' ASSOCIATION
EMPLOYEES' PROVIDENT FUND ORGANISATION

Ministry of Labour and Employment, Government of India
Bhavishya Nidhi Bhawan, N.G.O. 'B' Colony, Tirunelveli - 627007 Tamil Nadu
(Regd No. 33/2015)

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PATRON

G.Sanjeeva Reddy,
MP (RAJYA SABHA)

PRESIDENT

D P Bhattacharya,
Regional PF Commissioner (II)

SECRETARY GENERAL

Saurabh Swami,
Regional PF Commissioner (II)

Joint Secretary General
Ashish Kumar, RPFC-II

Treasurer
C R Vikraman, APFC

Vice Presidents:

(Tamil Nadu & Kerala)
Himanshu Kumar, RPFC-II

(Maharashtra & Chattisgarh)
Manoj Kumar, RPFC-II

(Gujarat & Madhya Pradesh)
Ashwini Kumar Gupta,
RPFC-II

(Karnataka & Goa)
Shailendra Kumar, APFC

(West Bengal, NER &
Jharkhand)
Abhijeet Kundu, APFC

Dated: 14.08.2015.

To,

Shri Shankar Aggarwal, I.A.S.,
Secretary to Government of India,
Ministry of Labour & Employment,
Shram Shakti Bhawan,
NEW DELHI 110001

Sub: DO letter no. HRD/1(1)2011/Cadre-
Restructuring/411 dated 12.08.15 addressed by
CPFC to Secretary (L&E) - strong dissent &
condemnation by the EPF Officers' Association
and immediate implementation of cadre
restructuring in EPFO. - reg.

Sir,

It has been learnt by the EPF Officers' Association that the CPFC, EPFO has issued a DO letter to your good self, as cited above, wherein he has recommended for entry of deputationists into the organisation's core functions. At the outset the EPF Officers' Association would like to register its strong dissent against above letter of the CPFC & would request for your kind indulgence to allow us to explain our principled stand in the matter as below.

The CPFC by his tone, tenor & content, in afore cited letter, has expressed a deep bias against & contempt for the EPF Officers' community as a whole. He has made several unsubstantiated remarks based on false notions which lack any real grounding in facts whatsoever. Although some of the issues that the CPFC has raised are real, however, the logical conclusions arising from these issues have been purposefully avoided & the facts have been misconstrued to justify predetermined conclusions.

A para-wise analysis of the argument present in afore cited letter is as below:

1. Para number 1 & 2 of the afore cited DO letter correctly state that under recent able guidance of the Ministry of Labour certain paradigm-changing decisions have been taken and as a result, EPFO is growing at a very fast rate & in view of projected future growth, it is imperative to look at the HR issues of EPFO. Unfortunately, after stating the above, the letter deviates from facts and moves into the realm of baseless conjectures.
2. The first line of the Para 3, of the afore cited DO letter, states that EPFO is being run by Group A officers of EPFO. However, a thoughtful analysis shows that this statement does not bear dispassionate scrutiny of facts. EPFO is run by the "Central Board of Trustees" & the "Executive Committee". As per the EPF Act and the rules of financial & administrative delegation framed there under, almost all the powers for effectively running the organisation are vested with either the CBT or the EC or in the office of the CPFC. And you may appreciate that the office bearers of all these bodies are "outsiders" or "dispassionate" persons. EPFO Group A officers work under the overall command & control of above offices and are ex-officio members of none of them. In the backdrop and forecasted increase in fund size of EPFO, the CPFC suggestion about changes in leadership team of EPFO is very welcome. However, such a change demands a thorough analysis of national and international best practices, views of Administrative Reforms Commissions

and other such recommending bodies. The prescription of a disease can't be worse than the disease itself and any such suggestion has to be backed by empirical evidences rather than pure whims and biases.

3. With successful implementation of new initiatives, it is evident that the organization's direction is very much dependent upon leadership and such a leadership needs to have consistency in its approach. EPFO, with such a large fund size (Rs 20 lakh crore as projected in the afore cited DO letter) will become increasingly unwieldy to be headed by a single Central PF Commissioner. It may also be noted that all organizations with such a large money reserve perform well when decisions are taken after considerable deliberations and involve multiple viewpoints. Therefore, we propose that EPFO also reflect the wisdom acquired by other similar agencies (such as LIC, CBDT, CBEC, Railway Board, etc.) and gears itself for future challenges by having a board like structure to manage rather than being headed by an individual. This will make the task of managing EPFO easy by bringing in more expertise which can have detailed analysis and then make decisions. Also, we are of the considered opinion that creating specialization within is better than borrowing from outside, for officers from within have developed a perspective over years which will be wanting in officers from outside whose careers have been in wholly unrelated services. The ideal way to cater to future challenges will be to have mid-career trainings and grooming talent from within by building domain expertise through exposure as advocated by 2nd Administrative Reforms Commission. The EPFO performs specialised services and the officers in other services such as IAS, IRS, IA&AS, ICAS, etc. do not deal with similar issues in their regular service. It is not understood how an officer of IA&AS or ICAS who does not have any grounding in accounting system of the organisation, does not understand the historical perspective or the actual functioning of EPFO offices will provide a better solution to the problems of accounts. In fact the post of FA&CAO has been

always ex-cadre & the so-called "state of accounts" cannot now be cited as EPFO officers doing. Reality is that, EPFO officers have been working tirelessly for the past year and more to rectify the situation and as a result the state of negative member balances, inoperative accounts, un-reconciled establishment accounts has improved drastically. Similarly, fund management is a highly specialised function for which individuals in private sector train professionally for years and acquire specialised degrees, therefore, to expect that an IAS or IRS officer, though he may be very competent in his own field, on a five year deputation in EPFO shall be able to take such major fund investment decisions without any relevant academic or professional qualification or experience is preposterous. In fact any disastrous investment decision taken by an unqualified officer shall devastate the social security structure of the nation. If required, as stated above, at mid-career level, officers of EPFO can be groomed for specialised functions and their existing experience in social security is an added advantage. Those who have worked in Investment Monitoring Cell of EPFO will be better placed to take major investment decisions later on. Second Administrative Reforms Commission strongly advises to develop expertise even to "generalists".

4. Ministry of Finance has developed its specialised cadre of officials and with growing importance of labour related issues, it is logical that Ministry of Labour & Employment emulate this and develop world class cadre of officers. And thus as a long term solution, Ministry of Labour & Employment should take steps to put in practice a service by name "Indian Social Security Service" and groom these officers for future challenges.
5. The fact is that the organisations which have most of their senior hierarchy imported from outside have consistently failed in delivering good performance, while organisations such as ONGC, LIC, SBI, etc which have their own cadre of officers have consistently delivered. This is analytical and in sync with existing best practice of Enforcement machinery such as Central

Board for Direct Taxes (CBDT), Central Board of Excise & Customs (CBEC) or Regulatory Bodies such as RBI, SEBI, IRDA. Such a vast organization needs consistency in approach for realizing the goals of social security and high returns for its members, which is only possible with multi-member & permanent body for carrying out executive functions. Thus, to maintain the consistency in leadership, the right solution, considering best practices & other host of recommendations, is replacement of the post of CPFC with an "Executive Board".

6. In para number 4 of the DO letter cited above, comes to the meat of the matter. The actual issue plaguing EPFO is non-existent HR policies. An organisation which is projected to grow at such rapid pace is manned by a highly demoralised & de-motivated cadre of officers. And the principle reason for the same is that EPFO has never had any comprehensive cadre review or restructuring, while *ad-hocism* has been the order of the day since inception. Unfortunately, the logic of the afore cited letter has played a cruel joke on EPFO officers by subverting their legitimate demand for cadre restructuring for its own nefarious purposes. As analysed in above para, EPFO is already headed & controlled by "dispassionate" persons.
7. A view may be taken that non-implementation of cadre-restructuring despite clearer instruction of even Hon'ble Supreme Court as well as the Union Ministry of Labour is because of apathy of the "dispassionate" person at the helm of affairs in the organization whose career interests are not aligned with that of other officers of organization. Examples such as Air India, BSNL /NTC/ MTNL are rife where dominance of officers from outside with no stake in organizational growth and development has resulted in destruction of such organizations and considering these issues the Government has started posting of en-cadre officers as head of many such organisations. It is a well known management practice that interest of stakeholders shall be aligned with that of the organization and any deviation results in disastrous

consequences. It is painful to observe that the proposed solutions are not in sync with any analytical thought, national existing best practice, and empirical evidences or as per recommendation of Administrative Reforms Commissions. Certainly such sensitive matters can't be left to individual whims whomsoever the individual maybe.

8. The CPFC has stated that it is his "considered view" that deputationists are needed in various decision making levels of EPFO, without showing any basis of such consideration. In fact the issue of deputationists has been resolved earlier by court in favour of EPFO officers. Even the Ministry of Labour had recently at the time of framing of recruitment rules of ACC-level officers felt that to cover all exigencies the option of deputation in recruitment should be permitted in the rules, however, later the Ministry its wisdom, re-visited its own decision and has withdrawn the said letter by issuing a corrigendum. The CPFC DO letter ignores all these facts and reopens an issue which has already been decided. A prevalent view amongst the officers' community is that the real intention of said DO letter is to attempt to deviate the focussed attention of the Ministry from actual pending issue of cadre restructuring in EPFO and entangle the matter in unnecessary complexities so as to ultimately derail the progress made in past few years. However, in doing so the CPFC has also thoughtlessly derailed the excellent progress being made by EPFO under your able guidance in all the functional areas and created a non-issue for industrial unrest within the organisation.
9. It is with above reasons that I on behalf of the EPF Officers' Association and with the concurrence of EPFO officers humbly request your good self to direct the CPFC to immediately withdraw his afore cited DO letter which is deeply damaging to the future of the organisation & direct the cadre review committee formed by your good self to immediately submit its long delayed report which is overdue since 30.06.15.

10. Furthermore, I urge your good self to direct EPFO to immediately implement cadre review as approved in the 72nd EC Meeting. I would also like to submit to your good self that during the past two days the EPF Officers' Association has received written communications from all EPFO offices across the nation, expressing strong dissent towards the afore cited DO letter & formally authorising the EPF Officers' Association to call for pan-India protest through constitutional means if so required. Accordingly, I once again request your good self, in the long term interests of the organisation and all the stakeholders, to resolve the issues, viz. issuance of directions for withdrawal of afore cited DO letter of CPFC & issue direction for immediate implementation of cadre restructuring in EPFO.

Thanking you.

Yours faithfully,

A. Swami

(Saurabh Swami)
Secretary General

No. A-11013/1/2011-SS.I
Government of India/Bharat Sarkar
Ministry of Labour & Employment/Shram Aur Rozgar Mantralaya

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated the 12th August, 2013

To

The Central P.F. Commissioner
EPF Organisation,
Bhavishya Nidhi Bhawan,
14, Bhikaji Cama Place,
New Delhi-110066

Subject: Cadre restructuring consequent upon rapid expansion of EPFO-reg.

Sir,

I am directed to refer to this Ministry's letter of even No. dated 8.7.2013 on the subject and to say that matter has further been examined in this Ministry.

2. It is felt that flexibility in RRs should be there for higher level posts to cover all exigencies which may be there. The method of recruitment should have option of deputation also.
3. CPFC is, therefore, requested to re-examine the matter and submit revised RRs to this Ministry at the earliest.

Handwritten:
13/8/13
File

Yours faithfully,

Handwritten signature of Georgekutty T.L.
(Georgekutty T.L.)

Under Secretary to the Govt. of India
Telefax: 23765232

No. A-11013/12011-SS.I
Government of India/Bharat Sarkar
Ministry of Labour & Employment/Shram Aur Rozgar Mantralaya

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 25th September, 2013

To
The Central P.F. Commissioner
EPF Organisation,
Shram Shakti Bhawan,
14, Shikaji Cama Place,
New Delhi.

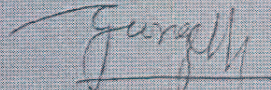
Subject: Cadre restructuring consequent upon rapid expansion of EPFO- reg.

Sir,

I am directed to refer to this Ministry's letter of even No. dated 12.8.2013 on the subject wherein the method of recruitment of deputation was suggested to be included in the recruitment rules for higher level posts in EPFO and to inform that this letter dated 12.8.2013 stands withdrawn.

2. This issues with the approval of Secretary (L & E).

Yours faithfully


(Georgekutty T.L.)

Under Secretary to the Govt. of India
Telefax: 23765232

9/5/13

Central Administrative Tribunal
Principal Bench,

21/35 Electronics Bldg.
No. D-2/1-110001

Date: 25/7/07

Principal Registrar
Central Administrative Tribunal
(P) New Delhi.

1. Sh. L. R. Khattar.
Counsel for the applicant.
CAT Bar Room, New Delhi

✓ 2. Sh. V. S. R. Khattar.
Counsel for the respondent.
CAT Bar Room,
New Delhi

1/10/07
10/3/07
12/11/07

Employer's Counsel and
Assistant.

1937 MA No. 170/04
MA 1531/06

U. O. 1/07
Respondent.

1/11/07
1/11/07
1/11/07

Attention to forward herewith a copy of Judgment/Order
of this Tribunal in the above matter
and to take any necessary action if any.

Enclosure to the record.

1937 MA No. 170/04
MA 1531/06
1/11/07
1/11/07
1/11/07

CENTRAL ADMINISTRATIVE TRIBUNAL
PRINCIPAL BENCH

OA 970/2004
MA 1531/2006

New Delhi, this the 19th day of July 2007

HON'BLE MR. MUKESH KUMAR GUPTA, MEMBER (J)
HON'BLE MR. V.K. AGNIHOTRI, MEMBER (A)

1. Employees Provident Fund Officers' Association
Through its Secretary-General
T.D. Sudheendra Kumar
S/o Shri T. Ramechandran,
Aged about 52 years
R/o Ground Floor,
Bhavishya Nidhi Enclave,
24, Pato Plaza, Panjim, Goa
And Employed As
Regional Provident Fund Organisation,
24, Pato Plaza,
Panjim, Goa
2. Surjeet Kumar Khanna
S/o Late Shri Yash Pal Khanna,
Aged about 52 years
R/o 5, Bhavishya Nidhi Enclave,
Marviya Nagar,
New Delhi
And Employed As
Additional Central Provident Fund Commissioner
In Employees Provident Fund Organisation,
(South Zone),
No. 3-4-753, Barkatpura Chaman,
Hyderabad
3. Kamlesh Chandra Pandey,
S/o Late Shri J.P. Pandey
Aged about 51 years
R/o C-43, Barram Nagar,
Lohi, Ghaziabad
And Employed As
Regional Provident Fund Commissioner-I,
In the Employees Provident Fund Organisation,
Bhavishya Nidhi Bhawan,
14, Bhikaji Cama Place,
New Delhi-110065
4. S.K. Pandey
S/o Late Shri N.P. Pandey,
Aged about 58 years
R/o R21-34, Old Som Bazar Gali, Mehari Enclave,
New Delhi-110045
And Employed As
Regional Provident Fund Commissioner-I

3-4-763, Barkatpura Chaman,
Hyderabad

36 P.M. Mathew
S/o Shri. P.C. Matahi
Aged about 51 years.
R/o Quarter No.1,
Bhavisya Nidhi Enclave,
Vamanjore, Mangalore
And Employed As
Regional Provident Fund Commissioner-II
in the Employees Provident Fund Organization,
Bhavisya Nidhi Bhawan,
No.13, Raja Ram Mohan Roy Road,
Bangalore

37 Sanjay Kumar
S/o Dr. Rajendra Thakur,
Aged about 35 years.
R/o Qr. No.4, Nidhi Vihar,
Jyoti Nagar, Jaipur
And Employed As
Regional Provident Fund Commissioner-II
in the Employees Provident Fund Organization,
Bhavisya Nidhi Bhawan,
Jyoti Nagar, Jaipur

38 Radha Krishan,
S/o Shri Bhagirath,
Aged about 40 years,
R/o Block No.6, Sector 5,
New Shimla, Phase-III
Shimla-9.
And Employed As
Regional Provident Fund Commissioner-II
in the Employees Provident Fund Organization,
Bhavisya Nidhi Bhawan,
Block No.34, I & II Floor,
SDA Complex, Kasumpti,
Shimla-05

Applicants

(By Advocate Shri L.R. Khatana)

Versus

1 Union of India
Through the Secretary,
Ministry of Labour,
Government of India,
Shram Shakti Bhawan,
Rafi Marg,
New Delhi-110001

2 Central Board of Trustees,
Employees Provident Fund
Through Chairman,
Shram Shakti Bhawan,



Rafi Marg,
New Delhi-110001

3 Central Provident Fund Commissioner,
Employees Provident Fund Organisation,
Bhavishya Nidhi Bhawan,
14, Bhikaji Cama Place,
New Delhi-110066

4 Shri R. K. Mahajan,
Additional Central Provident Fund Commissioner,
Employees Provident Fund Organisation,
Bhavishya Nidhi Bhawan,
14, Bhikaji Cama Place,
New Delhi-110066

5 (Mrs.) Satbir Sitas,
Additional Central Provident Fund Commissioner
And Director (NATRSS),
30-31, Institutional Area,
Janakpuri,
New Delhi-110058

6 Shri Laik Ram Dabas,
Additional Central Provident Fund Commissioner
(North Zone),
30-31, Institutional Area,
Janakpuri,
New Delhi-110058

7 Shri Somesh Arora,
Additional Central Provident Fund Commissioner,
Bhavishya Nidhi Bhawan,
11, Bandra East,
MUMBAI

8 Shri Rajeshwar Yadav,
Additional Central Provident Fund Commissioner, and
Officer on Special Duty to Hon'ble Union Labour Minister,
And Chairman, Central Board of Trustees,
Employees Provident Fund Organization,
Shram Shakti Bhawan,
Rafi Marg,
New Delhi-110001

9 Shri L. K. S. Dehiya,
Additional Central Provident Fund Commissioner,
Employees Provident Fund Organisation,
9th Floor, Mayur Bhawan,
Connaught Circus,
New Delhi-110001

10 Shri S. S. Rana,
Regional Provident Commissioner Grade-I,
Bhavishya Nidhi Bhawan,
Sector 15-A, Near Fire Brigade,

Fardabad-121 007

11. Shri O.P. Chaudhary,
Regional Provident Fund Commissioner Grade-I
Pradhikaran Bhawan,
6th - 9th Floor,
7 Dr. R.s. Bhandari Marg,
(Race Course Road)
Indore- 452003

Respondents

By Advocate Shri V.S.R. Krishna)

ORDER (ORAL)

By Mukesh Kumar Gupta:-

OA had been earlier dismissed in default vide order dated 12.12.2005. Immediately thereafter, MA 2402/2005 was filed by applicants for revival of said OA and recalling of aforesaid order, dismissing OA in default. No specific order restoring said OA has been filed till date. In view of statement made by Sh. V.S.R. Krishna, learned counsel for respondents that he has no objection to recall of said order & restoring OA to its original number, order dated 12.12.2005 dismissing OA in default is recalled and it is restored to its original number.

2. Present application has been filed by Employees Provident Fund Officers Association along with its 37 members holding various posts in the organization known as Employees Provident Fund Organization, challenging validity of appointment of respondent nos 4-11 on deputation in the cadre of Additional Central Provident Fund Commissioner / Regional Provident Fund Commissioner Grade-I (hereinafter referred as Additional CPFC / RPEC Grade-I). They further seek direction to respondents to consider them for said posts & grade for promotion in their place, in terms of rules, which were notified on 30.8.1999. Contention raised is that appointment on deputation of respondents no.4-11 violated the provisions of said rules particularly when they (applicants) were eligible for promotion to the said post, were ignored from consideration, though some of them were granted adhoc promotion

(24)

instead of regular promotion. As per aforesaid rules, Additional CPC had sanctioned strength of eight, while for the grade of RPFC Grade-I, sanctioned strength was 28. Respondent nos 4-9 were taken on deputation as Additional CPC while respondent nos. 10-11 were appointed as RPFC Grade-I on deputation.

3. Shri L.R. Khatana, learned counsel for applicants fairly stated that period of deputation of respondent nos. 4-11 have since expired and all of them stood repatriated to their parent department. As on date none of them is occupying said post of either Additional CPC / RPFC Grade-I. What has been emphasized by applicants is that their right of consideration cannot be defeated and those who were granted adhoc promotion, have to be treated as regular from the date they became eligible and were granted such adhoc promotion so that their future career prospects is not adversely affected particularly when respondents failed to take administrative steps of convening DPCs & to consider them for promotion, as required under rules & law on the said subject.

4. Shri V.S.R. Krishna, learned counsel for official respondent nos. 1-3 on the other hand, contended that it is no doubt true that there was vacancies available in different cadres of Additional CPC / RPFC Grade-I but contended that since applicants were not eligible for concerned posts, they could not be promoted on regular basis. Those who were eligible were granted at least adhoc promotion. In the absence of eligible persons being available, the recourse was taken to appointment on deputation basis. Such action cannot be termed either unjust or arbitrary what to say illegal.

5. We heard learned counsel for parties & perused the pleadings.

6 As respondent² nos 1-2 is statutory body and governed by an Act of Parliament known as Employees Provident and Miscellaneous Provisions Act 1952 as well as various regulations framed under said Act, respondents being "State" as well as "other authority" under the provisions of Article 12 of Constitution of India, ^{are} ~~is~~ duty-bound to regulate public appointments in terms of rules & regulations on the said subject.

7 We have given thoughtful consideration to all aspects of case and are of the view that respondent nos.3-11 being no longer serving respondents' organization in the capacities in which they had been taken on deputation in various years, validity of their appointment at this stage need not be adjudicated, as the issue raised had been rendered only academic in nature, and in such circumstances we would not like to go into these aspects at this belated stage. However, we are of the considered view that respondents have to consider those who were eligible and within zone of consideration viz-a-viz number of clear vacancies available in the cadre of Additional CPFC / RPFC Grade-I based on rules, as noticed hereinabove as well as law laid down by Hon'ble Supreme Court in *Union of India vs. N.R. Banerjee* by holding year-wise DPCs. If applicants who are / were eligible at least on the date when respondents had taken respondent nos.4-11 on deputation, they should by holding year-wise DPC consider them and if they are found fit in accordance with rules & law, they are required to regulate their appointment, seniority as well as fixing their pay on notional fixation but without any arrears. It goes without saying that in ^{case} some persons, who are promoted from earlier dates, have retired in the meantime, their pensionary benefits will have to be regulated in accordance with rules & law and based on orders passed.

8 We have passed aforesaid order keeping in view the latest Hon'ble Supreme Court law on the subject that even in cases where orders passed by concerned authorities either of dismissal or termination, are held to be violative of rules & law as well as on various grounds in the given situation, arrears can't be paid as a matter of right.

9 Aforesaid exercise shall be carried out by respondents within a period of four months from the date of receipt of a copy of this order. We are also of the view that if some of applicants, who were promoted on adhoc basis to the concerned posts, are found to be not suitable for any reasons, detailed, reasoned & speaking order should be passed in respect of each claimant and eligible officer.

9 With above directions, OA stands disposed of. No costs.

(V.K. Agnihotri)
Member (A)

(Mukesh Kumar Gupta)
Member (J)

/gkkl

25.7.07

PART – B

Implementaion of Cadre Restructuring in EPFO

EPF & MP ACT - 1952

50. Appointment of officers. — (1) The Central Government shall appoint a Central Provident Fund Commissioner who shall be the chief executive officer of the Central Board and shall be subject to the general control and superintendence of that Board.

(2) The Central Government may also appoint a Financial Adviser and Chief Accounts Officer to assist the Central Provident Fund Commissioner in the discharge of his duties.

(3) The Central Board may appoint, subject to the maximum scale of pay, as may be specified in the Scheme, as many Additional Central Provident Fund Commissioners, Deputy Provident Fund Commissioners, Regional Provident Fund Commissioners, Assistant Provident Fund Commissioners and such other officers and employees as it may consider necessary for the efficient administration of the Scheme, the Pension Scheme and the Insurance Scheme.

(4) No appointment to the post of the Central Provident Fund Commissioner or an Additional Central Provident Fund Commissioner or a Financial Adviser and Chief Accounts Officer or any other post under the Central Board carrying a scale of pay equivalent to the scale of pay of any Group 'A' or Group 'B' post under the Central Government shall be made except after consultation with the Union Public Service Commission.

Provided that no such consultation shall be necessary in regard to any such appointment —

(a) for a period not exceeding one year; or

(b) if the person to be appointed is at the time of his appointment —

(i) a member of the Indian Administrative Service; or

(ii) in the service of the Central Government or a State Government or the Central Board in a Group 'A' or Group 'B' post.

(5) A State Board may, with the approval of the State Government concerned, appoint such staff as it may consider necessary.

(6) The method of recruitment, salary and allowances, discipline and other conditions of service of the Central Provident Fund Commissioner, and the Financial Adviser and Chief Accounts Officer shall be such as may be specified by the Central Government and such salary and allowances shall be paid out of the fund.

(7) (a) The method of recruitment, salary and allowances, discipline and other conditions of service of the Additional Central Provident Fund Commissioner, Deputy Provident Fund Commissioner, Regional Provident Fund Commissioner, Assistant Provident Fund

Commissioner and other officers and employees of the Central Board shall be such as may be specified by the Central Board in accordance with the rules and orders applicable to the officers and employees of the Central Government drawing corresponding scales of pay.

Provided that where the Central Board is of the opinion that it is necessary to make a departure from the said rules or orders in respect of any of the matters aforesaid, it shall obtain the prior approval of the Central Government.

(b) In determining the corresponding scales of pay of officers and employees under clause a, the Central Board shall have regard to the educational qualifications, method of recruitment, duties and responsibilities of such officers and employees under the Central Government and in case of any doubt, the Central Board shall refer the matter to the Central Government whose decision thereon shall be final.

(8) The method of recruitment, salary and allowances, discipline and other conditions of service of officers and employees of a State Board shall be such as may be specified by that Board, with the approval of the State Government concerned.



Chapter – 1

INTRODUCTION**1.1 PROLOGUE**

- 1.1.1 The EPFO was set up in 1952 under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the Act"), to cater to the social security needs of industrial employees. From a small organisation charged with the responsibility of administering provident fund, the EPFO has grown into a giant organisation over a period of fifty years. The phenomenal growth of EPFO in size and complexity can be discerned from the fact that it presently covers 4.08 lakh establishments [1400 in 1952-53], caters to 411 lakh members [12 lakhs in 1952-53], administers three schemes, i.e., Provident Fund, Pension and Deposit Linked Insurance [Provident Fund in 1952-53], and has a complement of 18,709 as at the close of the accounting year 2004-05. The rate of growth in terms of the number of members served by the EPFO is of the order of a staggering 3425% in five decades, i.e., between 1952-53 and 2004-05. The unprecedented all-round growth in different sectors of the economy during the past 5-6 years and, more importantly, the phenomenal growth in the service, information technology and IT-Enabled Services (ITES) are likely to bring more and more employees within the purview of the Act. The move of the Government of India to extend social security benefits to the hitherto untapped sections of people engaged in several segments of the unorganised sector is yet another source of pressure on the EPFO in terms of the need to gear itself to provide prompt and efficient services to the members. The following charts show the number of establishments covered under the Act and the rate of growth.

Chapter – 7**SUMMARY OF RECOMMENDATIONS**

- 7.0 A summary of key recommendations on each Theme and Sub-Theme is given below together with the corresponding paragraph reference. For full details, the respective chapters may be referred.

Chap-ter	Theme / Sub-Theme	Para
7.1	ORGANISATIONAL RESTRUCTURING	
(a)	The seven KBPs together with the Vigilance function should be differentiated from Staff functions, i.e., HR, Administration, and Information Services.	3.1.1.8 & 3.1.1.9
(b)	District Office to be merged with the SRO/SAO to form a new Business Unit at the lowest rung, i.e., Branch Office (BO) with exclusive original jurisdiction headed by Regional Commissioner-II and with a workload of 4 lakh members and 3000 establishments	3.2.1.18 & 3.2.2
(c)	Regional Office (RO) to exercise both original and supervisory jurisdictions headed by Regional Commissioner-I and with a workload of 4 lakh members and 3000 establishments in its original jurisdiction and two Branch Offices under its Supervisory jurisdiction	3.2.3
(d)	Zonal Office (ZO) to have supervisory and appellate jurisdictions over 3 ROs (i.e., a total of 9 business units including BOs). In terms of workload, the ZO has supervisory jurisdiction over 36 lakh members and 27000 establishments	3.2.4
(e)	The BO shall have a minimum complement of 146 including the Unit Head	3.3.3
(f)	The RO shall have a minimum complement of 160 including the Unit Head	3.3.4
(g)	The ZO shall have a minimum complement of 92 including the Unit Head	3.3.5
(h)	The CO shall have a minimum complement of 166 including the Chief Executive Officer	3.3.6
(i)	The ZTI shall have a minimum complement of 35 including the Unit Head	3.3.7
(j)	The NATRSS shall have a minimum complement of 71	3.3.8



- including the Unit Head
- (k) Scrap the circular dated 21-10-1999 and in its place set up a Workload Monitoring Committee (WMC) for ensuring parity among Business Units, monitoring workload and initiating timely action for the creation and staffing of new Business Units 3.4.2
- (l) As soon as the strength crosses the lower limit of the spread over in respect of any Business Unit, the ZO concerned shall send a requisition to Addl. DG (CSD, P&A, WMC, MIS & Secretary-CBT) for convening the Workload Monitoring Committee (WMC), which shall have as its members, the ADG (C&C), ADG (A&CS), ADG (HR &A), Chief Engineer & ZC. The WMC to clear the proposals 3.2.4.7
- (m) Once cleared by the WMC, the decision should be executed in respect of staffing, identification of location and the setting up of new BU without having to go in for further approvals and clearances. In other words, the WMC should be vested with financial and administrative powers to take decisions and also to implement them in this regard. 3.2.4.8
- 7.2 MANAGEMENT PROCESS RESTRUCTURING**
- (a) Re-designation of the jobs/posts of CPFC, Addl. CPFC, FA&CAO, Deputy Commissioner, APFC and specification of their roles and responsibilities 4.1.2 to 4.1.8
- (b) New posts, such as, Addl. DG (HHR& Admin.), Addl. DG (IS), Addl. DG (CS, P&A, WMC, MIS, Secy - CBT), Joint Director (NATRSS), Deputy Director (NATRSS), Training Officer, Research Officer, etc. 4.2
- (c) The sanctity of hierarchy and reporting relationships should be respected by every officer and staff member from top to bottom. The position and authority of ZC should not be bypassed by the officers of Central Office (CO) by corresponding directly with the Heads of RO & BO. 4.3.1.5
- (d) The unity of command, i.e., an officer reporting to one and only one superior be maintained, subject to certain well-recognised exceptions 4.3.1.8
- (e) Executing Directions from CO should not run counter to the objects and scheme of the Act. 4.3.1.19
- (f) The practice of calling for different kinds of information or the same kind of information in different formats too frequently from the operating units should be dispensed with, as it would only cause distraction to the functionaries 4.3.1.23 & 24

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and impede the realization of organizational objectives.

- (g) **'Maharaja' mindset vs. Business mindset:** it has been observed that, where a superior officer visits a subordinate office, the entire staff of the subordinate office leave the tasks at hand and wait on the visiting officer. This practice has to be replaced by designating one officer as the 'protocol officer', who will be responsible for receiving and seeing-off of the visiting officer, instead of the entire unit spending its valuable time with him resulting in the dislocation of business and the eventual inconvenience to customers. 4.3.1.26
- (h) **Span of Control:** The ratio of the subordinate officers in Groups 'B', 'C' & 'D' to Officers in Group 'A' shall be as follows: 4.3.2.9

UNIT	Gr. 'A'	Gr. 'B'	Gr. C&D	TOTAL	RATIO (A : B+C+D)
BO	8	37	104	149	18
RO	11	38	111	160	13
ZO	22	17	53	92	3
CO	51	215		266	4

- (d) **Cross-Functional Teams (CFTs)** to be constituted in different units for the purpose of resolving issues falling in twilight zones and taking consensus based decisions without delay. 4.3.2.16
- (e) The various jobs / functions in Group 'D' to be outsourced in a phased manner. This exercise may be coupled with the floating of an attractive Voluntary Retirement Scheme (VRS) to the staff of Group 'D', to start with. 4.3.4.2 & 3
- (f) **Legislative Reference:** Change in the status, level and position of DG (EPF) 4.4.2.3
- (g) Repeal of provisions relating to Executive Committee and Regional Committee 4.4.3.2
- (h) The Government of India should confer greater autonomy to the EPFO and allow it to grow into a world-class Social Security Organisation on the lines of its counterparts in advanced economies like USA and other nations. 4.4.4.1 & 2
- (i) Make necessary changes in the Act and Scheme incorporating the new designations. 4.4.5.2
- (j) Make a provision in the Act and Scheme conferring Appellate Powers on the Zonal Commissioners, who will hear and decide disputes in the first instance, before taking the matters to the EPF Appellate Tribunal. 4.4.6.4 & 4.4.6.14

**7.3 RECRUITMENT – PERFORMANCE – PAY**

- | | | |
|-----|--|---------------|
| (a) | Workload based HR planning to be monitored and executed by the WMC at the Corporate level | 5.1.1.8 & 9 |
| (b) | Recruitment through UPSC, etc., to stay | 5.1.2.4 |
| (c) | A nine-month induction programme for direct recruits in Groups 'A' & 'B' | 5.1.3.8 |
| (d) | A nine-month induction programme for internally selected candidates for the posts of EO / AAO | 5.1.3.9 |
| (e) | A three-month orientation programme for recruits in Group 'C', particularly, SSAs. | 5.1.3.10 |
| (f) | All internal promotees to be put through a training programme with focus on imparting both the job-specific knowledge and skills | 5.1.4.3 |
| (g) | The Confidential Report (CR) system to be replaced with a comprehensive Performance Appraisal System | 5.2.1.8 to 10 |
| (h) | Systematic and orderly assessment of training needs should precede the designing and scheduling of training programmes | 5.2.3.4 |
| (i) | Performance-Related Pay (PRP) recommended illustrating a few important parameters | 5.2.3.6 |
| (j) | Positions & Scales of Pay for all categories | 5.3.1-4 |

7.4 CAREER DEVELOPMENT**Promotions**

- | | | |
|-------|--|---------|
| (a) | Normal promotions vs. Fast-Track Promotions: Fast-track Promotions to dynamic, effervescent and risk-taking employees even before their complying with the minimum eligibility criteria prescribed for "normal promotions" | 6.2.7 |
| (b) | <u>Intra-Group Promotions – Group 'C':</u> | |
| (i) | Confirmation of the erstwhile LDCs (who have officiated as UDCs or have been kept on selection panel) as SSAs | 6.3.2.4 |
| (ii) | Putting the residual LDCs through an examination for assessing their eligibility for promotion as SSAs | 6.3.2.5 |
| (iii) | The positions of Sr. SSA & SSA to be constituted as a single composite cadre with 80% of Sr. SSA and 20% of SSA | 6.3.2.6 |
| (iv) | Merger of DEOs and other stand-alone posts with SSA | 6.3.2.7 |
| (c) | <u>Intra-Group Promotions – Group 'B':</u> | |
| (i) | Elevation of EO/AAO to Gazetted rank; promotions on "seniority-cum-merit" formula; All-India Transfers | 6.3.3.6 |
| (ii) | Section Officer (HQ), Assistant (HQ), etc., be allowed promotion as Sr. EO/AO | 6.3.3.8 |
| (d) | <u>Intra-Group Promotions – Group 'A':</u> | |
| (i) | Deputy Commissioner (DC) be re-classified with the pay | 6.3.4.7 |

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- scale of Rs. 10000-325-15200; Straightaway promotion of ACs (direct recruits), who have completed 8 years service to the post of DC
- (ii) Personal (temporary) promotion of ACs and DCs in the next higher scale of pay in the event of stagnation in their current post/grades for more than 5 years 6.3.4.9
 - (iii) From DC to RC-II, and from RC-II to RC-I, seniority-cum-merit formula to apply 6.3.4.10
 - (iv) From RC-I to ZC, etc., promotions should be based exclusively on 'merit'. 6.3.4.10
 - (e) **Inter-Group Promotions:**
 - (i) All movements from one Group to another, i.e., from 'C' to 'B' and from 'B' to 'A', should be exclusively based on 'Merit'. 6.4.4 to 7
 - (ii) Personal (temporary) promotion of Sr. EO/AO to the scale of pay of Rs. 8000-275-13500 after completion of 5 years of service in that post, subject to suitability to be determined on the basis of performance appraisal, discipline and vigilance 6.4.8
 - (f) **Ad hoc Promotions:** Service rendered in the course of ad hoc or temporary promotion be treated as service in the promoted grade as and when final promotion is effected. 6.5.9
 - (g) **Internal promotion vs. Direct Recruitment - Ratio**
The present system is working well and is capable of taking care of the interests of the organisation as well as the Group 'B' officers. There is no need to reduce the ratio of direct recruits. 6.6.1
 - (h) **Deputation from other Departments:** Drawing officers from other departments on deputation can be justified, if only the following two conditions are satisfied, i.e., (a) the officer has specialized knowledge, and (ii) there is no qualified and experienced officer who is eligible for promotion to the higher grade position, and not otherwise. 6.7.3
 - (i) **Refusal to accept transfer or promotion-cum-transfer:**
An employee, who refuses promotion or promotion-cum-transfer should be down-listed in the seniority roster 6.8.1

Transfers

- (a) **General Guidelines:**
- (i) The transfers should as far as possible be aligned with the commencement and closing of academic years. 6.9.1.5
- (ii) Where the employee is required to move from a location where he is staying in official quarter to a place where no such facility is available, he may be allowed to keep his family in the original place and retain the quarter for a period of six months or till the end of the academic year, whichever 6.9.1.5

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- is later.
- (iii) The transferee-employees can be compensated monetarily by a one-time lump sum payment equivalent to 3 months basic salary or 2 months basic salary PLUS dearness allowance, whichever is higher. 6.9.1.5
 - (iv) The minimum period of service in a location should be 3 years and maximum 4 years, after which s/he should invariably be transferred to another location for obvious reasons. 6.9.1.5
 - (v) An AC recruited directly should not be disturbed from the BO of his original posting at least for 3 years, which means that he has handled independently two (out of four) sets of business processes, before being moved out of the BO. 6.9.1.5
 - (vi) Where an employee with a school going child is given leased accommodation, he should, on transfer to a different location, be permitted to retain the same for a period of one year or till the end of the academic year, whichever is later. 6.9.1.5
 - (vii) Subject to the provision of above facilities and benefits, if a transferee refuses to move to the new location, he may be down-listed in the seniority roster and also proceeded against under the service rules of the EPFO. 6.9.1.5
 - (b) **Cross-Functional Transfers:**
 - (i) Rotation of SSAs & Sr. SSAs among different business processes once in two years 6.9.2.5
 - (ii) Cross-functional Transfer of EO and Sr. EO as AAO and AO respectively 6.9.2.6
 - (iii) Cross-functional Transfer of the officers of Group 'A', particularly, ACs among different business processes 6.9.2.7
 - (iv) No transfer of Group 'D' employees from one place to another 6.9.3.2
 - (v) In respect of Group 'C' employees, transfers to be restricted to the Region only 6.9.3.3
 - (vi) In respect of Groups 'B' & 'A', transfers should be on an All-India Basis. 6.9.4.1

Training & Development

- (a) ***Function-specific Training – Group 'C'***
Tailor-made training programmes to be designed for imparting function-specific skills on the basis of the information generated from Performance Appraisal and from the self-assessment made by employees. The responsibility for imparting training to the subordinates as also their taking care of their developmental needs has to be clearly spelt out and should be included in the performance appraisal of every officer. 6.10.1.2

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- (b) **Function-specific Training – Groups 'B' & 'A'**
 In respect of Group 'B' and Group 'A' Officers, the ZCs should pool the information and forward the same to the CO within one month from the close of the 'performance year'. A Performance Review Committee headed by Addl. DG (Compliance) with the Chief of NATRSS and Addl. DG (HR& Admn.) should classify and group the training needs, design suitable programme schedules ranging from 5 to 7 days of training (to be imparted in NATRSS) and publish the calendar together with the list of participants selected for each programme. This task should be completed within one month from the date the information is received from ZCs. 6.10.1.3
- (c) **Management Development Programmes – Groups 'B' & 'A'**
 Regular Management Development Programmes for Group 'B' and 'A' Officers, preceded by identification of potential for growth and development. 6.10.1.5
- (d) **Staffing & Faculty**
- (i) Officers who are willing to head various functions in the ZTs and NATRSS and who are found suitable for the job(s) should, *if and when posted in ZTs or NATRSS be paid a special allowance @ 10% of their basic pay, which will act both as an incentive to take up the training assignments and also as a token recognition of their contribution to this vital aspect of Human Resource Development.* 6.10.2.3
- (ii) Efforts should be made to locate and procure the services of competent teachers in some of the basic disciplines, such as Economics, Law, Management, Information Systems, etc., by offering attractive terms 6.10.2.4
- (iii) Each faculty member should be able to teach on an average 6-8 sessions per week. In addition, they should be involved in case writing and research projects. Cases can be written from the recorded experiences and judicial decisions for analysis in the class room. Similarly research projects which go to the root of the problems facing EPFO in particular, and the social security administration in general can be undertaken by a team of two or three faculty members. Case writing and project work may be suitably rewarded in monetary terms. 6.10.2.5



- (e) **Evaluation of Training**
- (i) The outcomes of training should be measured in terms of (a) ascertaining the trainee's feelings (*Reaction*) and (b) testing the extent of learning as compared to pre-training performance (*Learning*); (c) observing whether the employee has been displaying the change in his day-to-day work (*Behaviour*) and (d) by assessing whether it has resulted in actual improvement in the quality and quantity of output (*Results*). EPFO to operationalise training evaluation by developing suitable mechanisms 6.10.2.6 & 7
- (f) **Infrastructure Development** 6.10.3
- Programme scheduling and finding suitable faculty are the two difficult tasks faced by every training organisation and EPFO is no exception to this rule. Compromise on quality in choosing faculty can drive the trainees away from the programme apart from resulting in wastage of resources and inviting adverse perceptions. Screening of visiting faculty through individual presentations and question-answer sessions before empanelment.
- 'What should be taught' in a training session is no less important than "how it should be taught". This calls for curriculum development for each topic setting out (a) the title of the topic as, for example, "group dynamics and team building"; (b) the objects sought to be achieved and the take away for the participants from the topic; (c) the sub-topics to be covered; (d) the manner in which they should be covered, i.e., the principle of "*something to listen, something to see and something to do*" by and for the participants; (e) the extent of class participation required; and (f) validation and feedback.
- Employee Relations & Welfare**
- (a) **Grievance Procedure:** A 4-tier Grievance Procedure to redress individual grievances. 6.11.1.4 & 5
- (b) **Employee Welfare** 6.11.2.3
- The HR Department should be entrusted with the task of drawing up a plan relating to 'employee welfare', the various facilities to be given, the activities organised together with the financial implications. EPFO at the corporate level to work out the modalities, budget the costs and implement welfare programmes taking the Staff Association into confidence.

Item No. 3: Cadre restructuring consequent upon rapid expansion of EPFO.

The CPFC introduced the agenda to the Committee and observed that the proposal envisages cadre restructuring of various posts in EPFO in view of the rapid increase in EPF corpus, exponential growth in work and activities, expansion of the offices in Organisation during last decade. He noted that there are directions from the Cabinet Secretariat to all the Ministries/Departments to conduct cadre review from time to time to remove anomalies and stagnation to meet the career aspirations of officers and staff. Keeping in view these requirements, an agenda has been prepared after detailed deliberations with the EPFO staff federations and EPFO officers Association. It was placed before the 70th meeting EC held on 14.02.2011, but was deferred with the observations that it may be discussed with Secretary (L&E) again. The agenda has now been placed after discussions with Secretary (L&E) and proposal has been revised where required. The CPFC also mentioned that the Officers at Head office and field offices have all contributed to the efforts to complete the first phase of Computerization which was commendable. Thus, it was the right juncture to go for cadre restructuring to meet the career aspirations of the Officers and staff right from the top levels to the last person in the hierarchy.

2. The CPFC then drew attention of the Member to para 9 of the agenda where summary of recommendations was given. He then highlighted the summary of recommendations to the Committee that proposal for creation of Group "A", Group "B" and "C" posts has been given in para 9.1, a proposal for upgradation of existing posts to higher grade pay has been given with minimum regular service to be rendered in the grade next below for promotion to higher grade pay proposed, has been given in para 9.2.

3. The CPFC concluded that certain ex-cadre posts left out in earlier proposal and have been now considered and isolated posts have also been recommended for being placed in higher grade pay and non-functional selection grades to assure promotional avenues to incumbents, in para 9.3 and 9.4, respectively. He noted that the financial implications of the proposal were also given in para 10 which was concurred by the internal Finance. He clarified that the expenditure would be met from the existing resources without resorting to any increase in administrative charges.

4. Dr. U.D. Choubey appreciated the agenda placed before the Committee with detailed exercise done by the Organisation and that the restructuring was justified in view of

increase in the workload of the Organization and to meet the genuine aspirations of the staff and officers.

5. Shri Girish Awasthi welcomed the proposal contained in the agenda and desired that it should be implemented at the earliest. He indicated that all ACC posts be upgraded. This was deliberated upon, and it was agreed that in the first instance, the proposal in the agenda may be approved.

6. Dr. Sanjeeva Reddy appreciated that proposal has been placed before EC after discussions with Hon'ble Minister and Secretary (L&E). He fully agreed with the views of members that the proposal has been prepared to take into account the aspirations of officers and staff.

7. Shri Ravi Wig also supported the recommendations. He observed that the recommendations need to be implemented at the earliest.

8. Secretary (L&E) desired that the zonal Addl. CPFCs need to be delegated substantive administrative and financial powers so that decisions were taken at field levels and burden at Head office could be minimized. Under the EPF Act and Schemes the statutory powers were with RPFC in-charge and there was need to have substantive delegation of powers to Addl. CPFCs, otherwise they may not be able to contribute and may interfere with the RPFCs in-charge.

9. The CPFC clarified that the functions for Addl. CPFCs have been indicated in the agenda. Though these powers were of coordination and monitoring the working of offices in their zone but delegation of powers as appellate authority is under consideration. As observed by the Members and Chairman, further delegation of administrative and financial powers would be examined and agenda would be brought before the CBT.

10. Secretary (L&E) summed that there was unanimity among the Members of the Committee to approve the proposal contained in the agenda and to implement it at the earliest. With the above deliberations the proposal contained in the agenda was approved with the recommendations that the proposal may be sent to the Ministry of Labour & Employment for consideration.

6. PROPOSED STRUCTURE FOR THE CADRE AND THE ORGANISATION:

TABLE - XXX

6.1.1 GROUP 'A' REGULAR CADRE:

Grade Pay	Existing Structure		Proposed Structure		Grade Pay	Remarks
	Designation	No. of posts	Designation	No. of posts		
Apex Scale - HAG	CPFC	1	CPFC	1	Apex Scale HAG	No change
	--	--	Additional CPFC (Senior Time Scale)	2		New Creation
10000	--	--	Addl. CPFC	15	10000	Upgradation
8700	Addl. CPFC	15	RPFC-Grade I	As per functional requirement	8700	Upgradation
	RPFC-Grade I (NFSG)	N.A.				
7600	RPFC-Grade I	57	RPFC-Grade II (after 5 years of regular service in the Grade Pay of 6600)	N.A.	7600	Time Scale after five years of regular service.
6600	RPFC Grade -II	202	RPFC-Grade II	As per functional requirement	6600	No Change
	APFC(after 5 years of regular service)		APFC (after 5 years of regular service)			
5400	APFC	540	APFC	As per functional requirement	5400	No Change

6.1.2 Salient features of proposed Group 'A' structure:

- Two posts of Additional CPFC (Senior Time Scale) are proposed to be created in the Pay Band of HAG i.e., 67000-79000 with no Grade Pay.
- Existing posts of FA&CAO, Addl. CPFCs, to be placed in Grade Pay of ₹10000/-
- All RPFC Grade I posts to be placed in Grade Pay of ₹8700/-

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d) RPFC Grade -II will be placed in ₹7600 on completion of 5 years of regular service in the Grade Pay of ₹ 6600/-.

6.1.3 The proposed structure will effectively bridge the wide gap between the Top Most Post i.e. CPFC and Next below Post i.e. ACC in the existing structure. It will also remove the distortion of the hierarchical pyramid which exists at the top in the current structure.

6.1.4 Further, it will ensure that the posts in the organisation are manned by sufficiently senior level of officers, keeping in view the nature of responsibilities and duties performed by them.

6.1.5 Also, it will sufficiently take care to the huge amount of stagnation in all the ranks of officer cadre in the organisation.

6.1.6 On the similar lines, it is proposed that the remaining regular cadres, technical cadres as well as the isolated streams may also be re-structured as follows.

6.2 GROUP 'B' & 'C' REGULAR CADRE:

6.2.1 At present Senior Social Security Assistant and Section Supervisor are drawing the same grade pay due to merger of the erstwhile pay scales of 5000-8000 and 5500-9000 in the Sixth Pay Commission. There is a functional difference between Senior Social Security Assistant and Section Supervisor. The enhancement in the grade pay of Section supervisor has been proposed to remove this anomaly. The hierarchal grade pay next to grade pay of 4200 is 4600. Section Supervisor is the feeder cadre for promotion to the post of Enforcement Officer/Accounts Officer. Hence, if the proposal for upgradation of the post of Section Supervisor from the Grade Pay of ₹4200 to ₹4600 is accepted then the grade pay for the post of Enforcement Officer/Accounts Officer also need to be upgraded from ₹4600 to ₹4800. The posts of Enforcement Officer/Accounts Officer, Section Officer and Private Secretary are the feeder cadre for the post of APFC. The Section Officer and Private Secretary are in the grade pay of ₹4800 and are given the grade pay of ₹5400 after 4 years regular service in accordance with the CSS and CSSS cadres respectively. In order to have parity, the Grade Pay of 5400 after 4 years of regular service is proposed for Enforcement Officer/Accounts Officer.

6.2.2 The Computerization of the field offices is nearing completion. The stabilization of the implementation of the Phase-I of computerization process will take another 3-4 months. Thereafter the need of re-arrangement of the existing staff as well as the re-visiting the norms will be carried out. On re-visiting the norms for the field offices, the requirement of the staff in field offices will be worked out.

TABLE - XXXI

DESIGNATION	Pay Band	Existing		Proposed	
		PAY SCALES	Grade Pay ₹	PAY SCALES	Grade Pay ₹
Enforcement Officer/Accounts Officer	PB-2	9300-34800	4600	9300-34800	4800 (after 4 years of regular service, grade pay of ₹5400 in PB-2 be given)
Section Supervisor	PB-2	9300-34800	4200	9300-34800	4600
Sr Social Security Assistant	PB-2	9300-34800	4200	9300-34800	4200
Social Security Assistant	PB-1	5200-20400	2400 (after 4 years of regular service, grade pay of ₹2800 is given)	5200-20400	2400 (after 4 years of regular service, grade pay of ₹2600 is given)

6.3 TECHNICAL / ISOLATED POSTS:

6.3.1 At present the ex-cadre posts of Legal Assistant, Statistical Assistant, Research Assistant, Vigilance Assistant and Library Information Assistant are equivalent to the post of Section Supervisor. The post of Section Supervisor is proposed to be upgraded with grade pay of Rs.4600. Hence, in order to have parity, these ex-cadre posts are also proposed to be upgraded from the grade pay of 4200 to 4600. Similarly, the posts of Welfare Officer and Junior Analyst are higher in hierarchy and have been equivalent to the post of Section Officer. The post of Section Officer is in the grade pay of 4800. Hence, one post of Welfare Officer and two posts of Junior Analyst are proposed to be upgraded from 4600 to 4800.

7. Financial Implications:

The aforesaid cadre restructuring proposal for creation of additional posts; upgradation of certain posts and providing of NFSG as given in para 6.7.1 to para 6.7.3 involves annual financial implication to the tune of Rs. 9,95,90,892/- which have been concurred by the Finance Wing.

8. The Executive Committee, CBT, EPF may kindly consider and approve the proposal given in para 6.7.1 to para 6.7.3 above.

Proposal: The Executive Committee, CBT, EPF may kindly consider and approve the proposal contained in para 8 above.

Corrigendum to Item 3 of 71st EC

71st EC Meeting

Corrigendum to the agenda item no. 3 being placed before the EC, CBT, EPF on 06.07.2011.

1. Para 8.3.2 (iii) of item no. 3 of 71st EC, CBT, EPF meeting (Page no. 52) is substituted as under:-

"(iii) The post of EO/AO is next in the hierarchy above Section Supervisor. Once the Section Supervisor is upgraded to the level of Rs.4600, the post of EO/AO need to be upgraded to the next higher level of Grade Pay of Rs.4800."

2. Para 8.3.2 (iv) of item no. 3 of 71st EC, CBT, EPF meeting (Page no. 52) is substituted as under:-

"(iv) Keeping in view the duties and responsibilities of the post of EO/AO; to remove anomaly with the post of SS, it is proposed to upgrade the post of EO/AO to the level of Grade Pay of Rs.4800."

3. Page no. 59A (enclosed) may be taken as inserted between page 59 and 60 of item no. 3 of 71st EC.

Proposal: The Executive Committee is requested to take note of the above corrigendum while considering and approving the above item.

Item No. 3: Cadre restructuring consequent upon rapid expansion of EPFO.

Decision: The proposal contained in the agenda was approved with the recommendations that the proposal may be sent to the Ministry of Labour & Employment for consideration.

Item No.4: Updation of grant of Non-Functional Selection Grade (NFSG) benefit to Group 'A' Officers of EPFO according to DQPT guidelines.

Decision: The Committee approved the proposal contained in the agenda to implement the enhanced ceiling of NFSG to Group "A" officers to the extent of 30 % of the senior duty posts in accordance with the O.M. dated 06.06.2000 to be effective from the date of approval of the EC.

Item No. 5: Providing of minimum essential Staff/Officers on opening of Sub-Regional Offices/Regional Offices and upgradation of Sub-Regional Office to the level of Regional Office - Prescribing of Norms.

Decision: The agenda item was deferred by the Committee to be placed again at appropriate time before the Executive Committee with the recommendations regarding new norms for Regional and Sub-Regional Offices.

Item No. 8: Hiring of office accommodation for Regional Office, Ranchi.

Decision: The proposal contained in para 10 of the agenda item was approved by the Committee.

Sr. No. 1 CR)

No. A-11013/1/2011-SS-I
Government of India
Ministry of Labour & Employment
Social Security Division
SS-I

New Delhi, dated the 25th October, 2012

To,

Central Provident Fund Commissioner,
Employees' Provident Fund Organisation,
Bhavishya Nidhi Bhawan,
14, Bhikaiji Cama Place,
New Delhi - 110 066.

Subject: Cadre Restructuring of Employees Provident Fund Organisation (EPFO)-reg.

Sir,

I am directed to refer EPFO's letter No. HRD/1(1)/2011/Cadre Restructuring/1085 dated 14.10.2011 on the above mentioned subject and say that the proposal of restructuring has been examined by Ministry of Finance and they have made certain observations(copy enclosed). EPFO is requested to send a proposal including the proposed Recruitment Rules for newly created posts, in accordance with the directions of Ministry of Finance, to this Ministry for further necessary action.

Yours Faithfully,

Encls.: As Above

(Naresh Jaiswal)
Under Secretary to Govt. of India



Diary No. 3011012
Date 30/10/12
R.P.F.C.-II (HRM/HRD)

Adm. C.P.F.O. (HRM) Secretariat
सं. अ. नं./Dy. No. 3734
दिनांक/Date 30/10/2012

Ministry of Finance
Department of Expenditure
E-III Desk

Subject: Cadre Restructuring of Employees Provident Fund Organisation (EPFO)

Reference: M/o Labour File No. A-11013/1/2011-SS-I

Ministry of Labour & Employment may refer to their proposal for cadre restructuring of Employees Provident Fund Organisation (EPFO). The proposal has been examined.

2. Observations of this Department are as under:

- i) Ministry of Labour & Employment have sought creation of 113 posts, 56 posts have been sought for vigilance set up and 34 for audit. In view of the fact that under the EPF and Miscellaneous Provisions Act, 1952, the Central Board has powers to create posts upto the Grade Pay of Rs. 8700, Ministry of Labour & Employment is advised to consider this restructuring/ creation/ upgradation of posts within the delegated powers in consultation with the FA for posts upto Grade Pay of Rs. 8700. However, the same is subject to the following:-
 - a) The pay scale of none of the posts may be changed during the process of cadre restructuring and only the number of posts at various levels may be modified. There is also no justification for revision of grade pay of ex-cadre posts.
 - b) It may be ensured that there is no increase in the overall strength of the organization in the current financial year and any increase in organizational strength (which may not exceed the number proposed) may take place only after 2012-13.
 - c) Further, as far as grant of non-functional upgradation to Electrician, Plumber, Pump Operator, etc. is concerned, keeping in view the provisions of the Act, they can only be made eligible for the Modified Assured career Progression Scheme which is applicable to Central Government employees after 1.9.2008 and according to which financial upgradation after 10, 20 & 30 years is allowed.
- ii) Creation of the following posts is agreed to :-
 - a) 10 posts in the Grade Pay of Rs. 8900 (PB-4) for the 10 Zones in the country.
 - b) 2 posts in the Grade Pay of Rs. 10,000 in the Headquarters.
 - c) The creation of 1 post in the HAG grade of Rs. 67000-79000 is not agreed to at this stage.
- iii) The post of FA&CAO may be upgraded to JS level (PB-4 GP Rs. 10,000).

3. This issues with the approval of Finance Secretary.

Shivani
(Shivani Dutt)
Under Secretary

AS&FA (M/o Labour), Shram Shakti Bhawan, New Delhi
MoF, DoE ID No. 2(30)/E.III Desk/2011 dt. 9.10.2012

सूचक संख्या ५४०
S S-I SECTION
आवक संख्या No. २५५३
दिनांक Date 15/10/12

US (R.K.) Fin.
Dy. No. 1168
Date 12/10/12

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Punjab-Haryana High Court
Union Of India And Another vs Central Administrative Tribunal on 12 May,
2011

C.W.P. No. 8438 of 2011

-1-

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

C.W.P. No. 8438 of 2011

Date of Decision 12.05.2011

Union of India and another

-----Petitioners

Versus

Central Administrative Tribunal,
Chandigarh and another

---Respondents

CORAM: HON'BLE MR. JUSTICE M.M. KUMAR

HON'BLE MR. JUSTICE GURDEV SINGH

Present: Mr. D.S. Batalavi, Advocate
for petitioner.

1. To be referred to the Reporters or not? yes
2. Whether the judgment should be reported in the Digest?

M.M. KUMAR, J.

1. The instant petition under Article 226 of the Constitution is directed against order dated 25.02.2011 (P-3) passed by Chandigarh Bench of the Central Administrative Tribunal (for brevity 'the Tribunal') holding that the original applicant-respondent A.K. Chandok was entitled to grant of non functional selection grade (for brevity 'the NFSG') being Employees Provident Fund Organisation (for brevity 'EPFO'). According to the Tribunal, the Board of Trustees is the final authority in the matter of determination of service condition of various categories of employees of EPFO. In that regard, the Tribunal has placed reliance on Section 5D(7) of Employees Provident Funds and Miscellaneous Provisions Act, 1952 (for brevity 'the 1952 Act') and proceeded to hold that the Central Board of Trustees was not required to seek prior approval of the Central Government in a case where there was no departure from the rules or order. In other words, if the benefit of the NFSG was not extended to employees of the Central Government and the departure was being made in respect of the employees working in EPFO only then approval from the Central Government was required. The view of the Tribunal is discernible from the following two paras of the judgment which reads as under:

"7. A perusal of the above quoted provisions of Section 5D(7) of the employees Provident Funds and Miscellaneous Provisions Act, 1952 leaves no manner of doubt that it is the Board of Trustees which is the final authority qua the determination of the service conditions of the Provident Fund Commissioners (be it the Additional Central Provident Fund Commissioner, Deputy Provident Fund Commissioner, Regional Provident Fund Commissioner, Assistant Provident Fund Commissioner or any other officers and employees of the Central Board). The Central Government would necessarily come in "..... where the Central Board is of the opinion that it is

necessary to make a departure from the said rules or orders in respect of any of the matters aforesaid. . . " The above quoted provision also provides that the conditions of service of the above indicated categories of officers and other officers and employees of the Central Board shall be such as may be specified by the Central Board in accordance with the rules and orders applicable to the officers and employee of the Central Government drawing corresponding scales of pay." Thus, it is only when a departure from the rules aforementioned is envisaged that the Board would be obliged to obtain the prior approval of the Central Government.

8. In the facts and circumstances of this case as instance of departure from the rules could be envisioned only when the Central Board of Trustees recommends a higher grade of pay or special pay etc. to a category of employees whose counterparts in the Central Government are not enjoying the same. In this case it is common ground that a non functional selection grade had been allowed to Group A Officers of the Government of India. It is further apparent, from the pleadings raised by the parties, that the Central Board of Trustees agreed to the implementation of the 5th CPC recommendations to the employees of the respondent Organization in toto. The only exception was the non functional selection grade, the grant thereof was not decided upon by the Central Board of Trustees at a point of time when the decision was taken to implement the recommendations made by the 5th CPC. In common parlance, a decision had to be taken by the Central Board of Trustees about the grant or otherwise of the non functional selection grade to the categories of employees of the respondent organization, corresponding to their counterparts in the Central Government. If the Board were to agree to implement the non functional selection grade, it was not at all obliged to make a reference to the Central Government or to obtain prior approval therefore.

At the same time the prior approval of the Central Government was compulsive in case the Central Board of Trustees were to refrain from implementing the recommendations of the 5th CPC qua the grant of non functional selection grade to the relevant categories of employees."

2. The aforesaid paras clearly propound the proposition that no permission from the Central Government was required and the original applicant-respondent was entitled to grant of NFSG as was approved by the Central Board of Trustees. There is, thus, no merit in the writ petition and the order passed by the Tribunal is wholly within the parameters of Section 5D(7) of the 1952 Act.

3. Accordingly, the present writ petition fails and the same is dismissed.

(M.M. KUMAR) JUDGE (GURDEV SINGH) JUDGE May 12, 2011 Atul

ANNEXURE-II



HEADQUARTERS OFFICE
EMPLOYEES' STATE INSURANCE CORPORATION
PANCHDEEP BHAWAN, C.I.G. ROAD, NEW DELHI
Website : www.esic.nic.in
(011) 23238273



No. S-11/14/07-E.II (Vol.II)

Dated: 06-06-2011

MEMORANDUM

Subject:- Creation of two additional posts of Insurance Commissioners and Upgradation of two existing posts of Addl. Commissioners to Insurance Commissioner - regarding.

The Ministry of Labour & Employment, Govt. of India vide letter No. S-38012/2008-SS.I (Vol. II) dated 01-06-2011 has approved the creation of two additional posts of Insurance Commissioners and upgradation of two existing posts of Addl. Commissioners to Insurance Commissioner in PB-4 in the corresponding Pay Scale of Rs. 37400-67000/- with Grade Pay of Rs. 10000/- as under:-

S.No.	Name of the Post	No. of posts created/ upgraded	Remarks
1.	Insurance Commissioner	Recruitment (1)	Creation
2.	Insurance Commissioner	ICT (1)	Creation
3.	Insurance Commissioner	P&A (1)	One existing post of Addl. Commissioner (P&A) is upgraded.
4.	Insurance Commissioner	NTA (1)	One existing post of Addl. Commissioner (NTA) is upgraded.

(S.K. Shah)
Jt. Director

For Director General

Copy to:

1. Secretary, S.S.I, Ministry of Labour & Employment, Govt. of India, Shram Shakti Bhawan, New Delhi w.r.t to letter No. S-38012/2008-SS.I (Vol. II) dated 01-06-2011 for information.
2. Jt. Director (E.I) with the request to amend the relevant Recruitment Rules accordingly and with the stipulation that the qualifying service for the post of Insurance Commissioner would not be less than 3 years as Addl. Commissioner. Copy of Ministry letter dated 01-06-2011 as referred above is enclosed.
3. Director (Fin.), Hqrs. Office, New Delhi for information and necessary action
Guard File.



EMPLOYEE STATE INSURANCE CORPORATION
PANCHDEEP BHAWAN, C.I.G. ROAD, NEW DELHI - 110 002
www.esic.org.in

No.B-1/14/D07-E.II(Vol.II)

Ref: 11/23234092
Dated: 06.02.2009

MEMORANDUM

Subject : Restructuring of cadre of Group 'A' Officers of ESI Corporation.

The Ministry of Labour & Employment, Govt. of India vide letter No.S-38012/02/2008-SS.I dated 3rd February, 2009 and letter No.S-38012/02/2008-SS.I dated 4th February, 2009 has approved the restructuring of the cadre of Group 'A' Officers of ESI Corporation. After restructuring, the number of sanctioned posts in the cadre of Group 'A' Officers of ESI Corporation would be as follows :-

S. No.	Name of the Posts	Revised No. of posts	Scale of Pay
1.	Dy. Director	261	<p>Junior Time Scale (JTS) PB 3 (Rs.15600-39100/-) + Grade Pay of Rs.5400/-</p> <p>Senior Time Scale (STS) PB 3 (Rs.15600-39100/-) + Grade Pay of Rs.5600/-</p> <p>Maximum qualifying service : Not less than 4 years regular service in JTS (Promotion by seniority-cum-fitness).</p> <p>Rs.10000-325-15200 PB 3 (Rs.15600-39100/-) + Grade Pay of Rs.6600/-</p>
2.	Asst. Director	105	<p>Rs.10000-325-15200 PB 3 (Rs.15600-39100/-) + Grade Pay of Rs.6600/-</p>
3.	Director	45	<p>PB 3 (Rs.15600-39100/-) + Grade Pay of Rs.7600/-</p>
4.	Asst. Commissioner	18	<p>PB 4 (Rs.37400-67000/-) + Grade Pay of Rs.8700/-</p>
	Total	429	

Government has also directed that ESI Corporation may grant Organized Group 'A' Service Benefits to Officers in the above grades by prescribing minimum qualifying service as far as possible corresponding to Indian Revenue Service (Income Tax).

The above restructured cadre will come into effect from 4th February, 2009.

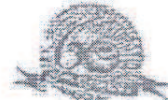
(S.K. SHAH)
JOINT DIRECTOR (E.II)
for DIRECTOR GENERAL

1. The Joint Director, E.I, ESIC, Hqs. Office, New Delhi - for information and further necessary action.
2. Director (Fin.), ESIC, Hqs. Office, New Delhi - for information.
3. Secretary, SS.I, Ministry of Labour & Employment, Govt. of India, Shree Shakti Bhawan, New Delhi - w.r.t. to letter No. S-38012/02/2008-SS.I dated 3rd February, 2009 and letter No. S-38012/02/2008-SS.I 4th February, 2009 - for information.
4. Guard File.

ANNEXURE - IV



HEADQUARTERS OFFICE
EMPLOYEES' STATE INSURANCE CORPORATION
PANCHDEEP BHAWAN, C.I.G. ROAD, NEW DELHI
Website : www.esic.nic.in
(011) 23238273



No. B-1174/107-E.III (Vol. II)

Dated: 06-06-2011

MEMORANDUM

Subject:- Enhancement in Grade Pay/Pay Band at the level of different posts in ESI Corporation regarding.

The Ministry of Labour & Employment, Govt. of India under Section 17(2) of ESI Act, 1948 vide letter No. S-38012/2/2008-SSI (Vol. II) dated 01-06-2011 has conveyed their approval for enhancement in Grade Pay/Pay Bands at the level of different posts in ESI Corporation. The enhanced Grade Pay/ Pay Band has been approved with stipulation regarding qualifying services as under:-

- (a) The Grade Pay of Joint Director is enhanced from Rs. 6600 to Rs. 7600/- in PB-3 (Rs. 15600-39100). The qualifying service for promotion to the post Joint Director would not be less than 5 years' regular service as Deputy Director in Senior Time Scale (STS). *APPLD*
- (b) Grade Pay and Pay Band of Director is enhanced from Rs. 7600/- in PB-3 (Rs. 15600-39100) to Rs. 8700/- in PB-4 (Rs. 37400-67000/-). The qualifying service for promotion to the post Director would not be less than 5 years' as Joint Director.
- (c) Grade Pay of Additional Commissioner is enhanced from Rs. 8700/- to Rs. 8900/- in PB-4 (Rs. 37400-67000/-). The qualifying service for promotion to the post of Addl. Commissioner would not be less than 5 years' as Director.

Accordingly, the incumbents holding the posts of Joint Director, Director and Addl. Commissioner as on 01-06-2011 will automatically be placed in the higher Grade Pay/Pay Band as approved by the Ministry with effect from the said date i.e. 01-06-2011.

Consequent upon the enhancement in the Grade Pay/Pay Band, the incumbents to the above posts will be granted the enhanced Grade Pay/Pay Band and no benefit of fixation/increment is to be allowed. However, in case of Officers falling in the category (b) above, since the enhancement also involves change in the Pay Band, their pay will be fixed subject to the minimum of Rs. 37400/- in PB-4 without grant of any fixation/ increment.

This issues with the approval of Financial Commissioner/Director General.

(Signature)
(S.K. Shah)
Jt. Director

Copy to:

1. All Regional Directors/JD Uo/NTA/ESI Hospitals/Model Hospitals/SSMLs/AMLS/OMLs, Director(M) for information and necessary action.
2. Director (Fin.), Hqs. Office, New Delhi /Jt. Director(Fin./Dy. Director(Fin.) of all Regions/Hospitals for information and necessary action as above.
3. Jt. Director (S.I) for information and for necessary action. He is requested to initiate action for amendment of the relevant Recruitment Rules. Copy of Ministry letter dated 01-06-2011 as referred above is enclosed.
4. S.S.I, Ministry of Labour & Employment, Govt. of India, 31, Am Shree Bhawan, New Delhi - 110011 for information.
5. Guard File.

Item No. 5 Revised Cadre Restructuring Proposal

An item was placed before the Executive Committee in its 72nd meeting held on 14.07.2011 for cadre restructuring of the EPFO upon its rapid expansion. After detailed deliberations the proposal was approved by the Executive Committee for recommending the same to the Government with the concurrence of the Internal Finance of EPFO.

2. The Cadre Restructuring proposal as approved by the EC, CBT, EPF in its 72nd meeting held on 14.07.2011 was sent to the Ministry of Labour & Employment vide letter dated 19.07.2011 for approval.

3. The Ministry of Labour & Employment vide its letter No.A-11013/1/2011-SS-I dated 25.10.2012 (**Annexure-5A**) informed that the proposal of cadre restructuring has been examined by the Ministry of Finance and they have made certain observations. The MoL&E requested EPFO to send a proposal including the proposed Recruitment Rules for newly created posts, in accordance with the directions of Ministry of Finance, to MoL&E for further necessary action.

4. The Ministry of Finance, in its note no. MoF, DoE ID No.2(30)/E.III Desk /2011 dated 09.10.2012 (**Annexure-5B**) made the following observations:

I. In view of the fact that under the EPF & MP Act, 1952, the Central Board has powers to create posts upto the Grade Pay of Rs.8700/- , Ministry of Labour & Employment is advised to consider this restructuring /creation/Upgradation of posts within the delegated power in consultation with the Financial Advisor for posts upto grade pay of Rs. 8700/- However, the same is subject to the following:

- (a) The pay scale of none of the posts may be changed during the process of cadre restructuring and only the number of posts at various levels may be modified. There is also no justification for revision of grade pay of ex-cadre posts.
- (b) It may be ensured that there is no increase in the overall strength of the organisation in the current-financial year and any increase in organizational strength (which may not exceed the number proposed) may take place only after 2012-13.
- (c) Further, as far as grant of non-functional Upgradation to Electrician, Plumber, Pump Operator, etc. is concerned, keeping in view the provisions of the Act, they can only be made eligible for the Modified Assured Career Progression Scheme which is applicable to Central Government employees after 01.09.2008 and according to which financial Upgradation after 10, 20 & 30 years is allowed.

II. Creation of the following posts is agreed to:

- (a) 10 posts in the Grade Pay of Rs.8900/- PB-4 for the 10 zones in the country.
- (b) 02 posts in the Grade Pay of Rs.10,000/- in the Headquarters.

- (c) The creation of one post in the HAG grade of Rs.67000 – 79000 is not agreed to at this stage.
- III. The post of FA& CAO may be upgraded to JS level (PB-4) Grade Pay of Rs.10,000/-.
5. The Cadre Strength in the Selection Grade and Senior Administrative Grade after the approval of the Ministry of Finance:

Sl. No.	Cadre and Grade	Existing Posts	Additional Posts	Revised Cadre Strength
1.	Addl. Central PF Commissioner (Head Quarter) (PB4, Grade Pay 10,000)	00	02	02
2.	Addl. Central PF Commissioner (Zone) (PB4 Grade Pay 8900)	00	10	10
3.	Addl. Central PF Commissioner (PB4 Grade Pay 8700)	15	00	15
4.	FA&CAO (PB4, Grade Pay 10,000)	One post upgraded from GP 8700 to GP10,000		

Keeping in view the observations of the Ministry of Finance, a revised proposal has been prepared. While preparing the revised proposal, the approval given by the EC, CBT, EPF to the original cadre restructuring proposal and the recommendations contained therein has been taken into consideration.

6. Revised proposal:

- 6.1. **Zonal Offices of Addl. CPFC (Zone):** Presently, there are 10 Zonal Offices headed by Addl. CPFCs. No separate supporting staff/Officers have been sanctioned. With the assigning of new role & responsibilities assigned to the Addl. CPFCs of Zonal Offices of EPFO, it has become quite imperative to strengthen the Zonal Offices by providing sufficient staff support, to enable them to discharge their functions and duties effectively. There is a need for RPFC (Grade-II) level officer, Enforcement Officers, Section Supervisor and Social Security Assistants.

Accordingly, it is proposed to create the following posts for Zonal Offices of the EPFO:

- (i) RPFC-II (PB3 GP 6600) - 10 Posts (One in each zonal office)
- (ii) Enforcement Officer (PB2 GP 4800) - 40 Posts (Four in each zonal office)

(iii) Section Supervisor (PB2 GP 4600) - 20 Posts (Two in each zonal office)

(iv) Social Security Asstt. (PB2 GP 2400) - 60 Posts (Six in each zonal office)

- 6.2. **Bigger Regional Offices:** Each Regional Office has been provided with two RPFCs (Grade-II) in PB3 GP 6600 to look after the Compliance and Accounts functions respectively. No officer at the level of RPFC (Grade II) has been provided to look after the establishment and administration matters relating to staff and officers. There are some big regions which have heavy work load on Compliance & Accounts side. These bigger regions also have to deal with the administration related matters such as, seniority, promotion, transfer and posting of Group 'B' & 'C' posts in respect of their own office as well as in respect of the other Regional Offices bifurcated from the main regional Office and also in respect of the Sub-Regional Offices under the jurisdiction of the main Regional Office. It is therefore felt that there is a need for posting of one RPFC (Grade-II) level officer in each such bigger region. Eight such Regional Offices have been identified which need to be provided one more RPFC (Grade-II) level officer each in PB3 GP 6600. These offices are - Delhi (North); Delhi (South), Mumbai (Bandra), Bangalore, Hyderabad, Chennai, Kolkata and Ahmedabad. Accordingly, It is proposed to create 08 posts of RPFC (Grade II).

- 6.3. **Vigilance wing:** The expansion of Vigilance Wing and its augmentation with adequate manpower and physical infrastructure and other resources – both at the zonal level and at the Head office level has been a critical need for the past few years. CVO, EPFO from time to time has been elaborating upon the difficulties being faced by the Vigilance Wing in terms of the acute shortage of manpower.

While the strength of the Vigilance Wing of Head office has remained stagnant for the past 14 years, the organisation, keeping in line with its growing business needs has grown in size significantly. Volume of its business transaction as well as increase in the number of personnel has witnessed a considerable increase. In view of the significant growth, there is a need for creation of additional post in the Vigilance Wing accordingly the creation of following post is proposed:-

Sl. No.	Grade of the Post	Existing Posts	Creation	Total	Remarks
1.	Director (Vig.) (PB4/GP 8700)	00	01	01	Vigilance Wing, Head Office
2.	Regional PF Commissioner – I (PB4/GP 7600)	00	01	01	Vigilance Wing, Head Office
3.	Regional PF Commissioner – II (PB4/GP 6600)	00	01	01	Vigilance Wing, Head Office

4.	Dy. Director (Vig.) (PB-3/GP 6600/-)	05	07	12	01 post-HO Vigilance Wing, 06 for Zonal Vigilance Offices
5.	Law Officer (PB-3/GP 6600/-)	00	01	01	Vigilance Wing, Head Office
6.	Assistant Director (Vig.) (PB-3/GP 5400/-)	20	20	40	06 post-HO Vigilance Wing, 14 for Zonal Vigilance Offices
7.	Vigilance Assistant (PB-2/GP 4600/-)	12	28	40	06 post-HO Vigilance Wing, 22 for Zonal Vigilance Offices

- 6.4. **Audit Wing:** In order to strengthen the field level deployment and functioning of the Audit Wing there is a need to add strength at the level of Assistant Audit Officer and Auditor working with the Audit Parties. Therefore, it is proposed to create 07 posts of Assistant Audit Officer in PB-2 GP4600/- and 27 posts of Auditor in PB-2 GP4200/-.

Accordingly the following posts are proposed to be created in the Audit Wing:

S. No.	Grade of the Post	Existing Posts	Creation	Total
1.	Assistant Director (Audit) (PB-3/GP 5400)	30	01	31
2.	Assistant Audit Officer (PB-2/GP 4600)	31	07	38
3.	Auditor (PB-2/GP 4200)	35	27	62

- 6.5. **Information Service Division:** There are 56 posts of Assistant Director (IS) in the Jr. Time Scale i.e. GP 5400/- in the technical cadre in EPFO. They manage the technical infrastructure in EPFO. The EC in its 72nd meeting held on 14.07.2011 has already approved grant of Sr. Time Scale to Assistant Director (IS) GP 5400/- in the next Grade Pay of 6600/- on completion of 4 years regular service.
- 6.6. **Senior Time Scale to APFCs:** Presently, there are 540 posts of APFCs posted in various field offices. They are granted Senior Time Scale in the next Grade Pay of Rs.6600 on completion of 5 years regular service as approved by the CBT, EPFO. In the organized departments of the Central Govt. the same benefit is provided after four years of regular service. ESIC has also extended the same benefit to the Deputy Director after four years of regular service. In order to have parity, It is proposed to grant Senior Time Scale to APFCs i.e. Grade Pay of Rs.6600 to these officers after completion of 4 years of regular service. The EC in its 72nd meeting held on 14.07.2011 has already approved grant of Sr. Time Scale to Assistant Director (IS) GP 5400/- in the next Grade Pay of 6600/- on completion of 4 years regular service.

- 6.7. In view of the above the following posts are proposed to be created:

4.	Dy. Director (Vig.) (PB-3/GP 6600/-)	05	07	12	01 post- HO Vigilance Wing, 06 for Zonal Vigilance Offices
5.	Law Officer (PB-3/GP 6600/-)	00	01	01	Vigilance Wing, Head Office
6.	Assistant Director (Vig.) (PB-3/GP 5400/-)	20	20	40	06 post-HO Vigilance Wing, 14 for Zonal Vigilance Offices
7.	Vigilance Assistant (PB-2/GP 4600/-)	12	28	40	06 post-HO Vigilance Wing, 22 for Zonal Vigilance Offices
8.	Assistant Director (Audit) (PB-3/GP 5400)	30	01	31	Audit Wing
9.	Assistant Audit Officer (PB-2/GP 4600)	31	07	38	Audit Wing
10.	Auditor (PB-2/GP 4200)	35	27	62	Audit Wing
11.	Enforcement Officer (PB2 GP 4800)	2293	40	2333	04 posts in each Zonal ACC office
12.	Section Supervisor (PB2 GP4600)	2660	20	2680	02 posts in each Zonal ACC office
13.	Social Security Assistant (PB2 GP2400)	5863	60	5923	06 posts in each Zonal ACC office

Proposal

1. The Executive Committee is requested to take note of the cadre strength in the Senior Administrative grade and the Selection grade as at para 5 above after the approval for creation of new posts by the Ministry of Finance.

2. The Executive Committee may kindly consider and approve the revised proposal for creation of posts as at Para 6.7 above.

Employees' Provident Fund Organisation
Head Office, New Delhi

Corrigendum

In the agenda item on Revised Cadre restructuring, a typographical error in point no. 2 of the proposal is observed. The same may be read as under:-

"2. The Executive Committee may kindly consider and approve the revised proposal for creation of posts as at Para 6.5 to 6.7 above."

- 9
- i) The existing format of balance sheet approved long back and requires to be changed. He informed the EC that the proposal for Common Approved formats has already gone to CAG and their approval is awaited.
 - ii) Formats of Balance sheet for Provident Fund and Pension need to be different.
 - iii) Fixed assets accounting is not correct. Depreciation needs to be provided for in books of accounts.
 - iv) As regards increase in over payments, it was informed that audit teams are already on the job and detailed tour programmes have been assigned to them.
 - v) It was also informed that bank reconciliation schedule has already been committed to CAG and same shall be adhered to.
 - vi) Details have been shared with SBI and the process of reconciliation has already been started. The balance sheet of 2012-13 shall not have such figures.
 - vii) Pension payment accounts have also not been reconciled and they need to be attended to on priority.
 - viii) Transfer of member accounts is an area of concern and is being worked upon to ensure that employees are not put to undue harassment.

At this point Chairman intervened to state that a specific time frame be worked out and shared with members to resolve outstanding issues. He also advised that double entry accounting system be adopted in EPFO on priority to ensure that such unreconciled amounts do not show up in books of accounts.

With the above observations the Annual Accounts were recommended for adoption and for placing before the CBT, EPF.

Item No. 5: Revised Cadre Re-structuring proposal

CPFC introduced the item and informed the EC that this proposal is in accordance with approval given by Executive Committee, CBT, EPF in its 72nd meeting and the Ministry of Finance, Government of India. He also informed that this is a part proposal and detailed proposal shall be placed before EC later.

Dr GS Reddy and Shri DL Sachdev stated that a comprehensive proposal encompassing all cadres should be brought before the EC for approval. CPFC informed that the same shall be done.

It was also informed that norms for opening of offices and staff sanction is undergoing revision and once the same is finalized a comprehensive proposal for opening of offices and sanction of additional staff shall be placed for consideration of EC. CPFC assured that the same shall be done in a specific time frame not exceeding three months.

With these observations the proposal as contained in the agenda was approved.

Item No. 6: Removal of pay anomaly consequent upon the implementation of the recommendations of the Sixth CPC in EPFO

The proposal was introduced by CPFC. AS & FA stated that post Sixth Central Pay Commission such anomalies have arisen in almost all organizations and specific guidelines

REPORT OF THE COMMITTEE ON COMPREHENSIVE CADRE RESTRUCTURING PROPOSAL

A committee consisting of the following officers has been constituted vide UO Note No. HRD/1(1)2011/Cadre Restructuring/221 dated 30.07.2013 for preparing a comprehensive cadre restructuring proposal including staff sanction norms and norms for opening of offices:

- 1) Shri K.C. Pandey, ACC (P) – Chairman
- 2) Shri A. K. Gupta, RPFC-I – Member
- 3) Shri Animesh Mishra, RPFC-I, Member

Mandate of the Committee

It was subsequently clarified vide UO Note No. HRD/1(1)2011/Cadre Restructuring/288 dated 03.09.2013 to take into consideration the following points:-

1. The committee may give its views/suggestions on cadre restructuring within the ambit of the proposal already approved by the Executive Committee, CBT, EPF and confined to the proposal on cadre restructuring that was already approved by Executive Committee in 72nd meeting held on 14.07.2011. It may however analyze the recommendations of XLRI not accepted by Sub-committee of CBT but can be re-considered in view of change of situation & re-appreciation of facts so that a proposal can be placed before CBT/EC.
2. Earlier a Working Group consisting of FA & CAO, ACC (IS) and ACC (P) was constituted vide U.O. note dated 20.02.2013 of MIS Division to address the following issues:
 - a) Rationalization of claims processing including facilitating online submission of claims.
 - b) Resolving reported technical issues in a time bound manner for clearing residual pendency in claims and accounts up-dation.
 - c) Revising the work norms of 1984 for claims settlement and annual accounts up-dation.

3. The Working Group in its report has deliberated on XLRI report on Organisational Restructuring and Cadre Review and the report of the Sub-Committee to examine the report of the XLRI and has given recommendations regarding releasing of remaining posts in the cadre of EO/AO, SS and SSA in staggered manner over a period of next three years. The report of the Working Group is under submission for approval of the Competent Authority. Committee may take into consideration the aforesaid report as well.
4. The committee may also keep in mind the advice of Ministry of Finance as conveyed by MoL&E vide letter dated 25.10.2012 on creation of posts.

Objectives of Cadre Review

The Committee considered the objectives of the cadre restructuring which are primarily as under:

- ❖ To enhance the effectiveness of the service delivery.
- ❖ Estimate future manpower requirements on a scientific basis over the review period.
- ❖ Plan recruitment in such a way so as to avoid future promotional blocks and at the same time prevent gaps building up.
- ❖ Restructure the cadre so as to harmonise the functional needs with the legitimate career aspirations of the staff and officers.

Methodology

The Committee invited the opinions and suggestions of various stake holders viz., the Staff Federation and Officers Association. The suggestions so received were deliberated upon and also discussed with the senior officers of the organization. The cadre restructuring report of XLRI in respect of EPFO was also consulted during this exercise. Besides, the DoPT Monograph on cadre restructuring was also taken into account while preparing the report.

The Committee members deliberated on various issues relating to cadre restructuring in several sessions. The committee examined the existing structure in various cadres in the EPFO, which is as under:

Sl. No.	Post	Existing Strength	Grade Pay (in Rs.)
1.	SSA/Sr.SSA	14005	2400/- 2800/-(4 year) 4200/-(60% of SSA/Sr. SSA)
2.	SS	2660	4200/-
3.	EO/AO	2293	4600/-
4.	APFC	540	5400/- 6600/- STS (after 4 years)
5.	RPFC-II	226	6600/-
6.	RPFC-I	59	7600/- 8700/-(NFSG) 30% of Sr. Duty Posts
7.	Addl. CPFC	15	8700/-

8.	Addl. CPFC(Zone)	10*	8900/-
9.	Addl. CPFC(HQr.)	2*	10000/-
10.	FA & CAO	1	10000/-
11.	CVO	1	10000/-
12.	CPFC	1	80000/- (Fixed)
	Total	19,813**	

*Yet to be operationalized.

**This does not include manpower posted in Audit, Vigilance, IS Division, Physical Facilities Division, Rajbhasha and MTS etc.

Analysis of Structural Anomalies in EPFO

The Committee analysed the present structure in the Organization and has arrived at the conclusion that the anomaly in the structure has crept in due to the fact that cadre review is not held regularly in EPFO leading to accumulated stagnation across all the cadres. In fact, instructions of DoPT and Cabinet Secretariat direct that all Cadre Controlling Authorities must carry out Cadre Review every five years in order to remove anomalies. Further, non-recruitment in the cadre of APFC and EO/AO in DR quota on annual basis is contributing to stagnation as well as impacting the performance of the Organization in a very large way as these two cadres form the backbone in terms of delivery of service to the stakeholders.

The Committee is of the opinion that the existing norms for staff sanction and opening of new offices are very old and efforts to replace the same with new set of norms are yet to materialise. Recently the National Productivity Council (NPC) has submitted a Report recommending therein the norms for opening of new offices which is yet to be formally accepted by the Competent Authority. The terms of reference of the Committee also mandates revision of norms for staff sanction and norms for opening of offices.

This does not include manpower posted in Audit, Vigilance, IS Division, Physical Facilities Division, Rajbhasha and MTS etc.

Proposed impact or benefits of Restructuring

Productivity

The extent of improvement in efficiency after restructuring in areas such as effective compliance, quality of assessments, increased revenue generation, settlement of claims, redressal of member grievances is expected. Every employee is expected to assume ownership of organizational goals resulting in higher productivity and effectiveness.

Additional Revenue Gains

Consequent to restructuring, the Organization is expected to be well placed to deal with key areas of non-compliance with early disposal of assessments under Section 7A and 14B and prompt recovery of assessed amounts thereof. This, in turn, shall lead to an 'immediate' impact on revenues due to the enhanced ability to deal with non-complying establishments and bringing the potentially coverable Establishments under the purview of the Act in a focused manner. Another gain estimated to be the additional impact on revenues from disposal of pending assessments. Increase in the number of Recovery Officers is expected to contribute huge arrears to the revenues. This will result in availability of additional corpus for investment thereby yielding more returns impacting rate of Interest to the Members.

Conclusion

The proposal is aimed therefore, to restructure the Organization, retrain and reorient its personnel through:

- Improvement of services to members.
- Increasing efficiency to increase productivity.
- Increase in the number of officers rationalizing the span of control for better supervision, control and management of workload.
- Reorientation and retraining staff and officers by providing appropriate incentives like promotions.

The Committee has taken into consideration the existing sanctioned strength of Officers & Staff in EPFO as on 31.3.2013 being 24,738 (Group A -1057, Group B- 9032, Group C -14649 - Source Annual Report 2012-13) and the proposed cadre strength is not likely to exceed the sanctioned strength. And therefore aforesaid proposal is very well within the advice rendered by Ministry of Finance as conveyed by Ministry of Labour & Employment vide letter dated 25.10.2012 on creation of posts. Further the 72nd Executive Committee has already sanctioned Rs. 19.43 Crores as annual financial implication as a result of Cadre Re-structuring. (Item No. 3 of 71st EC as at Annexure-II).

Section 5D(3) of EPF & MP Act, 1952 has granted the power to the Central Board of Trustees, EPF to appoint as many officers up-to ACC, i.e., up-to Rs. 8700/- GP as on date for the efficient administration of all the three schemes, i.e., EPF Scheme 1952, EPS 1995 and EDLI 1976. The above proposal therefore is well within the powers of Central Board of Trustees, EPF and in consonance with the directions given by the EC, CBT in its 76th Meeting.

It is also recommended that cadre restructuring at regular intervals as per the DoPT guidelines may be under taken in future to streamline the restructuring in EPFO.

(A.K. GUPTA)

RPFC-I

Member

(ANIMESH MISHRA)

RPFC-I

Member

(K.C. PANDEY)

ACC (PENSION)

Chairman

5

F.No.A-11017/07/2014-SS.1
Government of India/Bharat Sarkar
Ministry of Labour & Employment/Shram Aur Rozgar Mantralaya

Shram Shakti Bhavan, Rafi Marg,
New Delhi, dated the 20th October, 2014

To

The Central Provident Fund Commissioner,
Employees' Provident Fund Organization,
Bhavishya Nidhi Bhawan,
14, Bhikaji Cama Place,
New Delhi-110 066.

Sub:-Meeting with EPF Officers' Association-regarding.

I am directed to enclose herewith a representation dated 9.10.2014 received from Employees' Provident Fund Officers' Association, Tamil Nadu for taking further necessary action. It may be recalled that Secretary(L&E) had taken a meeting with the Office bearers of the EPF Officers' Association on 24.9.2014 in which other senior officers from this Ministry and EPFO were also present. In this meeting it was discussed that the proposal for comprehensive cadre restructuring in parity with IRS(IT) should be included in the next meeting of the CBT for its consideration.

Yours faithfully,



(Ajay Malik)

Under Secretary to the Government of India

Copy to:- Shri Saurabh Swami, Secretary General & RPFC-II, Employees' Provident Fund Officers' Association, Bhavishya Nidhi Bhawan, N.G.O. 'B' Colony, Tirunelveli-627007 (Tamil Nadu) for information.

Reminder

F.No.A-11017/07/2014-SS.1
Government of India
Ministry of Labour & Employment/
SS.1 Section

New Delhi, dated 1st December, 2014

To

The Central Provident Fund Commissioner,
Employees' Provident Fund Organization,
Bhavishya Nidhi Bhawan,
14, Bhikaji Cama Place,
New Delhi-110 066.

Sub: Meeting with EPF officers' Association- regarding.

Sir,

I am directed to refer to this Ministry's letter of even no. and dated 20.10.2014 (Copy enclosed) and enclose herewith a copy of representation dated 01.12.2014 received from Shri Saurabh Swami, Secretary General, EPF Officers' Association on the above mentioned subject for appropriate action.

Yours faithfully,

Encl: As above.


(Ajay Maliki)

Under Secretary to the Government of India

Copy to:- Shri Saurabh Swami, Secretary General & RPFC-II, EPF Officers' Association, Bhavishya Nidhi Bhawan, N.G.O. 'B' Colony, Tirunelveli-627007 (Tamil Nadu) for information.



कर्मचारी भविष्य निधि संगठन
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
Employees' Provident Fund Organisation
(Ministry of Labour & Employment, Govt. Of India)
मुख्य कार्यालय/Head Office

भविष्य निधि भवन, 14-भिकाजी कामा प्लेस, नई दिल्ली-110 066
Bhavishya Nidhi Bhawan, 14-Bhikaiji Cama Place, New Delhi-110 066
Website: www.epfindia.gov.in, www.epfindia.nic.in

File no. HRM/XII/IR/11(7)2009/EPFO Association-Meeting

Dated : 14 OCT 2014

To,

Shri Saurabh Swami,
Secretary General,
EPF Officers Association,
Sub Regional Office,
Tirunelveli, Tamilnadu

Sub: Minutes of the meeting with the representatives of EPF Officers Association
held on 24.09.2014 at Head Office, New Delhi – reg.

Sir,

Please find enclosed herewith a copy of the approved minutes of the meeting of EPF Officer Association with the Central Provident Fund Commissioner held on 24.09.2014 at Head Office, New Delhi for your information.

Yours faithfully,

Enclosures: As above

(UDAY BAXI)
Regional P.F. Commissioner - I (HRM)

Copy to :-

Regional PF Commissioner (NDC) with a request to upload on website.

**MINUTES OF THE MEETING OF THE EPF OFFICERS' ASSOCIATION HELD ON
24.09.2014 IN EPF HEAD OFFICE, NEW DELHI**

A meeting with Employees' Provident Fund Officers' Association was held on 24.09.2014 in EPF Head Quarter in which following were present:-

1. Shri D.P. Bhattacharya, RPFC Gr. II	-	President
2. Shri Saurabh Swami, RPFC Gr. II	-	Secretary General
3. Shri Ashish Kumar, RPFC Gr. II	-	Jt. Secretary General
4. Shri Shailendra Kumar, APFC	-	Vice President (KNE & Goa)
5. Shri Himanshu Kumar, RPFC Gr. II	-	Vice President (TN & KR)
6. Shri Manoj Kumar, RPFC Gr. II	-	Vice President (MH & CHH)
7. Shri Ashwin Kumar Gupta, RPFC Gr. II	-	Vice President (GJ & MP)
8. Shri Abhijeet, APFC	-	Vice President (WE, NE & JK)
9. Shri C.R. Vikraman, RPFC Gr. II	-	Treasurer

Following officers were also present in the meeting:

1. Shri K. K. Jais, Central P. F. Commissioner
2. Shri V. N. Sharma, Additional Central P. F. Commissioner (HR)
3. Ms. Meidula Gha, Regional P. F. Commissioner (HRD)
4. Shri Uday Baxi, Regional P. F. Commissioner (HRM)
5. Shri Uttam Prakash, RPFC Gr. II (HRD)
6. Shri Sudashan Kumar, APFC (HRD)
7. Shri Vikas Yadav, Asst. P. F. Commissioner (HR)

At the start of the meeting Shri D.P. Bhattacharya, President, EPF Officers' Association introduced the newly elected members of the Association. He also informed that the last election was held through online method with extensive use IT.

While welcoming all the newly elected members of the Association, the CPFC appreciated the use of technology in the election process. He, however, advised that diversity amongst the office bearers of the Association should have been safeguarded to keep it as a truly representative body of officers of all batches. He also felt that at one point of time, the composition of the largest batch or 2011 batch would be more in the Association, which would not be a good sign for the entire Association. He suggested that the Association may consider reserving senior level posts for senior officers of the Organisation.

CPFC thereafter requested Shri Saurabh Swami the Secretary of the Association to proceed with the agenda. The item wise deliberations are as under:

Item No 1: Cadre Restructuring

The Secretary stated that during 76th Executive Committee Meeting a revised cadre restructuring proposal was approved and in the same meeting it was also assured that a detailed proposal will be placed later. However, such detailed proposal had not yet been submitted to the EC. He also stated that the Central Board had the power for restructuring /creating /up gradation of posts up to the grade pay of Rs. 8700. Therefore, all such posts which were approved by the Executive Committee in 72 meeting should be implemented immediately.

CPFC informed that the cadre restructuring of EPFO has started. There are following two issues involved in the restructuring process:

- i. Revision of pay-scale
- ii. Cadre restructuring of RPFC-I, RPFC-II and APFCs

On the issue of financial implication on the grant of Senior Time Scale, the CPFC also informed that the matter was under examination in the 4 members committee which has been constituted by him.

Shri Swami raised the issue of parity with IRS and grant of Grade Pay Rs 5000/- to RPFC-I & II officers of EPFO at earliest. He also told that it has been already been done in the ENSC and EPFO should follow the same. Shri V.N. Sharma, ACC (HQ) stated that this matter needs further examination because it has spiral effect. However, it was commonly agreed that a detailed cadre restructuring proposal involving functional justification is due and requires to be undertaken at the earliest.

Item No. 2: Timely promotion in respect of all cadres

CPFC said that he was in full agreement with the item and wanted the Association to take up the matter with the Secretary, MoL&E also during their meeting. He also suggested that 2-3 representatives of the Association may meet the Hon'ble L&M at Gwalior during the function for Enhancement of Minimum Pension and apprise him of the position.

Further he said that there were two issues in the case of timely promotion. One is relaxation of required qualifying service and other is involving UPSC in the DPC.

He said that promotions for the scale of Rs. 8700/- has been postponed because of issue of involving UPSC in the DPC. This issues raised by UPSC were being examined in the 4 member committee. He requested EPFOA to deliberate on this issue and submit their considered opinion.

Regarding relaxation of required qualifying service, he said he was fully in agreement with the item and EPFO had already sent proposals for the Ministry for relaxation.

Item no. 3: Regularisation of APFC

EPFOA was informed that the regularisation in the cadre of APFC for the year 2011-15 had been done on 28.03.2014.

Item No. 4 New pension scheme to be applicable with effect from the date CBT adopted in the year 2010

It was discussed and decided to place the demand in the form of an agenda before the CBT in its next meeting for its consideration.

Item no. 5: Redistribution of APFCs as communicated vide HO letter dated 25.08.2014

The Secretary, EPFOA stated that the redistribution of APFCs as done by Head Office recently had not considered many functional areas other than establishments and accounts. Further, the work in offices having single APFC might suffer when the said APFC is on leave/tour. He also pointed out that new divisions like CAIU also requires additional APFCs.

Shri V N. Sharma, ACC (Hqs) informed the Association that 540 posts of APFCs had been redistributed as per present situation in the office. It was neither a fresh sanction nor a constant (fixed) position. The re-allocation would change from year to year basis depending upon requirement. The logic adopted for such redistribution is also very sound. However, the such redistribution had been circulated with a request to submit representations if any. A few requests have been received and are examination. CPFC requested the EPFOA to forward a proposal for better redistribution, if any of 540 posts.

The meeting concluded with vote of thanks.

Sl No. 24

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ANNEXURE**ACTION PLAN FOR EPFO (2014-15) AS COMMITTED BY CPFC TO
SECRETARY (LABOUR & EMPLOYMENT)**

Sl No.	FUNCTIONAL AREA	TIMELINE	INTERNAL TIMELINE	ACTION TO BE TAKEN BY
1.	Universal Account Number (UAN) will be allotted to the present active members by 15 th October, 2014 and thereafter the coverage of other members will be taken up.	15.10.2014	30-06-2014	FA & CAO ACC(IS) Zonal ACCS
2.	Launch of ECR version II - incorporating new features and functionality.	01.11.2014	31-08-2014	ACC(IS) ACC(C)
3.	Re-engineering of Pension settlement process.	01.12.2014	31-08-2014	ACC(Pension)
4.	Digitization of pension data.	30.09.2014	31-08-2014	ACC(Pension)
5.	Extension of OTCP to facilitate transfer between un-exempted and exempted establishments.	01.07.2014	30-06-2014	FA & CAO ACC(IS)
6.	Cleaning of Establishment Master.	30.06.2014	31-05-2014	ACC (C) All field offices.
7.	On-line registration of establishments (issue of code numbers).	30.06.2014	31-05-2014	ACC(C) ACC(IS)
8.	Monitoring of exempted establishments- Software launched in January 2014.	30.04.2014 (75%) 30.06.2014 (100%)	31-05-2014	ACC(C) All field offices.
9.	Assessment of interest under section 7Q and damages under 14B: Notice to be issued in all cases.	30.04.2014 (> Rs 1 lac) 30.06.2014 (all cases)	31-05-2014	ACC(C) All field offices.
10.	On-line fillable application form for issue of Certificate of Coverage.	15.04.2014	Already launched on 11- 04-2014	ACC(IW) ACC(IS)
11.	Providing online information regarding CoC to liaison agencies of SSA countries.	15.04.2014		ACC(IW) ACC(IS)
12.	Reconciliation of international workers data with Foreign Residents Registration Office (FRRO).	30.06.2014	15-06-2014	ACC(IW)

13.	Facilitating establishments for making e-payment of contribution from any bank account.	30.09.2014	31-08-2014	FA & CAO ACC(IS)
14.	100% e-payment of benefits to beneficiaries- Currently 93% benefits are being paid electronically.	30.09.2014	31-08-2014	FA & CAO ACC(IS) All field offices.
15.	Reconciliation of undisbursed pension amounts	31.07.2014	30-06-2014	ACC(P) All field offices.
16.	Reconciliation of Interest on belated credit payable by SBI- (pertaining to last five years)	31.07.2014	30-06-2014	FA & CAO All field offices.
17.	Implementation of NPS: Deductions in this regard from eligible employees has to be deposited and all details furnished.	30.06.2014	15-06-2014	ACC(HR) All field offices.
18.	EDLI actuarial evaluation: Required urgently to check whether the admissible benefits can be improved.	30.09.2014	31-08-2014	ACC(P) All field offices - to conduct a review of all EDLI exemption cases and correct, mark such cases in establishment master.
19.	Internal Audit: All internal audit paras pending as on 31.03.2013 to be resolved.	30.09.2014	31-08-2014	FA & CAO Zonal ACCs.
20.	Smoothing the working of bigger offices: It has been observed that a large number of complaints in EPFO pertain to fifteen offices. The working of all the fifteen offices needs to be separately looked into. There might be need to open sub offices within these offices to take care of the services to the stakeholders. This work is being studied presently. Study will be completed and the appropriate sanction will be taken.	30.11.2014	30-09-2014	ACC(HR) ACC(MIS) ACC(IS) Zonal ACCs.
21.	Reconciliation of sundry credits & debits: There is a backlog of un-reconciled transactions roughly amounting to Rs.300 crores in sundry credits and sundry debits which needs to be reconciled.	31.12.2014	31-10-2014	FA & CAO All field offices.

22.	Construction issues: The construction work is pending at various places. Meetings have been held with the CPWD and NBCC. Further sub-committee on Building & Construction has also been formed.	31.12.2014 (construction in at least 40% places should start)	30-11-2014	CE (PFD) Zonal ACCs.
23.	EPFIGMS & CPGRAM: under EPFIGMS & CPGRAM is being done regularly but duty chart and responsibility chart needs to be framed. Work will be completed by 31 st July, 2014. It would ensure better compliance.	31.07.2014	30-06-2014	ACC(CSD) All field offices.
24.	Cadre Restructuring: The restructuring of the cadre is an urgent need of the EPFO especially in view of the pending changes. This work will be taken up but will be completed only after the issuance of unique ID.	January 2015	30-06-2014	ACC(HR) ACC(HS)
25.	Updation of Member records: Efforts are being made to collect the data regarding all the members.	30.04.2014 (collection of data of more than 95% of active members)	30-04-2014	FA & CAO ACC(P) All Zonal ACCS



Manish Gupta,
Joint Secretary
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MINISTRY OF LABOUR & EMPLOYMENT
GOVERNMENT OF INDIA
SHRAM SHAKTI BHAWAN, RAFI MARG,
NEW DELHI-110119

D.O. No.A-32022/10/2014-SS.I

Dated, the 22nd January, 2015

Dear Sir,

The matter relating to non-grant of promotions across all cadres of EPFO has been reviewed by the Hon'ble Minister of State(IC) for Labour & Employment. He has expressed his serious concern over pending promotions which is affecting the morale of the staff.

2. To facilitate in-depth examination of the issues relating to promotion as well as another issues relating to service conditions of the EPFO staff viz-a-viz other Central Government Departments in field formations, he has constituted a Committee comprising Additional Secretary(L&E), CPFC, Director(SS) and Shri V. Vijaya Kumar, ACC. The Committee will undertake an elaborate exercise for restructuring of EPFO within the powers of CBT. Hon'ble Minister has desired report of the Committee within three weeks.

3. I shall be grateful if the Agenda points along with detailed background note on the issues to be placed before the Committee for its consideration are prepared and forwarded to us, positively by 28th January, 2015.

With regards,

Yours sincerely,

(Manish Gupta)

28/1/15
Shri K.K. Jalan,
Central Provident Fund Commissioner,
CPFC,
New Delhi

Item No.1: Confirmation of the Minutes of 80th meeting of EC, CBT, EPF held on 18.12.2014.

Shri M. Jagdishwar Rao referred to his letter dated 12.01.2015 regarding his observations to the minutes of the 80th meeting of the Executive Committee relating to the pendency of court cases in high volume and failure of cases in courts by which entire work done through 7A enquiries has gone waste. He stated that the reasons for failure may be enquired and to see whether the failure is due to the inefficacy of the panel advocates or not. If the panel advocates are not capable of handling EPFO court cases, they need to be replaced.

CPFC assured the members that the issue will be got examined in detail.

EC confirmed the minutes of the 80th Meeting with these observations.

Item No.2: Action Taken Statement in respect of decisions taken in the EC meetings held upto 18.12.2014 (80th EC Meeting).

Item no. 2(1) – Shri Ravi Wig appreciated the efforts taken by the EPFO for allotment of Universal Account Number to members of the Fund. It was also clarified that wherever Universal Account Numbers are issued there is portability. Shri M Jagdishwar Rao stated that Universal Account Numbers are not seeded with KYCs. It was clarified that some of the employers have not uploaded the KYC data and as such the updation is yet to be done. EPFO has been pursuing with the employers to update the KYC data. Chairman advised CPFC to get the query of Mr. Rao clarified. Shri Ravi Wig reiterated the decision taken in the meeting of the Sub-Committee of the Central Board on Construction Workers and wanted to know the action taken by EPFO on the said decisions. It was apprised to Chairman that Shri Wig is referring to the decisions taken in the Sub-Committee of the Central Board on Construction Workers and thus it may not be appropriate for this forum to discuss the issue, Chairman was assured that a meeting of the Sub-Committee on Construction Workers will be convened soon to discuss the concern of Shri Wig.

Item no. 2(2)- The Committee was apprised that on the issue of cadre re-structuring, a committee has been constituted under the Chairmanship of Additional Secretary (L&E). The committee has met once. Shri Rao suggested that the cadre restructuring has been pending since long and no tangible action is seen taken. Instead of bringing the proposal in parts, he suggested that the cadre restructuring should be comprehensive right from Group A Officers till Group C Officials. While consenting the views of Shri Rao, Shri A.D. Nagpal informed the Chair that the cadre restructuring proposal has not yet materialized even though originated long back. He also pointed out that it should cover Group A Officers to Group C officials. Chairman intervened and wanted to know the timeline by which the Committee so constituted will finalize the report. Additional Secretary (L&E) and the Chairman of the Committee stated that the proposal will be ready by 30th June 2015.

Demands of the EPF Officers' Association

1. PROPOSAL FOR INDUCTION OF DEPUTATIONISTS AT ACC-LEVEL IN EPFO – REQUEST FOR IMMEDIATE REPUDIATION OF PROPOSAL

The EPF Officers' Association requests that the Hon'ble Secretary recognise the excellent all-round performance & proven talent of EPFO officers across the field & urges him to consider delegation of more responsibilities & duties to EPFO officers, rather than accepting or even considering the proposal for allowing deputationists to man the senior-level posts in the organisation. The specialist functions of a financial Organisation like EPFO should be performed by domain experts who have long term interests in the survivability as well as growth of the organisation. Other than the fact, that allowing deputationists may be harmful to the interests of the organisation & our stakeholders (as has been emphasised in the EPFOA letter dated 14.08.15 addressed to your goodself), it will block future promotion & growth avenues of EPF officers. With already non-existent cadre progression opportunities in the organisation, this proposal has had an extremely negative & morale-sapping effect on all EPF officers across the country. **It is accordingly requested that your good office may immediately reject the above deputationists proposal, and give no further consideration whatsoever to the same.** This action shall have a salutary effect for the general morale of EPF officers, so that they can re-dedicate themselves to the nationally relevant task of successfully implementing UAN related activities, from which their attention has been needlessly diverted.

2. IMMEDIATE IMPLEMENTATION OF CADRE RESTRUCTURING IN EPFO

Sir, as you are aware the most important demand of EPF Officers' Association is immediate implementation of cadre restructuring in the organisation. You may agree it is not an unreasonable demand as cadre restructuring has been pending in EPFO since 1988. From the papers submitted to you along with this note you may observe that even in the past two years repeated directions have been given by the Hon'ble Labour Minister & your good office to EPFO for cadre restructuring, but to no avail. This despite the fact that the Executive Committee in its 72nd meeting held in 2011 has already approved the cadre restructuring proposal. A part of that approved agenda item that was beyond the power of CBT (i.e. above the Grade Pay of Rs. 8700) has already been implemented in a modified form after approval of the Finance Ministry. However, that part of the cadre restructuring proposal (as approved in the 72nd EC meeting), for which even the Finance Ministry clarified as to be within the power of CBT, the implementation is still awaited. The incumbent CPFC had given a mandate to the K.C. Pandey Committee on Cadre Restructuring to submit its report on implementation of the above described un-implemented part (i.e. cadre restructuring upto the Grade Pay of Rs. 8700) of the agenda item approved in the 72nd EC meeting. The said committee has already submitted its report; however, the same was not implemented by EPFO. Later, the Hon'ble Labour Minister had formed another committee, headed by the Hon'ble Addl. Secretary, for cadre restructuring in EPFO with direction to submit its report within three weeks. Thereafter, your goodself, in 81st EC Meeting, had directed the said committee to give its report latest by 30.06.15. However, the report is still awaited as on date. Furthermore, it has been learnt that another extension of two months has been given to the said committee during the 82nd EC meeting held on 20.08.15.

It is not understood why so much time is being taken by the committee to submit its report. A possible explanation may be that the structure of the committee itself is flawed. It is headed by the Addl. Secretary, whilst the

CPFC, a Secretary-level officer, is a member of the committee. This may be causing undue delays in organising meetings & finalising reports. In interest of an early resolution, it is our humble opinion that either the CPFC be made the chairman of the said committee or he may be disassociated from the committee.

Furthermore, as an earlier committee, viz. the K.C. Pandey Committee, has already submitted its report on implementation of the unimplemented part of the agenda item on cadre restructuring approved by 72nd EC, the current committee may be given a clear-cut mandate to urgently submit its report for the immediate implementation of the approved but still unimplemented part of the agenda item of the 72nd EC meeting. A short & definite timeline must be prescribed for the submission of report by the committee to the Hon'ble Chairman, CBT & thereafter for final implementation of the same by EPFO.

CONCLUSION

Sir, you may kindly appreciate that EPFO officers have worked hard & tirelessly but without any complaint. All the important agendas of the Government whether directly linked to EPFO such as launch of Universal Account Number, settlement of inoperative accounts, inspections through Shram Suvidha Portal, etc. or whether linked to society as a whole, such as the Swachh Bharat initiative have been wholeheartedly adopted by EPF officers as their own. We have shown immense flexibility in changing ourselves, our methods of functioning and our Organisation to suit the modern requirements & demands. However, due to the ill-advised proposal for deputationists at senior level & due to further delaying of cadre restructuring even we have reached our breaking point. These are our lines in stone and we cannot give any ground on these issues. It is our humble request that this critical point may be recognised for its seriousness and decisive action be taken to avert any unfortunate fate.

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