



**EMPLOYEES' PROVIDENT FUND OFFICERS' ASSOCIATION**  
**EMPLOYEES' PROVIDENT FUND ORGANISATION**  
**MINISTRY OF LABOUR AND EMPLOYMENT, GOVT. OF INDIA**  
**Regional Office, Sham Nagar, Near General Bus Stand, Ludhiana – 141001 (Punjab)**

(Regn. No. 33/2015)

Phone: 0161-2440559, 9655565892  
Fax: 044 2402206  
WhatsApp: EPF Officers' Association (9655565892)  
PAN: AAAAE7689J

Email: epfooa@gmail.com  
Web: www.epfoa.in  
Facebook: Epfoa India  
Twitter: @epfoaindia

**PRESIDENT**

Sh. Navendu Rai  
Regional PF Commissioner-I

**WORKING PRESIDENT**

Dr. K. P. Singh  
Regional PF Commissioner –I

**SECRETARY GENERAL**

Sh. Saurabh Swami  
Regional PF Commissioner -I

**JOINT SECRETARY  
GENERAL**

Sh. Hansraj Roy  
Regional PF  
Commissioner -II

**MEMBER, CENTRAL  
EXECUTIVE**

Sh. Pawan  
Regional PF  
Commissioner -II

Sh. Avinash Sinha  
Assistant PF  
Commissioner

**TREASURER**

Smt. Ritu Kanojia  
Assistant PF  
Commissioner

**Aug 06<sup>th</sup>, 2024**

**To,**

**Sh Sanjeev Sanyal  
Member, Economic Advisory Council  
to the Prime Minister  
Room No. 106, First Floor  
NITI Aayog, Sansad Marg,  
New Delhi – 110 001**

**Sir,**

1. Taking a cue from the talk delivered by you to team EPFO on 25th July 2024 on the subject of "Process Reforms & Governance, we take this opportunity to connect with you. Recognition of the EPFO in Government of India's policy matrix through EPFO pay-roll data and now as part of ELI in Union Budget 2024-25 is an encouraging signal for us. EPFO administers a part of the social security matrix in India.
2. We submit that the social security universe in India will become more meaningful and enriched once it is benchmarked to the ILO Convention C-102 on Minimum Standards of Social Security (1952). This convention is yet to be ratified by India.
3. Another important process reform we would submit is the aligning of EPFO inspections with ILO convention C-081 (Labour Inspection Convention) ratified by India in 1949. A fair inspection policy would go a long way in administration of EPF benefits to an increasingly larger number of workers in India.
4. It is stated policy of Government to discourage intrusive compliance action and to encourage voluntary compliance. We feel that an important process reform would be to introduce multi-point-based star rating of establishments where establishments scoring high on scale are not subjected

to routine compliance action. Establishments scoring low may be subjected to stricter norms. Further, establishments with good compliance scores may be allowed preferential access to credit, public contracts and export rights, favourable terms for access to credit and taxation. This would ease the compliance burden and facilitate ease of doing business.

5. The Cabinet Secretary, Government of India had in the year 2015 written to all Secretaries to Government of India to mandatorily enrol all contractual employees under EPFO (& ESIC) with a view to extend social security coverage. We request that this direction may be mandatorily enforced in all Government and Government entities by suitably modifying contractual obligations and by ensuring contribution deduction at source by the respective DDOs and remittance of same to EPFO. The wage and employee thresholds for EPFO enrolment be suitably enhanced and used as markers for enrolment and contribution. The present definitions operate in a way that these are being used as tools for excluding a large segment of eligible employees as EPF members. Central Board (EPF) has accordingly recommended to the Government of India.
6. You spoke specifically about claims rejection ratio and emphasized improvement in this parameter as an important process reform. We submit that "service guarantee" (settlement of claims within 20 days) has been part of EPF statute much before the "right to public service legislation" came of age in India. We submit a small explanation for the "rejection ratios of claims" which has been found to be a cause for concern. A brief narration is in order:
  - i. EPFO initiated a process reform by allowing EPF members to submit claims online in 2017-18. In that year of the total 1.43 crore claims settled, about 6% were received online. The rejection ratio was 17% in 2017-18.
  - ii. During April-July 2024, 1.84 crore claims have been settled. About 30% of these claims were auto settled, i.e., no manual intervention was required. 99.29% of these claims were received online. The rejection ratio was 22%.
  - iii. What is notable is that the rejection ratio includes ineligible claims which will necessarily be rejected. The other category is claims which are returned for curing some deficiency. Rejected claims need not be marked as a performance metric. The option for online filing of claims allows filing even of ineligible claims as there is no pre-filtering on the online portal.
  - iv. During April-July 2024, 63% of claims falling in the bracket of returned/rejected claims were ineligible claims. **After adjusting for rejected claims, the actual return ratio during April-July 2024 was 8% only.**
  - v. The process reform initiated by online filing of claims was to be followed up by further reforms allowing pre-filtering of claims at the time of filing of claims and auto-settlement of claims. This would have resulted in a robust claim settlement system with minimal errors. **An inexplicable delay in following up on this process reform is now inviting adverse attention.**
7. The IT intervention, stalled for some time now, requires urgent and time bound action for upgrading IT manpower, hardware, and software upgradation. EPFO requires serious augmentation of its non-IT manpower resources also. From 2017-18 to 2023-24 the claims (one of the many functional areas of EPFO) settled have increased by 68%, there is no increase in manpower. We understand that manpower and technology, both will require serious augmentation to handle this increasing workload.
8. Unfortunately, requisite action in both areas has been wanting. This becomes more frustrating as EPFO does not need any financial support from Government budget to undertake any of the above-mentioned activities. During your talk you referred to

the ability of GSTN to handle complex and large tasks with ease. We would request you to undertake an evaluation of IT spends of GSTN/ I Tax Department or any other Government entity having as large a footprint as EPFO to understand why our IT systems need serious and urgent intervention.

9. The Central Board (EPF) is a tri-partite body consisting of representatives from Government (Centre & States), employers and employees. The parent statute defines its powers and functions. However, over the years we have noticed that the Board's operational autonomy has been diluted. We request that an urgent and easy process reform would be to enable and empower the Board to perform its statutory functions.
10. The NITI Aayog in its report (2018) "Strategy for new India" has inter-alia recommended to "Improve the teeth to tail ratio: Promote an officer-oriented culture and focus on expanding the numbers of officers." EPFO presently only has 6% officers of the total sanctioned strength. In Government of India the corresponding norm is between 10% to 20%. An important process reform would be to increase the officer ratio in EPFO to at least 10% of the total sanctioned strength.
11. You offered support and guidance during your talk, so we feel encouraged to approach you in our quest for making EPFO a benchmark for delivery of publicly managed services in India. We remain committed to our organisation and seek your assistance in furthering its mandate.

Thanking you.

Yours sincerely,



**[Saurabh Swami]**  
**Secretary-General**