



EMPLOYEES' PROVIDENT FUND OFFICERS' ASSOCIATION
EMPLOYEES' PROVIDENT FUND ORGANISATION
MINISTRY OF LABOUR AND EMPLOYMENT, GOVT. OF INDIA
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March 11th, 2025

To,

**Shri Ramesh Krishnamurthy, IRS,
Central PF Commissioner,
Employees' Provident Fund Organisation,
NEW DELHI 110023**

**Subject: Erroneous Service Regulations being notified
by EPFO - despite assurance of Hon'ble LEM
to re-examine lack of classification of posts –
request for urgent re-consideration -
regarding**

Sir,

The EPFOA had met the Ho'nble LEM on 04.03.2025. The HLEM was appreciative of the concerns and issues placed before him by EPFOA. The issues placed before HLEM were shared with you the same day for information and needful.

2. One of the issues placed before HLEM was regarding Classification of posts in EPFO as Group A, B (& C). We had thanked HLEM for approving the said Classification in the RR of AD (OL) & requested him for restoring the said Classification in all RRs in EPFO which have been proposed to be removed through the draft HR Regulations hurriedly pushed through CBT by placing it directly on the Table during the CBT meeting held on 10.02.2024. HLEM had assured that the Classification of posts in EPFO shall be restored.

3. We present a brief background on classification of posts in EPFO to put things in correct perspective: -

a) The issue regarding classification of posts in the EPFO has arisen based on communications between the UPSC, DoP&T and MoL&E. These are summarised as follows:

- i. In December 2020 UPSC sought clarifications from DoPT on classification of posts in EPFO. DoP&T in-turn referred the matter to MoL&E.
- ii. MoL&E informed DoP&T that since EPFO has not adopted CCS (CCA) Rules 1965, the classification of posts as available in said rules is not applicable to EPFO.
- iii. Based on this MoL&E's communication to DoP&T, the DoP&T informed UPSC that as informed by MoL&E the classification of posts (Group A, B & C) is not applicable to EPFO.
- iv. DoP&T, however, clarified that it is concerned with framing/amendment of Recruitment Rules under proviso to Article 309 of the Constitution of India and therefore DoPT is not concerned with the RRs in respect of posts in EPFO, as the RRs of EPFO are made in exercise of powers conferred under an Act. **Further, being an autonomous / statutory organisation, DoPT's instructions are not suo motu applicable to EPFO.**

b) DoP&T on another reference made by MoL&E in September 2022 advised that:

- a) EPFO does not come under purview of DoP&T. MoL&E may take up the matter with UPSC.
- b) CCS(CCA) Rules and the consequent classification is applicable only to civil posts under the Union.
- c) EPFO employees are governed by EPF (CCA) Rules and hence CCS(CCA) Rules are not applicable on them.

4. Thus, **based on a clarification issued by MoL&E only**, DoP&T has taken the view and informed UPSC that the classification of posts as belonging to Group A, B & C is based on CCS (CC&A) rules 1971. Since CCS (CC&A) rules are not adopted by the Central Board EPF, the said classification cannot operate for posts in the EPFO.

5. It is submitted that the classification of posts in EPFO is governed by Section 5D of the EPF & MP Act, 1952, specifically section 5D(4). This provision holds statutory authority, and any assessment of the classification of posts must be conducted strictly within the framework of this statutory provision. It is important to note that the classification of posts within EPFO has never been based on the CCS(CC&A) Rules.

6. Initially, the classification was established in 1962 (Class I Gazetted, Class II Gazetted, Class III, and Class IV) by the Central Board pursuant to the then paragraph 23(2) of the EPF Scheme 1952, with the approval of the Central Government.

{Gazette of India, Part-II, Section 3(1), GSR No.691 of 10th May 1962}
The former paragraph 23(2) of the EPF Scheme 1952 stated:

"Subject to the provisions of this paragraph, regulations regarding the method of recruitment, salary and allowances, discipline, and other conditions of service of the members of the staff shall be laid down by the Central Board or the State Board, as the case may be, with the approval of the concerned Government."

7. Subsequently, exercising its powers under Section 5D(7) of the EPF & MP Act 1952, the Central Board, with the approval of the Central Government, issued the EPF (CC&A) Rules 1971, which included the classification as Class I, Class II, Class III, and Class IV.

{Gazette of India, Part-II, Section 3(1), GSR No.1602 of 30th October 1971}

8. The EPF (CC&A) Rules mirror the CCS(CC&A) Rules. Additionally, the EPF (CC&A) Rules state that where these rules are deficient or make no provision, the CCS(CC&A) Rules shall apply mutatis mutandis. Accordingly the current classification of posts within EPFO as Group A, Group B, and Group C is specified by the Central Board. It has been judicially affirmed that the Central Board is competent to specify Central Government's rules and orders for its officers and employees.

9. The classification of Group A and Group B posts by the Central Board is referenced in Section 5D(4) of the Act. This classification is also mentioned in Sections 14 and 125 of the Code on Social Security, which received the Presidential assent on September 28, 2020. The Classification, Control & Appeal Rules - 1971 of EPFO correspond exactly to the similar rules governing Central Government employees.

10. Thus, EPFO fulfills the mandate of section 5D(7)(a) of the Act and Sections 14 & 125 of the Code. Any other classification would be violative of the law, ignoring the mandated comparison required by the Act. We request that this legal mandate be honoured to ensure adherence to statutory requirements.

11. It is in this background that the Central Board of Trustees (CBT), EPF approved the proposal for amendment of Employees' Provident Fund (Officers and Employees' Conditions of Services) Regulations, 2008 in its 235th meeting on 10.02.2024. These draft regulations were sent to the MoL&E a year ago. We understand that these have now been received back in EPFO for notification. The EPF Officers' Association has criticized the approval process for being hasty and lacking consultation with stakeholders. Additionally, we have pointed out legal flaws in the regulations. With the recent approval of Recruitment Rules (RR) for AD (OL) and publication of draft RR for ASO, these legal issues have become more evident.

12. The current iteration of these regulations represents the third revision within the EPFO framework since its inception in 1952, with previous versions introduced in 1962 and 2008. Given the infrequent nature of such policy updates, it is very important that their introduction and subsequent deliberation be conducted with due diligence and adequate time for consideration. The absence of an advance agenda pertaining to these regulations, prior to their presentation to the CBT members, has led to lack of thorough examination and rational discourse. This denied them informed participation. Further the DoPT mandates

a one-month stakeholder consultation period for policy revisions. This essential step, however, appears to have been overlooked in the present context. Consequently, both officers and staff within the EPFO have been denied the opportunity to contribute to the formulation of these regulations, leading to their unilateral imposition.

13. Prima-facie following legal and administrative lacunae in these regulations are evident:-

a) Absence of classification of EPFO posts in Group A/B/C. - Section 5-D(4) of the EPF & MP Act, 1952 is reproduced as below:

5-D (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.***

b) The same statutory provisions are found in Sections 14 (5) and 125(1) of the Code on Social Security 2020. Thus, the classification of the officers of Central Board, EPF into Group A & B is derived directly from the statutory provisions. This classification accordingly found reflection in all HR Regulations and Recruitment Rules specified since 1962.

c) It seems that the classification of posts as Group A/B/C has been removed in the draft regulations apparently on the advice of DoP&T. This view of DoP&T is based on a communication from MoL&E (Please see para 3 above). The referred MoL&E communication is a misrepresentation of the statute and is erroneous to that extent.

d) Illegal usurpation of the appointing power of CBT, EPF - In the said service regulations, the posts of CPFC, FA&CAO, CVO and deputation posts of ACC (HQ) have been removed from the lists of posts in EPFO which is against the provisions of EPF & MP Act, since as per the EPF Act the CBT, EPF is the appointing authority for posts upto equivalent to Joint Secretary to the Government of India. Therefore, deputation posts of ACC(HQ) cannot be excluded to be a post outside EPFO, i.e. beyond the power of appointment by CBT.

e) Chaos in administration of field offices - As per the service regulations, in case of Enforcement Officer/Account Officer, Regional

PF Commissioner (Officer in Charge) is the disciplinary authority for minor penalties, but for lower-level posts of Section Supervisor and Social Security Assistant and MTS, Regional PF Commissioner (Zonal office) is the Disciplinary Authority, thus lower posts will be beyond the disciplinary control of RPFC(OIC) who will be responsible for their performance which will create functional issues. This chaos will get further magnified in multi-state zones such as Tamil Nadu, Maharashtra, etc. where the RPFC(ZO) sitting in ZO Chennai will be disciplinary authority of junior staff of another Zone such as Coimbatore.

- f) **Non Uniformity in defining appointing and disciplinary authorities**: There is no uniformity in defining the appointing and disciplinary authorities. For example, In the case of EO/AO, which is a level 8 post, ACC(HQ-HR) has been made appointing authority, while for all other Level-8 posts, such as SO, CPFC is the appointing authority. Even at present CPFC is the appointing authority for EO/AO cadre. This cadre wise approach for a post of same Level is not justified. It should also be noted that both EO/AO and SO are feeder cadres for APFC. Therefore, there is no reason why they should be treated differently.
- g) **Non Adherence to Statutory Phrases**: It may be noted that even the name of this Regulation is not correct. The word "staff" has nowhere been used in section 5D(7) or any other provisions of the Act. Rather, it has always been referred as "Officers and Employees" of the Central Board. This is the reason why Regulation of 2008 was called as Employees' Provident Fund (Officers & Employees' Conditions of Service) Regulations, 2008. But, it is not at all clear why this nomenclature, which emanates from the very section which proposed Regulation professes, is not being followed and old nomenclature of 1962, which shows the position of the Act before the 1988 comprehensive amendment, is being brought back. Rather the name of Regulation should be Employees' Provident Fund (Officers & Employees' Conditions of Service) Regulations, 2025.

14. It is brought to your kind attention that in case of another organisation, the Indian Museum, Kolkata (Group A and B) Recruitment Rules, 2022, were notified by the concerned Ministry doing away with classification of posts into Group A & B. The situation is similar to what is now happening in EPFO. However, when this matter was taken up before the Committee on Subordinate Legislation of Lok Sabha, the concerned Ministry had to concede and classification of posts into Group A & B was included.

15. Sir, there is no urgent requirement for hurried notification of these faulty regulations and even the pension Rules, 2021, have been separately adopted by the Board. The regulations were under administrative process with the ministry since last more than a year. This itself is proof that there is no sense of urgency. But even then, it was introduced before CBT in a hurried manner, only to deprive CBT members, Officers and Employees, their rights to be heard. Notification of

faulty regulations, without due consideration of viewpoints of stakeholders, will only result in embarrassing rectifications at a later stage such as in case of Indian Museum, Kolkata.

16. The HLEM having recently approved the said Classification in case of RR of AD(OL) and inclusion of said classification in RR of ASO published on EPFO website for comments, it would be appropriate that the draft HR Regulations of 2024 be revisited for addressing the inconsistencies as set out above. Therefore, it is requested that the notification of these service regulations may be deferred for now and consultations may be carried out for duly correcting them.

Thanking you.

Yours sincerely,



**[Saurabh Swami]
Secretary-General**

Copy to:

- 1. Hon'ble Chairman, CBT, EPF/ Hon'ble Minister,
Labour & Employment, Govt. of India**
- 2. Hon'ble Vice Chairman, CBT, EPF/Secretary,
Ministry of Labour & Employment, Govt. of India**
- 3. All the Hon'ble Members of CBT**

for kind information