

**GOVERNMENT OF INDIA
LABOUR
LOK SABHA**

STARRED QUESTION NO:188
ANSWERED ON:15.12.2003
CASES OF NON-PAYMENT OF EPF
ALE NARENDRA

Will the Minister of LABOUR be pleased to state:

- (a) whether the number of cases of non-payment of Employees Provident Fund by the offices of Regional Provident Fund Commissioners is increasing every year and the disposal of claims is taking place at a very slow pace;
- (b) if so, the number of cases of delay and non-payment of EPF during the last three years and the reasons for delay in the disposal of their claims, year-wise and region-wise;
- (c) whether the Government has taken a decision to revamp the Employees Provident Fund Enforcement System to identify the defaulters and the delay in the payment;
- (d) if so, the details thereof;
- (e) whether the Government proposes to increase/decrease the rate of interest on delayed payment by the defaulters; and
- (f) if so, the details thereof?

Answer

MINISTER OF LABOUR (SHRI SAHIB SINGH VERMA)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 188 15.12.2003 BY SH. A. NAGENDRA REGARDING 'CASES OF NON-PAYMENT OF EPF.'

(a): While the number of claims for EPF withdrawal has been increasing, steps have been taken for monitoring and improving the pace of disposal.

(b): Comparative position in respect of Workload/settlement and pendency of claims under Employees` Provident Fund during the last three years is as given below-

Total Workload Claims processed & disposed Claims Pending Amount Paid (Rs. In crores)

Year	2000-2001			
	2668005	2587900	80105	5243.07

Year	2001-2002			
	2967846	2915696	52150	6561.25

Year	2002-2003			
	2914247	2722494	191453	7995.07

The reasons for delay in settlement of cases is on account of non remittance of contribution/ non submission of returns by the employer, non-submission of completed forms by members and lengthy settlement procedures.

(c) & (d): Yes, Sir. Employees Provident Fund Organisation has taken up the task of modernization of EPF through the project, 'Re-inventing EPF India' with the mission to re-invent the Organisation and reposition Employees' Provident Fund Organisation with the following goals;

i. Allotment of permanent and unique number to Provident Fundmembers for identification. This will be known as Social Security Number.

ii. Networking of all Provident Fund offices to facilitate online settlement of claims within 2-3 days.

iii. To provide anywhere, anytime facility to customers and to develop mechanism for monitoring of compliance online and on monthly basis.

(e) & (f): Section 7 Q of the EPF & MP Act, 1952 provides for collection of a simple interest rate of 12% per annum from the employees on delayed payment of PF contribution. The provision is found to be adequate and at present there is no proposal to increase or decrease the rate