

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:87

ANSWERED ON:01.08.2011

UNCLAIMED EPF AMOUNT

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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether there is a large amount of money lying unclaimed with the Employees' Provident Fund Organisation (EPFO);
- (b) if so, the details thereof, State-wise alongwith the steps to ensure that these funds reach their legitimate owners;
- (c) the reasons for poor statement record of EPF claim;
- (d) the total surplus available with EPFO in their suspense account till date;
- (e) whether this amount is not pertaining to the PF account holders whose account was not credited;and
- (f) if so, the corrective measures taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

(a): There is no unclaimed money lying with the Employees' Provident Fund Organisation. These accounts are actually inoperative accounts and all these accounts have a definite claimant or their legal heirs or nominees, if any.

(b): State-wise details of funds lying in Inoperative Accounts as per the consolidated audited Annual Accounts of the Employees' Provident Fund Organisation for the year 2009-10 is enclosed at Annexure.

To ensure correct identification and genuineness of the beneficiary alongwith correct amount for settlement of claims out of Inoperative accounts, the Central Board of Trustees, Employees' Provident Fund approved the following modalities:

(i) In all such cases where the establishment is functioning and employer is available, the attestation of claim forms by the authorized signatory should be mandatory

(ii) In those cases where employer is not available to identify the member, the attestation by Bank authorities should be insisted alongwith at least one of the documents as required under KYC (Know Your Customer) towards identity proof and proof of residence

(iii) A multilevel verification / counter checking should be done to ensure correct identification and genuineness of the beneficiary alongwith correctness of the amount. Taking this into account, the following delegation of power to authorize/settle claims out of Inoperative accounts has been made:

(a) The Accounts Officer in charge of Accounts Groups may authorize claims upto Rs. 50,000/- out of Inoperative Accounts provided the same is counter checked by another Accounts Officer.

(b) The Assistant Provident Fund Commissioner may authorize claims for Rs. 50,000/- and above out of Inoperative accounts provided the same is counter checked by another Assistant Provident Fund Commissioner or by an Accounts Officer in absence of an Assistant Provident Fund Commissioner.

Publicity through print media and electronic media is also made to educate the members to file their claims for settlement. Similarly, the employers' and employees' unions have also been requested to advise the members to file their claims for settlement.

(c) With regard to the status of Employees Provident Fund claims in respect of Inoperative Accounts, it is stated that the settlement of Provident Fund accumulations are made under para 69 & 70 of the Employees' Provident Fund Scheme, 1952 which require filing of claim by the member or his dependent. Unless the claim is filed in the said manner no settlement of Provident Fund money can take place. Moreover, the members due to following reasons, do not prefer settlement of their Provident Fund accounts:

(i) The interest earned on such deposits is exempt from Income Tax.

(ii) Such deposits are safe investments and cannot be attached even by decree of any court.

(iii) The rate of interest on Employees Provident Fund deposits is higher than other comparative investment in the market.

(iv) The members after switching over from one covered establishment to another do not transfer their accumulations to new account as they do not get any incentive for it and continue to get same rate of interest.

However, the Employees' Provident Fund Organisation is constantly trying through print and electronic media to educate the members to file their claims for settlement. Similarly, the employers and employees union have also been requested to advise the members to file their claims for settlement.

(d): According to the consolidated audited Annual Accounts of the Employees' Provident Fund Organisation for the year 2009-10, an amount of Rs. 16,998.78 Crore is available in the "Interest Suspense Account" as on 31.03.2010.

(e): The amount referred to in reply to part (d) above also includes the interest pertaining to the Provident Fund account holders whose accounts were not credited.

(f): Does not arise in view of reply to part (e) above.