

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

STARRED QUESTION NO:348
ANSWERED ON:19.12.2011
INOPERATIVE EPF ACCOUNTS
Kishor Shri Kamal ;Pathak Shri Harin

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

- (a) the State-wise details of the funds lying in the Employees Provident Fund (EPF);
- (b) whether a large number of accounts of the employees/labourers remain inoperative for several years;
- (c) if so, the details thereof and the reasons therefor alongwith the steps taken by the Government to disburse this amount to the rightful claimants;
- (d) whether the computerization of EPF accounts has been delayed since long; and
- (e) if so, the reasons therefor and the steps being taken by the Government in this regard?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 348 FOR 19.12.2011 BY SHRI HARIN PATHAK, SHRI KAMAL KISHOR "COMMANDO" REGARDING INOPERATIVE EPF ACCOUNTS.

(a): As per the Accounts of the Employees' Provident Fund Organisation for the year 2010-11, the State-wise details of amount lying in the Employees' Provident Fund are given at Annexure.

(b) & (c): As per the Annual Accounts of the Organization for the year 2010-11, Rs. 14,914.81 Crore is lying in Inoperative Accounts which has not been claimed when due by the members over the years.

The reasons therefor are as under:

1. Some of the members do not withdraw the balance in their account since:

- a) The interest earned on such deposits is exempt from Income Tax.
- b) Such deposits are safe investments and cannot be attached even by decree of any court.
- c) Sometimes the rate of interest on the Employees' Provident Fund deposits is higher than other comparative investment in the market.

2. The members after switching over from one covered establishment to another do not transfer the balance as they find it difficult to get their old account transferred to the new account. As a result, the old account becomes inoperative after some time.

The following steps have been taken by the Employees' Provident Fund Organisation to reduce the inoperative accounts:

- i) In order to reduce the number of inoperative accounts the Ministry of Labour & Employment, Government of India has issued a Notification dated 15.01.2011 to disallow interest on Inoperative Accounts with effect from 01.04.2011.
- ii) Publicity through print and electronic media is 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.
- iii) Further, provision for transfer of provident fund account from one establishment to another through electronic mode has been introduced to simplify and to facilitate the transfer process.

(d) & (e): The current phase of the Computerisation Project of the Employees' Provident Fund Organisation was approved by the Central Board of Trustees, Employees' Provident Fund in its 182nd meeting held on 17th April, 2008 and accordingly the Project has been implemented in collaboration with the National Informatics Center in 119 offices out of 120 offices by 31st March 2011. The

computerisation in Keonjhar (Odisha) office could not be completed as suitable building for the same could not be located.