

**Minutes of the 230<sup>th</sup> Meeting of  
The Central Board of Trustees (EPF)  
Held on 11<sup>th</sup> (02:00 PM) & 12<sup>th</sup> March 2022 (09:30 AM)  
at Guwahati, Assam**

The 230<sup>th</sup> meeting of Central Board of Trustees (CBT), EPF was held on 11<sup>th</sup> (02:00 PM) & 12<sup>th</sup> March 2022 (09:30 AM) at Guwahati, Assam under the Chairmanship of Shri Bhupender Yadav, Hon'ble Union Minister for Labour & Employment & Chairman, CBT (EPF) in the presence of Shri Rameswar Teli, Hon'ble Minister of State for Labour & Employment & Vice Chairman, CBT (EPF), Shri Sunil Barthwal, Secretary (Labour & Employment) & Co-Vice Chairman, CBT (EPF) and Smt. Neelam Shami Rao, Central PF Commissioner (CPFC) & Member Secretary, CBT (EPF). List of attending members is at **Annexure A**. The Hon'ble Labour Welfare Minister, Government of Assam was briefly present for introductory welcome for the CBT meeting on 11<sup>th</sup> March 2022.

2) CPFC welcomed Hon'ble Chairman, both Vice-Chairmen, Hon'ble Labour Minister of Assam and Members of CBT to its 230<sup>th</sup> meeting.

3) Chairman welcomed members to the 230<sup>th</sup> meeting of the CBT being held in Guwahati. He emphasised that the meeting was spread over more than one day to ensure ample time for members to provide valuable inputs during deliberations. He recalled that in the previous meeting, four Ad-hoc committees were formed to address the issues of the core functional areas of EPFO and recommend the way ahead. These four committees would make their presentations on the first day (11.03.2022), to be followed by discussion by all the CBT members. He then requested CPFC to initiate the proceedings.

#### 4) **Presentation and Observations on Ad-hoc committee on Coverage & related litigations**

4.1 CPFC made a brief presentation summarising the deliberations during four (04) meetings of the Ad-hoc committee on Coverage and related litigation which was chaired by Hon'ble Minister of State for Labour & Employment. The sub-committee deliberated on wider coverage of membership under EPFO in view of social security code and steps to reduce litigation. The key points of the presentation were:

- A robust information system & IT enabled inspections are needed for enhancing coverage. The same may be achieved through stronger & frequent regional committee meetings; big data analysis; intelligent ECR systems & moving towards faceless compliance mechanism.
- Universal social security coverage by enrolling all employees as EPF members and contributing upto the current wage ceiling. Increase in the wage ceiling was also discussed though constraints regarding timings were highlighted by the members as well as the challenges of finance were also discussed.
- The committee also discussed and agreed to enhance EPF Act to align with ESI establishment and wage threshold with the timings for implementation to be considered at later stage and not immediately. It also deliberated on the need of linking wage ceiling to an identifiable metrics.
- Separate Scheme for providing PF, Pension, and Insurance like benefits, to be administered by EPFO, may be framed for Gig and Platform workers after mitigating organisational challenges of EPFO.
- Threadbare analysis of legal landscape and pendency analysis of court cases was undertaken, necessitating need for a robust legal framework for EPFO along with its broad contours and currently adopted recent strategic approach of EPFO.
- The other factors for reducing litigations need rationalisation of damages; prosecution withdrawals; litigation recovery action; enhancing the quality of quasi-judicial assessments capacity building by providing regular training to

the officials; separating the functions of compliance administration and quasi-judicial assessments.

4.2 Thereafter, Chairman invited members to give their observations on the presentation. Following observations were made by members:

- i) Shri Hiranmay J Pandya suggested to have a mechanism to ensure faster settlement of legal cases.
- ii) Shri R. Karumalaiyan requested that the issue of universal coverage may also be consulted with all the central trade unions. He stated that the enforcement mechanism which is the spirit of the law may not be diluted in the name of ease of doing business. He was of the view that there should be a balance between ease of doing business and ensuring social protection for workers.
- iii) Shri Dilip Bhattacharya suggested that this committee should continue to oversee the vital activity of default by establishments. Also, to reduce evasion by establishments, provisions for inspection may be decentralised by empowering field offices to inspect establishments. The coverage threshold and wage ceiling for EPFO and ESIC should be similar. He requested that a litigation monitoring mechanism may be developed.
- iv) Shri Michael Dias highlighted the requirements of addressing separation of powers of compliance machinery, sound dispute resolution mechanism, coverage of gig worker etc, universal coverage by covering all employees of an establishment upto a wage limit, issues relating to the waiver provisions for 14B especially after invalidation of mens-rea for such waiver by Hon'ble Supreme Court in its recent judgement.
- v) Shri SK Sharma emphasised the need to revisit schedule of rates of penal damages u/s 14B. He mentioned that approximately 50% of the Central Government Industrial Tribunals do not have a Presiding Officer and requested that appointments to these vacant positions be made expeditiously.
- vi) Shri Sougata Roy Choudhury stated that although reducing the employment threshold to 10 employees is a good step, but the extra burden on establishments in post-COVID scenario may not be advisable right now. He suggested

- appointment of an Ombudsman for minimising litigation so that establishments may approach him before initiating litigation.
- vii) Shri Harbhajan Singh Sidhu raised the issue of evasion in respect of contractual workers working in state governments/ state government entities. He stated that inspection provisions are totally stalled in the name of ease of doing business. He also raised the issue of severe staff shortage, which is resulting in low recoveries by EPFO.
- viii) Shri K.E. Raghunathan suggested that wage ceiling for EPF contributions may be raised to ₹25,000 per month. On the issue of reduction of threshold for coverage, he opined that this may lead to operational difficulties for small establishments. He further suggested to constitute a committee for pre-litigation examination of common issues of litigation.
- ix) Shri Anupam Malik endorsed the recommendations of the committee. He, however, desired that timelines for implementation of recommendations may be defined, giving due consideration to the stress being faced by establishments on account of Covid Pandemic and Russia Ukraine conflict. He suggested that a mechanism of data sharing by concerned authorities with EPFO may be developed for better administration of the Act.
- x) Shri Sukumar Damle suggested that arbitration and plea bargaining will reduce litigation workload on EPFO, and that MSME should be sensitised to ensure compliance.
- xi) Shri Ashish Wig mentioned about delays in filing of statutory returns especially by small employers. He requested facilitation of such employers in filing of returns to reduce litigation on this account.
- xii) Shri Prabhakar J. Banasure and Shri Sunkari Malleshram recommended strengthening and decentralisation of inspection systems and procedures to curb evasion and improve coverage.
- xiii) Shri Govind Lele pointed out that the rate of contribution @12% is too high for small establishments and needs to be rationalised. He suggested that in accordance with recommendations of ILO, there should be a separate code for MSMEs. He proposed that the criminal provision may be removed from the EPF

& MP Act. He further stated that the provisions of Insolvency and Bankruptcy Code are not available to MSMEs/Proprietary firms, and requested that similar mechanism may be developed for them. He suggested that wage ceiling could be linked to the direct tax rate, and that all labour laws should have uniform definition of wages.

## 5) Presentation and Observations on Ad-hoc committee on Human Resources/Establishment Matters

5.1 CPFC made a presentation summarizing the deliberations during four (04) meetings of the Ad-hoc committee on Human Resources/Establishment matters which was chaired by Hon'ble Minister of State for Labour & Employment. The key points of the presentation were:

- Stakeholders from AIEPFSF, AIEPF Sangh, EPFOOA and EPF SC/ST Federation were heard.
- Identified HR issues in Gr. 'B' & 'C' Cadre and highlighted the mitigation/proposed solutions for resolutions of these issues.
  - (i) Section Supervisor, LDCE result pending since 2019, was declared for 864 candidates from 25.01.2022.
  - (ii) Issues pertaining to timely promotions and NFU of EO/AO, dying cadre of DPA/DEO, JE, stagnation at SSA level, lack of promotional avenues for staff car drivers were presented and the proposed solutions by relaxation of existing RRs, reducing eligibility service, issuing/seeking clarifications, recruitment, and deputations were highlighted.
  - (iii) Agenda item for relaxation of eligible service to five staff car drivers (Grade-II) being placed in the CBT.
- Proposed scope and methodology for Job analysis and work study for assessment of requirement in view of computerization project 2.01 and 2.02 of EPFO. The study is to be conducted by an agency chosen from top ten (10)

NIRF rated academic institutions. A Selection Committee consisting of 3 senior officers of EPFO and 1 nominee of Director General, V. V. Giri National Labour Institute has been constituted to finalise an agency.

- Proposed a training policy and capacity building plan for the current and future challenges by :
  - (i) Imparting futuristic training to EPFO officials in line with Mission Karmayogi of Capacity Building Commission.
  - (ii) Developing a policy for capacity building of trainers.
  - (iii) Competency profiling of each official and regularly identifying competency gaps.
  - (iv) Strategic tie-ups with premier national and international institutions like ITC-ILO, ISSA, VVGNI, IIMs.
  - (v) Developing a policy for matching competencies with role requirements to ensure placement of the right person at the right place & right time
  - (vi) Career progression planning enabling developing of experts in various domains by ensuring stage wise incremental learning
  - (vii) Fixing minimum training at 3 % of man days and 3 % of salary budget.
  - (viii) Real time monitoring tools enabling timely training interventions to improve performance and enhance capacity
  - (ix) Feedback mechanism, counselling and mentorship to enable change of role to improve outcomes
- The salient features of the draft transfer policy for Group-B/C officials prepared by reviewing systems of other similar organization were highlighted:
  - (i) The fundamental premise of transfer policy are fairness, objectivity & transparency.
  - (ii) The policies borrows various provisions & contours from other Govt. Departments, other cadres and also the State Governments like Haryana.
  - (iii) All postings categorised under concept of tenure (time-span, geographic, nature) to develop a pool of officers that are well exposed & experienced.

- (iv) Use an objective & technology enabled objective mechanism for transfers.
- (v) Career pathways of officers are developed to fulfil the Organizational goals.

5.2 Thereafter, members were requested to give their suggestions.

- i) Shri Harbhajan Singh Sidhu observed that MACP benefits should be admissible from the due dates along with financial benefits. Further, whenever promotions are delayed due to administrative grounds, benefits should be available from due dates. He raised the issue of compassionate appointments, especially in cases where employee deaths have occurred due to Covid related complications, and urged that compassionate appointments be made in relaxation of extant rules. He also desired that cultural/sports activities suspended for last 2 years be restarted and adequately funded to encourage employee participation. He also raised the issue of punitive transfers of employees who had participated in employee agitations, and requested for their reversal.
- ii) Shri Sunkari Mallesham requested that due to increasing workload the sanction of staff need to be reviewed urgently and additional work parameters may be included in the norms for sanction of staff. He also suggested that District Offices of EPFO may be upgraded to the full-fledged status of Regional Offices. He further submitted that there is acute stagnation in the cadre of EO/AO and requested that sufficient posts may be created for their promotion.
- iii) Shri Anupam Malik stated that retrospective promotions be allowed if delay is not attributable to employees. Further, promotion and training calendar should be specified to ensure timelines are honoured. Transfer policy should be so framed that disruptions in personal and family life of employees are minimised.

- iv) Shri Hiranmay J. Pandya submitted that regular recruitment may be done to ensure timely filling up of vacancies.
- v) Shri Govind Lele stated that training, and transfer policy should have correlation with requirements of stakeholders.
- vi) Shri Prabhakar J. Banasure stated that officials in Group B & C cadres should have sufficient opportunities for promotion. Further, there should be fast track channel for merit-based promotions also. Stagnation in EO/AO cadre needs attention. He emphasised that there should be a more humane policy for appointment on compassionate grounds.
- vii) Shri Sukumar Damle raised the issue of punitive transfer of six office bearers of staff unions and requested Chairman to reverse the same. He suggested that for handling litigation related to service matters, a committee consisting of representatives of employers and employees in CBT may be constituted to resolve such matters.
- viii) Shri R. Karumalaiyan seconded this proposal of Shri Sukumar Damle. He desired that infrastructure in all offices of EPFO should be strengthened, and that there should be a mechanism for regular interaction with staff unions and officers' association.
- ix) Shri Michael Dias submitted that physical infrastructure for all offices should be strengthened, and it should be benchmarked to the best standard available. He further suggested that greater use of information technology should be factored in to complement HR resources while considering the issue of sanction of officers and staff.
- x) Shri Dilip Bhattacharya suggested that as EPFO's work area is poised for major growth, sufficient provisioning for manpower should be done.

## **6. Presentation and Observations on Ad-hoc committee on IT & Communications**

6.1 CPFC made a presentation summarizing the deliberations during seven (07) meetings of the Ad-hoc committee on IT and Communications which was chaired by Secretary for Labour & Employment. The key points of the presentation were:



- The key challenges of the existing IT infrastructure are slowness of system, absence of facilities, cumbersome processes and lack of communication campaign for which the root cause analysis was undertaken.
- A comparison of the IT infrastructure in EPFO was done with IT infrastructure available in GSTN, Income Tax and SBI. The absence of critical technical partners for Project Management Consultant (PMC), User Acceptance Testing (UAT), Data Analytics and in governance structure for IT policy, old HR structure & training, Change Management and Standard Operating Procedures (SOPs) were highlighted.
- The IT manpower, Hardware and Annual Budget of EPFO was compared with those of SBI. It was highlighted that for maintaining around 02 times of EPFO's account, SBI has 10 times IT manpower, 200 times DB Server, 9 times Storage and 30 times budgetary support.
- Short-term, Medium Term and Long-Term action plans were proposed for the addressing the Slowness, Business Process Re-engineering (BPR) of field office application and improving IT Governance apparatus along with 15 point interventions.

6.2 The members were then requested to offer their comments on the presentation.

- i) Shri Hiranmay J. Pandya supported the need for urgent augmentation of IT infrastructure and stated that sufficient budget provision may be made for the same. He stated that IT should have future planning for at least next 5 years so that no intermediate operational issues arise.
- ii) Shri K.E. Raghunathan emphasised the limited window of time available for EPFO to revamp and augment its IT infrastructure. More importantly, it has to be ensured that there is no disruption of current operations. He emphasised the need to ensure data protection and augmentation of cyber security. He mentioned that in near future, a large number of members are poised to move from informal to formal economy, and the IT infrastructure has to be designed

accordingly. He suggested that EPFO needs to decide fast and make provisions accordingly.

- iii) Shri Prabhakar J. Banasure suggested regular system audit to identify gaps and initiation of necessary action. He further suggested that IT manpower needs to be strengthened immediately.
- iv) Shri Govind Lele submitted that the proposed activities are essentially required for better functioning of EPFO and requested to approve the same irrespective of financials involved.
- v) Shri Sukumar Damle, while appreciating the presentation, stated that provisions should be made for stakeholders who are not very IT savvy but will be required to interact with the IT enabled systems of EPFO. Shri R. Karumalaiyan seconded this.
- vi) Shri Anupam Malik emphasised the need for very strong layer of cyber security. He stated that once we centralise the database and move towards app-based access for our services, the vulnerabilities associated with Android will also have an impact on our cyber security infrastructure.
- vii) Shri Michael Dias, Shri SK Sharma, Shri Ashish Wig, Shri Sunkari Mallesham and Shri Dilip Bhattacharya stated that the recommendations of the sub-committee be accepted and implemented on priority. Full financial support be extended as required, as it will directly benefit all stakeholders.
- viii) Shri Harbhajan Singh Sidhu, supporting the recommendations, stated that strengthening of IT should not result in retrenchment of existing staff. Rather, as EPFO workload increases, more employees have to be recruited.
- ix) Representatives of state governments of Telangana and Gujarat stated that the proposed IT infrastructure should have provisions for handshake with IT systems developed and maintained by respective state governments.
- x) Shri Sougata Roy Choudhury submitted that there is urgent need for having a project management committee to oversee the changes being proposed by the subcommittee.

## **7. Presentation and Observations on Ad-hoc committee on Pension Reforms**

7.1 CPFC made a presentation summarizing the deliberations during seven (07) meetings of the Ad-hoc committee on Pension reforms which was chaired by Secretary for Labour & Employment. The key points of the presentation were:

- Sustainability of EPS 95 is a cause of concern. The design of EPS provides little flexibility though increase in minimum service period from 10 to 15 years may lead to enhancement of benefits upto 33 percent. Enhancing minimum service period or self-contribution is fraught with challenges of applicability of Act and government contributions. Exploring different investment pattern may be one of the plausible options.
- A new Universal Pension Scheme may be considered in view of the clarion call of Hon'ble Prime Minister on universal social security and global trends, to cater to those not covered under EPS 95 including Gig workers and self-employed persons. The Universal Pension may include provisions for minimum pension of ₹ 3000 which requires a corpus of approx. ₹ 5.4 lakhs with over 15 years of service. Most countries have defined contribution and have shifted from defined benefit plan. Defined contribution pension scheme allows individual accounting and amounts proportionate to the savings.

7.2 The Chairman then requested members to offer their comments.

- i) Shri Harbhajan Singh Sidhu stated that the average wages on which contribution is received is between ₹8000 to ₹9000 per month. Prior to September 2014, contribution to EPS '95 on wages above the specified wage ceiling was allowed, and it should be restored. He also stated that EPFO being a service provider should not enter into litigation with its pensioners. He raised the issue of workers, especially those in gig and platform sectors where enforcement of minimum wages itself is a problem. Additionally, identifying employer employee relationship in such cases will be problematic. He suggested that there should be a separate pension scheme other than EPS 1995 for such

- workers. He requested Chairman to take up with the Government of India to increase government's share of contribution in EPS 1995 for ensuring higher pension. He also mentioned that monthly pension being given by many state governments are far above the minimum pension under EPS 1995.
- ii) Shri Prabhakar J. Banasure supported Shri Harbhajan Singh Sidhu's views and stated that the projected actuarial deficit in EPS 1995 needs to be discussed in detail with all Central Trade Unions and requested Chairman to convene a meeting accordingly.
  - iii) Shri Ashish Wig stated that public outreach to explain benefits of EPS 1995 to members should be further enhanced. He suggested that no withdrawal benefit be allowed from EPS corpus. He also stated that pattern of investment for EPS corpus should be different, to account for special pay-out requirements.
  - iv) Shri Hiranmay J. Pandya informed that more than 95% pensioners are drawing pension less than ₹3000 per month. He stated that post-retirement, health coverage is essential. He requested Chairman to explore whether medical coverage under Ayushman Bharat scheme can be extended to pensioners under EPS 1995. He suggested that pension available to EPS 1995 member should be at least 50% of last wages drawn by the member. Shri Sunkari Malleshm, Shri R. Karumalaiyan and Shri Sougata Roy Choudhury supported this suggestion.
  - v) Shri Govind Lele stated that the presentation indicates that almost 40,00,000 people exit the pension scheme every year. This needs to be studied for ensuring necessary correctives. He suggested that pensionable service may be increased to 15 years and entire employer share of contribution i.e. 12% should be deposited in EPS 1995.
  - vi) Representatives of the state governments of Telangana, Andhra Pradesh and Delhi suggested that schemes run by respective state governments can be studied to explore if all resources of Central Government, state governments and employer contributions etc can be pooled to ensure better pension for the beneficiaries.

- vii) Shri Sukumar Damle questioned the actuarial projection of loss in EPS 1995, especially as the actuarial report itself states that only 5% data is reliable for making projections. He suggested that the assumptions which form the basis of actuarial calculations, need to be reviewed afresh based on the data available with EPFO for last 10 to 15 years. He reiterated the demand of trade unions to increase the minimum pension to ₹7500 per month. He further submitted that the government contribution to EPS 1995 may be enhanced to 8.33% of wages.
- viii) Shri Anupam Malik also questioned the projected actuarial loss to the fund and suggested its review by the Board. With the enactment of the Code on Social Security, it is essential that resources from central and state governments as well as employers etc are pooled together to provide decent amount of pension to beneficiaries. The Covid pandemic has highlighted the need for Social Security and CBT must respond to this need by ensuring wider coverage.
- ix) Shri K.E Raghunathan stated that we are caught between the conflict of "means and needs". More than 95% pensioners are drawing pension less than ₹3000 per month. To provide ₹2000 per monthly additional pension to such pensioners, additional amount required would be ₹16,000 crores. He questioned the projected actuarial deficit of ₹37,000 crores and requested that the actuarial assumptions be revisited.
- x) Shri Michael Dias stated that EPFO needs to frame nimble and agile scheme for all sectors. He stressed upon the need to reduce EPF contribution and enhance the EPS 1995 contribution.
- xi) Shri Dilip Bhattacharya emphasised the urgent need to enhance minimum pension. He further stated that the pensionable salary for calculation of pension should be average of last 12 months, and not 60 months as at present. He desired that defined pension benefits scheme should continue. He appreciated the effort of EPFO wherein through PRAYAS, pension benefits are being disbursed on the date of retirement. He requested that government contribution to EPS 1995 be increased for enhancing pension benefits. He also supported the demand for extending medical cover to EPS 1995 pensioners through Ayushman Bharat scheme. He suggested that central and state governments

should sit together to enhance the government contribution for improving the pension benefits.

- xii) Shri SK Sharma submitted that withdrawal benefits under EPS 1995 may be stopped. There should be a public outreach program to educate about the benefits of pension over premature withdrawals.

8) Concluding the deliberations on four (04) Ad-hoc committees, Chairman appreciated the efforts put in by all the four sub-committees. He advised that such of those recommendations of the sub-committees, on which there is a consensus be placed in the next session of CBT EPF, the next day i.e. 12-03-2022, for consideration and approval by the Board. Further, for resolving the issues on which consensus is yet to be arrived at, he desired to meet each of the subcommittees separately to take a final decision.

9) The Chairman appreciated inauguration of Mahila help desk in select offices of EPFO in Azadi ka Amrit Mahotsav (AKAM) celebrations.

10) Referring specifically to HR matters, he advised that necessary action for capacity building and finalization of recruitment rules as well as further recruitments to strengthen the organization may be taken expeditiously. The Chairman stated that organizational restructuring may be undertaken on priority to resolve major HR issues. Further, he advised that capacity of the organization needs to be enhanced on priority.

11) The Chairman informed the Board that government is integrating the labour landscape with a view to ensure continuity of benefits across various spells of employment informal as well as formal sector. He referred to registration of 26.71 crore numbers on the e-shram portal. The chairman also informed about "donate a pension initiative" of the government, where any individual can contribute to the pension membership of at least one person. He informed that he has himself done so in his personal capacity and requested the Board to take up the initiative in such a way that "donate a pension" becomes a national movement.

12) The Chairman stated that it is the belief of the Government to promote the labour landscape in a harmonious and cooperative way through the tripartite

governance structure of the Central Board EPF. He emphasised the need for the Board to meet at least once every quarter in different locations across the country. He announced that the next meeting of the Board will be held in Bengaluru in last week of June or first week of July 2022.

13) The Agenda Items were taken up for deliberations on the second day [12.03.2022 (09:30 AM)]:

**Item No. 1: Confirmation of minutes of the 229<sup>th</sup> meeting of the Central Board (EPF) held on 20.11.2021.**

The Board confirmed the minutes of the 229<sup>th</sup> meeting.

**Item No. 2: Action Taken Statement in respect of decisions taken in the CBT meetings held upto 20.11.2021 (229<sup>th</sup> CBT meeting)**

Chairman directed to convene meetings of three standing sub-committees of CBT, EPF in the next month.

The ATR at Sl. No. 2 may be dropped. The issue reflected in Sl. No. 4 may be discussed with the CBDT. Chairman directed that updated action taken on ATRs at Sl.No. 7,8 and 9 may be provided in the next CBT.

The Board took note of the action taken.

**Item No. 3: Minutes of meetings of the Committees of the Board.**

The Board took note of the information placed before it.

**Item No. 4: Proposal for filling vacancy in Exempted Establishments' Committee (EEC)(Non-Statutory Committee)**

The Board authorised Chairman to nominate a member to fill the vacancy.

**Item No. 5: Status note on litigations in Hon'ble Supreme Court on Higher Pension Cases**

The Board took note of the information placed before it.

**Item No. 6: List of ineligible cases for waiver of damages rejected by CPFC**

The Board took note of the information placed before it. Shri Govind Lele informed that facility of waiver of damages is not available to the Small Scale Industries/Proprietary Concerns which are not registered with Registrar of Companies (ROC) and to whom the BIFR/IBC doesn't apply. He requested the Chairman to provide for waiver of damages for such establishments as they are under stress. Shri Michael Dias also requested to widen the ambit of the establishments eligible for waiver of damages. Chairman, CBT desired to discuss this matter separately.

**Item No. 7: Revised Estimates for the year 2021-22 and Budget Estimates for the year 2022-23 for EPFO and Schemes administered by EPFO**

The proposal contained in the agenda was approved.

**Item No. 8: Audited Annual Accounts in respect of Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976 for the financial year 2019-20**

The proposal contained in the agenda was approved.

**Item No. 9: Transfer of the unclaimed amounts and Utilisation of Fund under Senior Citizen Welfare Fund Rules, 2016**

CPFC informed that as per the provisions of the Finance Act 2016, a Senior Citizen Welfare Fund (SCWF) is to be created by Government of India for the welfare of Senior Citizens in line with the National Policy on older persons and the National Policy on senior citizens. As per instructions of the Government, all unclaimed funds will be brought under the purview of SCWF.



Secretary (L&E) informed that efforts were made that instead of transferring the EPFO amount to the general fund, it may be utilised for the welfare of EPFO members. Therefore, a revised MoU with Department of Economic Affairs, Ministry of Finance was prepared, committing Rs. 100 crores for transfer to SCWF for welfare of senior citizens who are pensioners of EPS.

Secretary (L&E) also informed that the matter was discussed in the 101<sup>st</sup> meeting of Executive Committee (EC) and its members were of the view that a generalised scheme catering to all pensioners may be drafted, as the proposed scheme for utilisation of SCWF is catering to only small number of pensioners.

Chairman, CBT observed that EPFO should strive to make all accounts be identifiable and maintain them digitally and thereafter, this can again be deliberated.

Shri R. Karumalaiyan observed that the funds maintained by EPFO should be excluded from the purview of SCWF.

The Board directed to place it before the Pension Implementation & EDLI Committee (PIEC), a standing sub-committee of CBT.

**Item No. 10: Extension of tenure of External Concurrent Auditor and Custodian till 31.03.2022**

The proposal contained in the agenda was approved.

**Item No. 11: Extension of Tenure of ETF manufacturer of SBI MF & UTI MF till 31.03.2022**

The proposal contained in the agenda was approved.

**Item No. 12: Redemption of Non-Convertible Debentures (NCDs) of Air India on its Disinvestment**

Shri K.E. Raghunathan appreciated efforts made by MoLE & EPFO officers to prevent losses due to early redemption of the NCDs of Air India on its disinvestment. Shri Harbhajan Singh Sidhu and Shri Michael Dias requested to analyse the impact of taking Air India employees on board, on the Pension Fund. Secretary informed that

employees of Air India are earning more than ₹15000 and hence are not eligible to be members of Employees' Pension Scheme, 1995 so there is no impact on the Pension Fund on their joining EPFO. He further emphasised that even if an Air India employee with wages less than ₹15000 joins EPFO, he will be eligible for benefits only from the date of joining.

The Board commended the efforts and approved the proposal contained in the agenda.

**Item No. 13: Exit Policy and Standard Operating Procedure (SOP) for exiting from downgraded Securities in EPFO portfolio**

Shri Govind Lele suggested that the SOP should also include the handling of the downgraded securities in the Double Entry Accounting System.

The Board took note of the information placed before it.

**Item No. 14: Investment Options for Meeting and prescribed range under Category-II of the Pattern of Investment**

The Board took note of the information placed before it.

**Item No. 15: Delegation of power to Central PF Commissioner (CPFC) for approval of exercising early redemption options (Put and Buyback) on securities purchased by EPFO**

The Item was withdrawn.

**Item No. 16: Realization of Capital Gains from equity investments**

The Board took note of the information placed before it.

**Item No. 17: Investment in 3rd tranche of Bharat Bond ETF - April 2032**

The Board took note of the information placed before it.

**Item No. 18: Information to be placed before the Central Board in accordance with Para 23 of the EPF scheme.**

The Board took note of the information placed before it.

**Item No. 19: Status of promotions given to Group B and C officials and posts filled through Direct Recruitment in Group B and C during the year (27.10.2021 to 24.02.2022)**

Members of the CBT lauded Chairman for assigning priority to resolve issues relating to the staff. Shri Harbhajan Singh Sidhu requested that benefits may be given to the staff from the date of eligibility as the same has been delayed due to administrative issues. Shri Prabhakar J. Banasure and Shri Hiranmay J. Pandya requested that the recruitment/promotions may be done for vacancies upto current financial year. Shri R. Karumalaiyan requested that provisions relating to specially-abled persons may be adhered to.

The Board took note of the information placed before it.

**Item No. 20: Delegation of Administrative & Financial Powers to CPFC in relation to Physical Infrastructure Division (PID)**

The proposal contained in the agenda was approved.

**Item No. 21: Proposal for Surrender/Cancellation of Exemption under Section 17 (4) of Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and application for withdrawal of grant of exemption**

Shri Michael Dias informed that many cases of surrender/cancellation are pending for years. CPFC informed that there is requirement of notifications to be issued by the appropriate government and steps to expedite it. She further informed that an SOP with timelines is also being formulated and will be placed before standing committee of exemption.

The proposal contained in the agenda was approved.

**Item No. 22: Relaxation in the period of eligibility service for promotion to the post of Staff Car Driver (Grade I) in level 5 of the pay matrix in relaxation of the Recruitment Rules**

The proposal contained in the agenda was approved.

**Item No. 23: Delegation of Administrative and Financial powers for Appointment and payment to Auditors/ Consultants/ Forensic Audit Experts for Investment related activities carried out by EPFO**

The agenda will be placed again after incorporating the discussions held in the 101<sup>st</sup> EC.

The Item was withdrawn.

**Item No. 24: Delegation of Financial/Administrative powers by Central Provident Fund Commissioner-Intimation of property under Rule 13 and Rule 18 of CCS (Conduct) Rules, 1964**

The Board took note of the information placed before it.

**Item No. 25: Draft Transfer policy for Commissioners' cadre in EPFO – revision of Transfer Policy of 2016**

The Board accepted the recommendations of the 101<sup>st</sup> EC and the proposal contained in the agenda was approved.

**Item No. 26: Recommendations of the Ad-hoc Committee on Coverage & related Litigations**

CPFC apprised the chair that as was directed on the first day of its 230<sup>th</sup> meeting on 11.03.2022, recommendations on which there is a consensus among the members of the Ad-hoc committees are being placed as agenda items 26 to 29 for consideration and approval of the CBT.

She apprised that after deliberations in the Ad-hoc committee on Coverage & related litigations it has been proposed:

- (i) to ensure a universal social security coverage by enrolling all employees upto the wage ceiling;
- (ii) recommend to Central Government to frame and assign administration of scheme for Gig and platform workers, to EPFO;
- (iii) Regional Committees to be scheduled by a fixed calendar, to meet at least four times every year with standing agenda on coverage and litigations;
- (iv) to prepare a comprehensive legal framework for litigation management.
- (v) withdraw prosecutions related to non-filing of returns and/or non-submission of KYC; and
- (vi) rationalise the rate of damages.

Shri Dilip Bhattacharya proposed that the wage ceiling limit and employment threshold should be same as in ESIC. Chairman assured that this proposal will be looked into after discussions with MSME.

The proposals contained in the agenda were approved.

### **Item No. 27: Recommendations of the Ad-hoc Committee on Human Resources/Establishment matters**

After deliberations in the Ad-hoc Committee on Human Resources/Establishment matters, the following has been proposed:

- i) MACP to be given by April 2022 in all cases where due, from the date of eligibility and arrears to be paid. EPFO Head Office to facilitate speedy disposal of vigilance clearance in these cases.
- ii) Vacancies in Section Supervisor and Social Security Assistant and other Group- B and C Cadres will be ascertained and exams will be conducted through agencies such as National Testing Agency / National Recruitment Agency or any other Agency like IBPS for filling up of Direct Recruitment and Departmental Exam vacancies. Also, required

amendments may be carried out in the examination schemes for conduct of exams. Chairman, CBT may be authorized to finalize the terms and conditions for conducting examination.

- iii) Data Entry Operators (DEO) Grade A to be promoted to Grade B and DEO Grade B to be promoted to Grade C as per previous sanctioned strength.
- iv) Staff Car Drivers Grade-II to be promoted as Staff Car Driver Grade-I by seeking relaxation in service eligibility.
- v) Assistant Section Officer (ASO) Recruitment Rules to be modified for absorption of Data Processing Assistants as ASO.
- vi) Job analysis and work study will be commissioned and completed in six months' time.
- vii) Training Policy and Capacity Building Plan.
- viii) Transfer Policy for Group B and Rotation Policy for Group C to be made objective and transparent and to be finalised within one month.
- ix) Welfare Fund, specially targeted for sports and cultural activities will be allocated/enhanced. 5% Sports Quota vacancies will be filled up with suitable candidates and an objective criteria will be laid down for filling the vacancies.
- x) Special drive will be taken up to fill up all vacancies in all the cadres.

The proposals contained in the agenda were approved.

### **Item No. 28: Recommendations of the Ad-hoc Committee on IT and Communications**

After deliberations in the Ad-hoc committee on IT and Communications, the following has been proposed:

- i) Urgent short term measures:

- a) Mitigate slowness by deployment of diagnostic tools; augmentation of storage & compute including replacement of servers which are at end of life support, and adoption of cloud technology.
- b) Security of IT system- Security Operation Centre (SOC) as managed service, procurement of Aadhaar Vault after consultation with NIC / UIDAI.
- c) Setting up of Change Management Committee
- d) Hiring a Project Management Consultant (PMC) & Data Analytics service consultant

ii) Time bound Mid-term measures-

- a) The FO application be replaced by a centralised application with automated claim process from receipt to payments & UAN based accounting to be developed by C-DAC as per approval of Board in 229<sup>th</sup> meeting.
- b) Formulation of IT Policy for hardware, perspective planning, software procurement, data sharing & protection, information security, software use.
- c) Testing of all new developments and changes by an expert UAT.
- d) Audit of processes & security by STQC since inception of development.
- e) Hiring of competent technical manpower through managed service model / Internship / apprenticeship & suitable training program of existing manpower.

iii) Long term measures –

- a) Addressing the exponential increase in stakeholders & services through technology shift under 2.02.
- b) Re-engineered business processes & complete system overhaul.

iv) to authorize the Chairman, CBT to grant approvals for implementing the short term measures.

- v) to make provision for allocation of adequate funds to meet the expenditures on implementation.
- vi) to impart any further directions as deemed fit.

The proposals contained in the agenda were approved.

### **Item No. 29: Recommendations of the Ad-hoc Committee on Pension Reforms**

It was informed that after deliberations in the Ad-hoc Committee on Pension Reforms, the members of the Ad-hoc Committee had varying opinions on the subject matter.

Therefore to guide the committee/CBT towards prudent decision making it was decided to constitute a task force of experts in the field the pension and social security. It was suggested to include members from PFRDA, LIC, VVGNI, two Independent actuaries, Chief Investment Officers of some reputed investment firms/mutual fund houses, financial or any other expert. The task force would study the existing EPS '95 in detail and also issues raised by the committee members, their written representations if any, minutes of the Ad-hoc committee meetings and would suggest possible measures to enhance the benefits under the EPS-95 within a defined time.

The proposals contained in the agenda were approved.

### **Item No. 30: Recommendation of rate of interest to be credited to Employees' Provident Fund members account for the financial year 2021-22**

The Board decided to recommend 8.10% annual rate of interest to be credited on EPF accumulations in members' accounts for the financial year 2021-22.

The meeting concluded with a vote of thanks to the Chair.



**ANNEXURE A**

**List of members who attended the 230<sup>th</sup> meeting of Central Board (EPF)**

1.	Shri Rameswar Teli, Minister of State for Labour & Employment	<b>Vice-Chairman</b>
2.	Shri Sunil Barthwal, Secretary, Ministry of Labour & Employment	<b>Co-Vice-Chairman</b>
3.	Ms. Vibha Bhalla Joint Secretary (In-charge of EPFO), Ministry of Labour & Employment	<b>Central Government Representatives</b>
4.	Shri Ajay Tewari Joint Secretary & Director General Labour Welfare, Ministry of Labour and Employment	
5.	Smt. A. Rani, Welfare Commissioner Government of Andhra Pradesh, Labour Department, Hyderabad.	<b>State Governments' Representatives</b>
6.	Shri R. N. Sharma, Special Commissioner Government of NCT of Delhi, Labour Department, Delhi.	
7.	Smt. P. Bharati, Labour Commissioner Government of Gujarat, Labour and Employment Department, Gandhinagar.	
8.	Shri E. Gangadhar, Addl. Labour Commissioner, Government of Telangana, Department of Labour, Hyderabad.	
9.	Shri Prem Prakash Singh, Special Secretary, Government of Uttar Pradesh, Labour Department, Lucknow.	
10.	Shri Michael Dias	<b>Employers' Representatives</b>
11.	Shri Sougata Roy Choudhury	
12.	Shri Ashish Wig	
13.	Shri K. E. Raghunathan	
14.	Shri S. K. Sharma	
15.	Shri Govind Lele	
16.	Shri Anupam Malik	

17.	Shri Hiranmay J. Pandya	<b>Employees' Representatives</b>
18.	Shri Prabhakar J. Banasure	
19.	Shri Sunkari Mallesham	
20.	Shri R. Karumalaiyan (substitute of Shri A.K. Padmanabhan)	
21.	Shri Sukumar Damle	
22.	Shri Harbhajan Singh Sidhu	
23.	Shri Dilip Bhattacharya	
24.	Smt. Neelam Shami Rao	<b>CPFC &amp; Member Secretary</b>

The following members could not attend the meeting:-

1.	Additional Secretary, Ministry of Labour & Employment	<b>Central Government Representatives</b>
2.	Additional Secretary or Joint Secretary & Financial Advisor, Ministry of Labour and Employment	
3.	Joint Secretary (Pension Reforms), Department of Financial Services, Ministry of Finance	
4.	Secretary to the Government of Chandigarh Administration, Labour Department, Chandigarh.	<b>State Governments' Representatives</b>
5.	Secretary to the Government of Haryana, Labour Department, Chandigarh.	
6.	Secretary to the Government of Karnataka, Department of Labour, Bangalore.	
7.	Secretary to the Government of Kerala, Labour Department, Thiruvananthapuram.	
8.	Secretary to the Government of Madhya Pradesh, Department of Labour, Bhopal.	
9.	Secretary to the Government of Maharashtra, Department of Labour, Mumbai.	
10.	Secretary to the Government of Punjab, Department of Labour, Chandigarh.	
11.	Secretary to the Government of Tamil Nadu, Labour Department, Chennai.	
12.	Secretary to the Government of West Bengal, Department of Labour, Kolkata.	
13.	Shri Arun Chawla	<b>Employers' Representatives</b>
14.	Shri Sanjay Bhatia	
15.	Shri Atul Sobti	