

# EPFO settles 94.41 lakh claims during pandemic since 1st April

## 75% of COVID-19 advance and 79% of illness claims settled for PF subscribers earning monthly wages less than Rs. 15,000

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Despite the COVID-19 pandemic restrictions, EPFO has been able to settle a staggering 94.41 lakh claims thereby disbursing about Rs 35,445 crore to its members during the period of April-August, 2020.

During this period, EPFO has settled around 32% more claims as compared to corresponding period of last year (April-August, 2019) while the amount disbursed increased by around 13%.

To help its members tide over the liquidity needs during this crisis, EPFO fast tracked settling of COVID-19 advances and illness related claims. It introduced auto mode of settlement for these two categories of advances. Auto mode of settlement reduced the claim settlement cycle to just 3 days for most claims in these two categories against the statutory requirement to settle claims within 20 days. Notably, 55% of advance claims settled during April-August 2020 were related to the recently introduced Covid-19 advance while around 31% of advances settled during the period pertained to illness claims.

Wage-wise analysis highlights that almost 75% of COVID-19 advances and roughly 79% of illness related claims were settled for PF subscribers belonging to wage slab of less than Rs.15,000. Timely availability of PF advances prevented many low wage earners from falling into debt, providing social security support to the weakest section of workforce during these adverse times.

Partial withdrawal claims or advances under EPF scheme have more than doubled, with data reflecting about 212% growth for the period April-August 2020 as compared with April-August 2019.

While there was an increase in the number of advance claims, there was a significant decline of about 35% in the number of final PF settlement claims from April-August 2020 period as compared with April-August 2019. Final PF Settlement claim allows members to withdraw their PF balance after quitting their job, superannuation, termination or at the time of retirement.

With EPFO settling advance claims within 3 days, PF accumulations are now seen as liquid assets that can timely meet the need of the subscribers during crisis. Consequently, members have shown greater trust in EPFO by not opting for final withdrawal or closure of account instead choosing to apply for PF advances to meet their financial needs.

This trend of decline in final settlement of claims and rise in advance claims, also needs to be seen in the light of persistent outreach programs of EPFO through print and digital media as well as organizing around 4880 webinars during the pandemic. This has been coupled with excellence in services through automated claim settlement, auto-transfer of funds on change of jobs, introduction of multi-location claim settlement, regular updation of KYC of members, facility of filing claims through Umang App and robust grievance redressal mechanism. Through these game-changing initiatives, EPFO has been able to serve the needs of its subscribers and thus steadfastly standing with them during this critical period.

To lessen the socio-economic impact of the pandemic, EPFO is committed to help its more than 6 crore

subscribers, 66 lakh pensioners and 12 lakh employers through constant innovation and dedication to achieve excellence in service delivery.

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