

Dated 29.03.2016
New Delhi
EPFO, Head Office

PRESS RELEASE

- **Organizational Restructuring of EPFO approved to address career progression of more than 20000 officials**
- **Inoperative EPF accounts that stopped earning interest in 2011, now to earn interest w.e.f. 01.04.2016**

EPFO's highest decision making body, the Central Board of Trustees met today in New Delhi. This was its 212nd meeting.

The Union Minister for Labour and Employment (Independent Charge) and Chairman CBT, Mr Bandaru Dattatreya after the conclusion of the meeting said that the Board has taken two important decisions.

The first is in relation to Organisational Restructuring of EPFO. While approving the report in principle, the Board also constituted a Committee to look into the anomalies/gaps pointed out by the Board members. The committee chaired by the Central Provident Fund Commissioner has been asked to submit this report to the Board in a month's time.

The Second major decision was to allow crediting of interest on inoperative accounts. Accounts of members who do not receive contributions for a continuous period of three years are treated as "Inoperative accounts". Interest on these accounts was stopped in 2011. The Board decided to resume crediting interest on such accounts w.e.f. 01.04.2016

This is in view of recent amendment to paragraph 69(1) (a) that has been amended to provide for withdrawal of full amount on retirement from service after attaining the age of 58 years .Thus, the employer's share of contribution in the provident fund account of a member would be withheld by EPFO up to the age of retirement. Hence the decision has been taken, to credit interest as per paragraph 60 of the employees 'Provident Funds Scheme, 1952. Such an account would not be classified as an "Inoperative Account" for the purpose of paragraph 72(6) of EPFO Scheme, 1952.

The Union minister on the occasion also launched a Software module for disbursement of Salaries to EPFO. The Organisation is bringing IT (Information Technology) enabled systems to manage its Human Resources. Better Human Resources management would bring further improvement in the service delivery by the offices.

The software will achieve the following objectives:-

- ✓ Uniformity in preparation of salary across all offices of Organization.

- ✓ Provision of Upload facility for existing data to enable speedy & correct data capture.
- ✓ No need to enter data for subsequent months. Only changes are required to be entered.
- ✓ Automated TAX calculation.
- ✓ Automated Staff Provident Fund and Loan Accounting.
- ✓ Provision to make calculation of arrears when required.



The CBT meeting in Progress