

# EPFO AT 2047

## VISION DOCUMENT



**Employees Provident Fund Organization (EPFO)**

**भूपेंद्र यादव**  
**Bhupender Yadav**



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### **MESSAGE**

The Employees' Provident Fund Organization (EPFO) has been providing social security to workers with special emphasis on vulnerable groups. Keeping in mind the vision of the Prime Minister to bring ease of living for the citizens and also ease of doing business, the organization has taken several steps which have resulted in improved outreach and service delivery. The technological changes transitioning EPFO into an e-enabled organization could lend support to the workers during challenging times of Covid when the workers were in desperate need of financial support.

The organisation has to keep raising its performance levels to make all its stakeholders happy and satisfied. At the same time, the organization needs to aspire to deliver services that are at par with the best in the world. It needs to set global benchmarks and keep outperforming them. I strongly believe that EPFO has the potential to take a global leadership role in the area of social security.

In sync with the vision of the Hon'ble Prime Minister the organisation has come up with a document titled *EPFO Vision@2047*. This document envisions EPFO by 2047 and sets five yearly milestones. It clearly sets out goals in all prominent work areas and aspires to be one of the global best.

I believe that EPFO's aspirations for its future are on a firm footing and it will achieve those goals if it continues to be driven by the spirit of innovation, a culture of professionalism and a feeling of compassion for all.

**Bhupender Yadav**



## **MESSAGE**

EPFO has transitioned itself to an almost paperless organization. More than ninety-nine percent of its claims are received and settled online. The innovative practice of multi-location settlement has allowed EPFO to re-distribute its workload on any given day to ensure quick disposal of claims. EPFO settles most of its claims within the mandated period.

Its grievance redressal mechanism is also online and is handled through its EPFiGMS software. The average grievance time of EPFO at 6 days is one of the best among all government ministries. The *service through empathy* motto of EPFO officials ensures that all grievances are promptly handled.

In line with the concept of universal social security called upon by the Hon'ble Prime Minister last year, EPFO has done an envisioning exercise for the next 25 years. This document is titled *EPFO Vision@2047*. The document sets the goals and roadmap for the next twenty-five years for the organisation. It focuses on enhancing institutional capacities in every area so as to attain and surpass the global benchmarks. EPFO envisions itself as a world class social security provider which will give every citizen adequate and comprehensive social protection.

EPFO had also recently organized a "Chintan Shivir" to discuss and finetune the goals and strategies in five major functional areas. Brainstorming sessions were organised pan India and stakeholder consultation done before finalizing this document. The valuable suggestions, input and comments received from various stakeholders have been duly considered and appropriately incorporated in the document.

The five yearly milestones are being broken down into achievable yearly and quarterly goals alongwith drawing up strategies for quick and timely implementation. EPFO has always outperformed its set goals and is likely to implement this vision@2047 efficiently and effectively to achieve its mission of providing universal comprehensive and adequate social security.



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### **MESSAGE**

EPFO is globally the 3rd largest pension fund in terms of membership and the 7th largest sovereign fund in terms of Assets under Management. Being the country's largest social security provider it has been handling around four crore claims in a year and delivering the much-required benefits to its subscribers. The performance of the organization during the pandemic is the biggest testimony to the level of preparedness of the organization to emergencies. It served its members with utmost sincerity and dedication during covid despite the risk to the life of its officials. EPFO continues its good work through its outreach programs like 'Prayaas' where the Pension Payment Orders (PPO) are handed over to the subscribers on the day of retirement.

Through millions of seamless e-interactions in the last few years, the organization has saved millions of man-hours of its subscribers earlier spent waiting in unending queues. This has improved customer satisfaction and ease of transactions. It has improved access to a critical service in people's most vulnerable moments during the pandemic improving their ease of living.

EPFO is reviewing its processes and putting in place innovative interventions to not only attain the national benchmarks in service delivery but also attain the service standards of the best in the world. It is preparing itself to take on global leadership roles in the arena of social security.

On its journey towards becoming one of the premier social security organisations globally, EPFO has put together its aspirations and also the roadmap to achieve those goals in a document titled EPFO Vision@2047. This document has been put together after consultations with various stakeholders and keeping in perspective the global best practices. The goals set in each area have been finalized after due diligence. The entire envisioning has been driven by Prime Minister's two priorities, namely, 'citizen centricity' and 'ease of doing business'. The use of emerging and cutting-edge technologies has been the core of the entire vision.

The way EPFO has improved its performance during the past and recently during the covid pandemic, I am sure that EPFO will work relentlessly and committedly to achieve the five-yearly milestones set by it in the vision@2047 making it one of the global leaders in the field of social security.

**Arti Ahuja**





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### MESSAGE

Employees' Provident Fund Organization (EPFO) is the largest social security provider in India. It has a coverage base of 67 million contributing members, 7.4 million pensioners and 0.72 million establishments. With 276 points of presence, the organization has a Pan-India presence.

It has a total of approximately 19.5 trillion rupees as Assets Under Management (AUM) and it has been able to prudently invest its funds and provide its members with a high rate of return. Its service delivery has improved over time with KYC seeding and 99% of its claims being filed online. Innovative systems have been put in place to increase the citizens' comfort and create an enabling environment for employers. The mobile application of the government 'Umang' provides mobile access to most of the EPFO services and 88% of footprints on the application are EPFO related. Provisioning for e-nominations, Digi-locker, e-passbook, and EPFiGMS has made life easy for EPFO subscribers and pensioners. The e-inspections and online quasi-judicial proceedings have increased the comfort of the interaction of the employers with EPFO.

The organization is striving to enhance the skills of its manpower and changing its outlook from being regulators to facilitators through the Prime Minister's initiative of Mission Karmayogi. It is relooking at its processes and making them smarter. In its relentless effort to raise performance standards and assume global leadership, it has taken the path of 'Chintan' and 'Manthan'.

EPFO is committed to give it best to create a roadmap and strategies with quarterly goal setting which would enable the organization to implement the EPFO vision@2047 in letter and spirit.

**Neelam Shami Rao**

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ABBREVIATIONS

ABRY	:	<i>Aatmanirbhar</i> Bharat Rozgar Yojana
AI	:	Artificial Intelligence
AKAM	:	<i>Azadi Ka Amrit Mahotsav</i>
C-DAC	:	Centre for Development of Advanced Computing
CMIE	:	Centre for Monitoring of Indian Economy
CPI	:	Consumer Price Index
EPFO	:	Employees Provident Fund Organization
EPF&MP 1952	:	Employees Provident Fund & Miscellaneous Provisions Act 1952
ETF	:	Equity Traded Fund
GST	:	Goods and Services Tax
ILO	:	International Labour Organization
ICT	:	Information and Communications Technology
KYC	:	Know Your Customer
LPR	:	Labour Participation Rate
LTC	:	Long Term Care
ML	:	Machine Learning
NLP	:	Natural Language Programming
NPS	:	National Pension Scheme
OECD	:	Organisation for Economic Co-operation and Development
PMRPY	:	<i>Pradhan Mantri Rozgar Protsahan Yojana</i>
SPF	:	Social Protection Floor
SSA	:	Social Security Agreement
UNFPA	:	United Nations Population Fund
WEF	:	World Economic Forum



## OBJECTIVE







To prepare a vision document for EPFO@2047, to mark the centenary of India's Independence, to meet the following broad aspirations:



In context of EPFO's functioning, these objectives have been reframed to read as follows:

- ***Ensuring maximised returns and adequacy of benefits to subscribers***
- ***Modernising and automating systems with cutting edge technology to increase efficiency and effectiveness***
- ***Using technology to provide timely service and seamless delivery of benefits***
- ***Reducing compliance and regulation to the minimum by automated default flagging and encouraging voluntary compliance***

**TERMS OF REFERENCE**

-  ***Conduct a gap analysis of domestic capabilities (both domestic and private) vis-a-vis the most advanced international capabilities across sectors in light of emerging challenges and opportunities.***
-  ***Identify strategic areas where India could aim to become world leader in a defined time-frame and propose a time-bound roadmap.***
-  ***Suggest ways to develop institutional expertise and excellence across sectors, including government process re-engineering.***
-  ***Prepare a roadmap for developing our companies both public and private, as global leaders.***
-  ***Devise a system across all levels and sectors for institutional collaboration with foreign governments, international agencies and institutions to better involve them in India's growth story.***
-  ***Benchmark our regulations, procedures and processes to international standards and suggest a roadmap to align them to global standards.***
-  ***Identify focus areas in technology and propose a framework to position India as a leader in such sectors within a decade.***
-  ***Suggest a framework to leverage technology for all-round development across sectors.***
-  ***Assess disparities across regions and states and suggest measures to reduce them.***
-  ***The roadmaps may suggest series of steps to be taken within the current decade with specific timelines and milestones which would subsequently act as foundations for further growth.***

## 1. INTRODUCTION

- 1.1 In a world of rapid technological change, new knowledge and innovative solutions are needed to protect the vulnerable sections of society. Universal coverage, access to basic services, comprehensive and affordable health coverage, and access to quality education are now recognized as bare minimums that all countries of the world strive to provide. Decent work, a living wage, work related protections and social protection for vulnerable sections of society are now not merely aspirational, but are being increasingly adopted and applied in developing countries in a bid to afford better accountability towards citizens.
- 1.2 The Indian economy, being a developing one, has a well-intentioned social security system in place. Hosting the second largest population has posed many challenges over the years, of resources, finances and infrastructure. However, as the fifth largest economy, India is now poised to leverage technology, to provide greater prosperity, better services, and ease of living to all citizens.
- 1.3 The Employees Provident Fund Organization (EPFO) is India's flagship social security organization providing comprehensive cover to the country's private organized sector. EPFO administers the Employees' Provident Funds & Miscellaneous Provisions Act 1952 and the three schemes framed thereunder. Benefits include retirement corpus allowing partial withdrawals, pensionary benefits, survivorship benefits for spouse and dependent children, and deposit linked life cover for death in service, with a benefit amount up to Rs. 7 lakhs.
- 1.4 Today, as the nation approaches the important landmark of 75 years of independence, and in tune with the Azadi Ka Amrit Mahotsav (AKAM) celebrations, this paper is being presented as the vision document for reimagining EPFO, over the next 25 years, as an organization providing universal and comprehensive social security for workers of India, and setting down exemplary standards of service delivery. It has been attempted to construct a roadmap of strategies and initiatives, which will help the nation match global benchmarks in providing world class social security and social protection to all segments of society, as the country marches towards the hundredth-year of attaining independence, the year 2047.



## 2. RATIONALE AND BACKGROUND

The organizational Vision and Mission of EPFO, respectively state as follows:

### VISION

An innovation driven social security organization aiming to extend universal coverage and ensuring *Nirbadh* (Seamless and uninterrupted) service delivery to its stakeholders through state-of-the-art technology.

### MISSION STATEMENT

- To meet the evolving needs of comprehensive social security in a transparent, contactless, faceless and paperless manner.
- To ensure *Nirbadh* services with multi-locational and auto claim settlement process for disaster proofing EPFO.
- To ensure ease of living for members and pensioners, and ease of doing business for employers by leveraging Government of India's technology platforms for reaching out to millions.

Citizen-centricity and customer service have always been the guiding principles of EPFOs work ethos, and the organization has always strived to not only meet but also to surpass the expectations of its stakeholders, demonstrated particularly during times of crisis, like the recent pandemic. However, a formal long term vision plan had so far never been codified to guide the long-term trajectory of the organization. Hence this document has been attempted, as an aspirational blueprint for the next 25 years, the impetus having been provided by the wider consultative process of *India@2047* undertaken by the Government of India under the Azadi Ka Amrit Mahotsav (AKAM) rubric to mark and coincide with the centenary of India's Independence, the year 2047.

The need for drawing up this vision document was also fueled by the extremely rapid and fluid changes in the world of work and affecting employer and employee relations, which are necessitating drawing up of new paradigms and rethinking regulation and processes for the organization to stay not only relevant in the current times, but also to emerge as a global leader in the arena of social security.



### 3. GAP ANALYSIS OF CAPABILITIES VIS-A-VIS INTERNATIONAL CAPABILITIES, IN LIGHT OF EMERGING CHALLENGES AND OPPORTUNITIES, INTERNATIONALLY ACCEPTED MANDATES

#### 3.1 INTERNATIONAL MANDATES




3.1.1 ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102), which sets out minimum standards for the level of social security benefits and the conditions under which they are granted, covers nine principal branches of social security, namely:



Source: <https://www.social-protection.org/gimi/Standards.action> : Toolkit On ILO Social Security Standards

- 3.1.2 The convention 102 is built on the idea that there is no right model for social security. Social security grows and evolves over time, and social security policies should reflect countries' social and cultural values, their history, their institutions and their level of economic development.
- 3.1.3 The Social Protection Floors Recommendation, 2012 (No. 202) provides guidance on introducing or maintaining social protection floors as part of their strategies to extend higher levels of social security to as many people as possible, in accordance with the guidelines set out in ILO social security standards. There should be provisioning for a basic minimum social protection

floor, in terms of ILO convention no 202, for poor and disadvantaged workers, while striving for enhanced contributory benefits to higher income individuals.

- 3.1.4 Other related ILO conventions are Conventions No. 118 and 157 which provide for social security rights and benefits for migrant workers moving to other countries for work; Convention no 130 which provides additional medical benefits in supplementation to 102, and conventions 121, 128, 168 and 183, for additional unemployment, invalidity, employment injury and maternity benefits respectively. In addition, Convention No. 204 is important because it recognizes the lack of protection of workers in the informal economy and provides guidance for improving their protection and facilitating transition to a formal economy.
- 3.1.5 Social protection also figures prominently in the **UN Sustainable Development Goals (SDGs)**. Goal 1.3 calls for the implementation of “*nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and vulnerable*”. The World Bank Group supports universal access to social protection, and it is central to its goals of ending poverty and boosting shared prosperity. Universal social protection coverage as per **World Bank** includes:
-  providing social assistance through cash transfers to those who need them, especially children;
  -  benefits and support for people of working age in case of maternity, disability, work injury or for those without jobs; and
  -  pension coverage for the elderly.

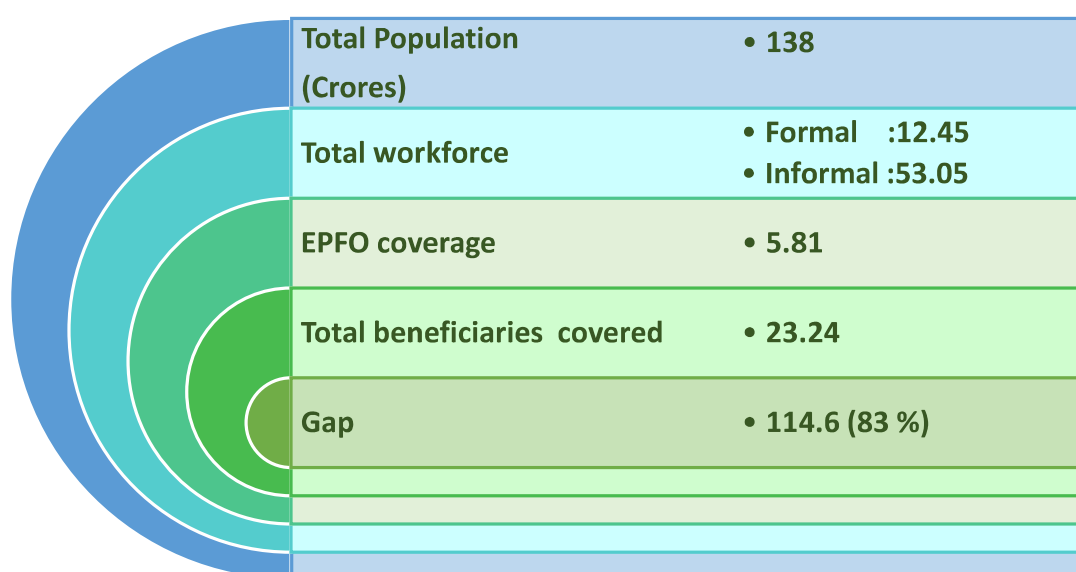
Assistance is required to be provided through social insurance, tax-funded social benefits, social assistance services, public works programs and other schemes of a country, guaranteeing basic income security.

- 3.1.6 India has so far not ratified conventions 102 or 202, which set out the minimums. However, many of the benefits provided under them are found being fulfilled in some manner or other by India. Against the benchmarking laid out in convention 102 which is the internationally accepted minimum standard of social security, the capabilities, gaps and challenges have been identified, and are given below. The detailed analysis is appended in Annexure 1.

### 3.2 GAP ANALYSIS

Social security Benefit	Mandate as per 102	Status	Gap*
<b>Medical Care</b>	<ul style="list-style-type: none"> <li>Preventive and medical care</li> <li>hospitalization benefit</li> </ul>		N.A. Paid by ESIC
<b>Sickness benefit</b>	<ul style="list-style-type: none"> <li>Sick leave,</li> <li>periodic payment</li> </ul>	■	Limited benefit*
<b>Unemployment benefit</b>	<ul style="list-style-type: none"> <li>Periodic payment,</li> <li>45 percent of wage</li> </ul>	■	Very limited benefit, available only to extent of own contribution*
<b>Old Age</b>	<ul style="list-style-type: none"> <li>Periodic pension,</li> <li>45 percent of reference wage</li> </ul>	✓	Pension is not benchmarked to minimum wage or inflation*
<b>Employment Injury</b>	<ul style="list-style-type: none"> <li>Medical care</li> <li>Compensation</li> </ul>	■	Medical and cash part of benefit paid by ESIC, no gap*
<b>Family Benefits</b>	<ul style="list-style-type: none"> <li>Cash benefits for care of children &amp; elderly</li> <li>In-kind benefits</li> </ul>	■	Not a benefit in real sense, available only to extent of own share of contribution
<b>Maternity</b>	<ul style="list-style-type: none"> <li>Medical care,</li> <li>paid maternity benefit at 45 % of wage,</li> <li>pre- and post-natal care</li> </ul>		N.A. Paid by ESIC
<b>Invalidity</b>	<ul style="list-style-type: none"> <li>Care, periodic payments: 40 % of wage</li> </ul>	■	Insufficient support in real time wage and inflation terms*
<b>Survivor's Benefit</b>	<ul style="list-style-type: none"> <li>Periodic payment (40 percent wage)</li> </ul>	✓	Defined benefit*

3.2.1 As regards extent of coverage, following is the proportion of population covered, and yet to be covered. 83 percent of the population is a very large gap in coverage which needs to be expeditiously covered in order to truly universalize social security, and make it accessible to all citizens living in the country.



Data Source: Census of India 2011 Population Projections, EPFO Annual report

### 3.3 A CASE FOR CONVERGENCE

3.3.1 A discerned perusal of the gap analysis, both in terms of benefits and coverage, would reveal that there are significant overlaps in benefits between EPFO and ESIC, as well as gaps where the benefits provided by both do not meet the minimum international mandates. As regards coverage, both organizations appear constrained by their respective legal mandates as well as thresholds of coverage, leaving out significant portions of the working population, principally the unorganized sector.

3.3.2 Against the backdrop of the recent labour reforms of the government and codification of labour laws, and in sync with the implementation of the Code on Social Security, a case for convergence can be made out, where the organizations under the Ministry of Labour and Employment can be re-imagined to work synergistically, providing optimised bundles of calibrated benefits in such a manner that overlaps are removed and gaps are filled. Following are the recommendations in this regard:

#### The Code on Social Security

The Code on Social Security, 2020 seeks to consolidate the existing labour laws relating to social security with the wider goal of extending social security benefits to all employees and workers irrespective of whether they belong to the organised or unorganised sector. The Code seeks to cover and bring within its ambit, all categories of workers including self-employed workers, home workers, wage workers, migrant workers, workers in the unorganised sector, gig and platform workers for the purpose of social security schemes, including life insurance and disability insurance, health and maternity benefits, provident fund, Pension and other benefits

- ✚ Removal of employment strength and wage thresholds for the purpose of coverage. This will ensure that all workers in all sectors get covered for availing basic minimum social security benefits.
- ✚ Benchmarking of benefits to inflation and purchasing power, and in sync with minimum wage.
- ✚ For the weaker sections, on the social assistance front, there should be convergence of all myriad schemes under one umbrella to avoid multiplicity of benefits and rationalization of pay-outs. There should be a single window



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system for all benefits transferred, linked biometrically through *Aadhar*, to avoid siphoning of benefits by non-eligible recipients.

- + Medical related benefits of all kinds, including advances and disability benefits, can be removed from purview of EPFO, and consolidated under the ESIC umbrella to remove duplicity.
- + Unemployment and remaining benefits, in a more comprehensive manner, can be strengthened on the EPFO side, if the economics of this proves feasible.
- + Customizable, flexible and open-ended coverage schemes for gig and platform work, self-employed workers as well as seasonal workers will also help bring such workers within the coverage net.
- + Flexibility in contribution payment, customization of benefits for different categories of employees, portability of benefits between different classes of employment, as well as top-up permissions, data sharing and clubbing of benefits between different departments are other measures which will not only ramp up coverage but also ensure adequacy of benefits.

3.3.3 Just as the new age employers use digitization automation to their benefit, so should law enforcement. An intelligent portal networking different organs of the government and facilitating data and intelligence sharing would be effective.

### 3.4 INTERNATIONAL BEST PRACTICES:

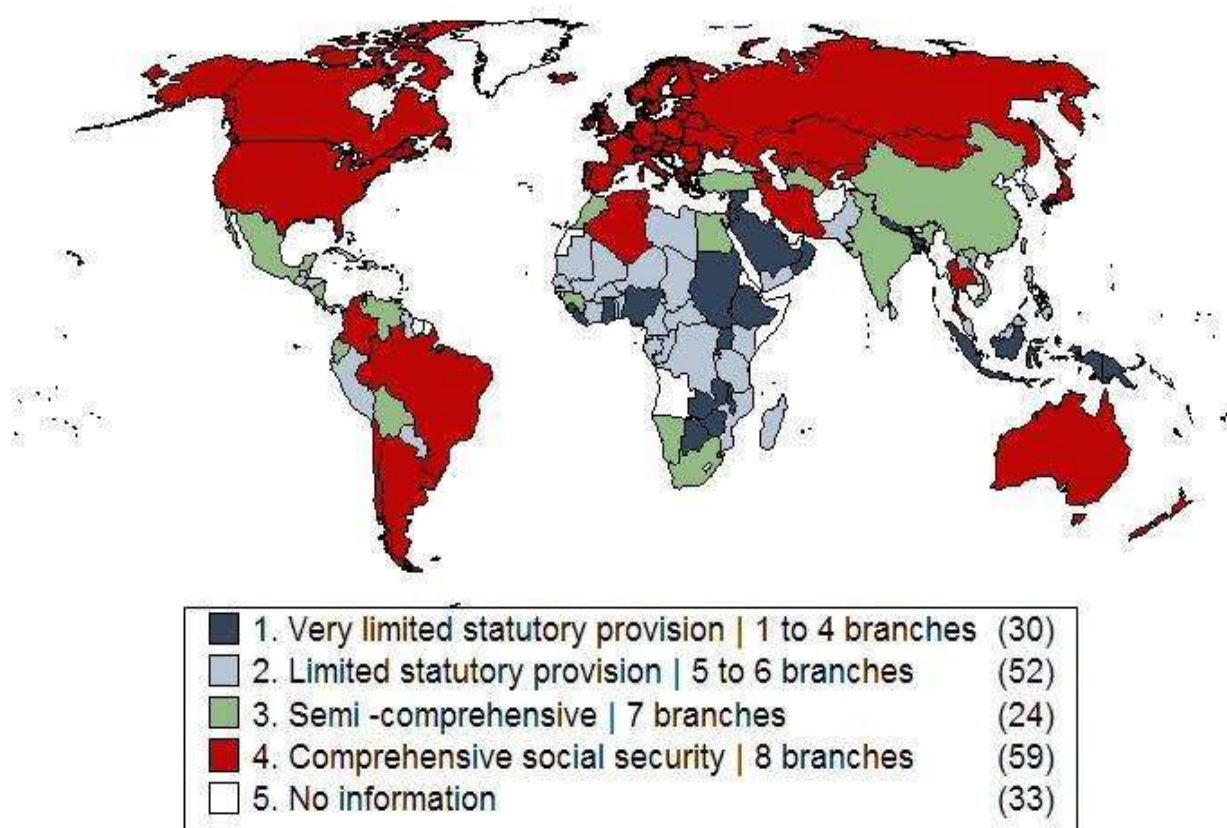
3.4.1 Scandinavian countries Sweden, Norway, Finland, and Denmark have a combination of high living standards and low-income disparity that serves as a role model for social security in the world, called the *Nordic model*. The model is underpinned by a capitalist economy, supported by generous social welfare programs. The result is publicly funded services, such as healthcare and education that are of such high quality that private enterprise has no reason to offer these services or room to improve them. The following are the key elements:

- High taxes and a large public sector
- Broad universal services and substantial support
- Productive investment in health, education and job training

- Strong work incentives and requirements

3.4.2 The Nordic model differs from other welfare state models partly because of its universalism regarding the rights to services and benefits, the role of the public sector in providing services, and the importance of redistribution as a principle of providing benefits. Many public services and benefits in the Nordic countries are provided to the entire population for free, or at a reduced price, independent of market mechanisms. The tax brackets are high, which enable their governments to offer social security coverage which is high on quality and universal in coverage, while remaining actuarially sustainable and maintainable.

3.4.3 The following map illustrates the world map with the number of branches of social security as per mandate of convention 102. India is not a signatory to this convention, but still had seven branches in place, in 2020.



Source: ILO World Social Protection Report 2010, Social protection floors dashboard

## 4. IDENTIFY STRATEGIC AREAS WHERE INDIA COULD AIM TO BECOME A WORLD LEADER, IN A DEFINED TIMEFRAME, AND PROPOSE A TIME-BOUND ROADMAP

### 4.1 TRENDS AND FOCUS AREAS

4.1.1 Social security represents an investment in a country's "human infrastructure" and has to be designed keeping a close eye on developments well in the future, beyond our own likely life expectancies. Indeed, we have seen that Social Security programs have over the years, had to carry out their mission in circumstances that are very different from those they were mandated for.



4.1.2 EPFO has continued to function and deliver services for its intended beneficiaries, even in the face of adverse circumstances. However now, when the face of social security is changing the world over, EPFOs services need to be re-imagined to become better, more inclusive and broader based. Following measures need to be taken in order for the nation to take lead in the social security arena:

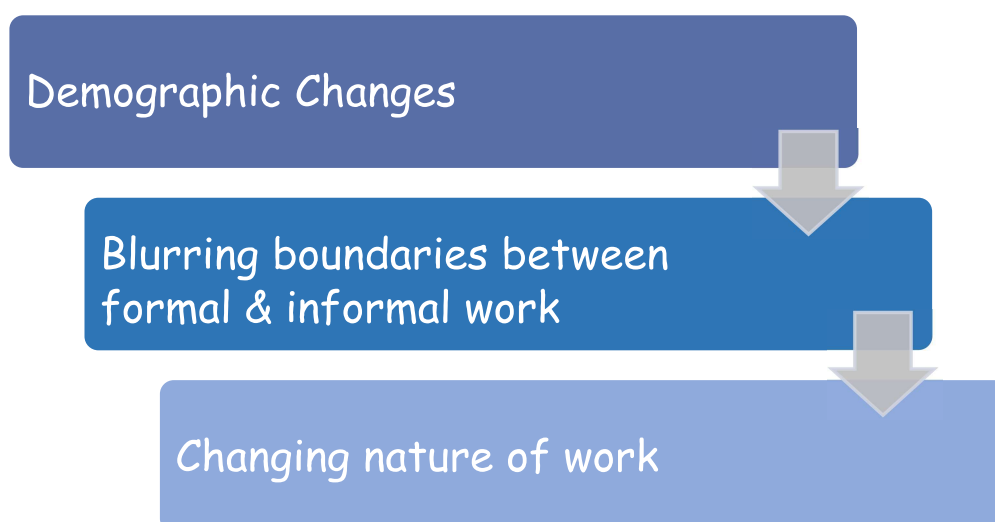
- ✚ **Universalization of Social security: outreach to the last person, full range of benefits**
- ✚ **Entitlement based minimums to be ensured, enforceable as rights**
- ✚ **Focus on elderly population, differently enabled workers, women and children**
- ✚ **Re-thinking of disability and its relation to work in ways that can bring our programs in line with changes in society, and make the nation more sensitized and inclusive.**
- ✚ **Accessible, customer friendly, responsive organizational interface and ethos**



4.1.3 EPFO in context, can look into following broad areas to take the lead in the area of social security:

- **Being a forerunner, and having a long productive experience in the management of social security funds, EPFO can emerge as a dominant global player in managing social security in India and as a tech-support agency for many other countries.**
- **There is a vast untapped potential for covering the informal sector, which has been included in the code on social security. Those left out of the formal sector due to size of enterprise and wage ceilings can also be covered.**
- **EPFO can emerge as a manager of a basic Social Protection Floor (SPF) as mandated in ILO convention 202, with its long term expertise in catering to basic social security entitlements.**
- **There is a demand for new Social Security products, giving EPFO not only the chance but also the unique opportunity to design and implement innovative products for different categories of citizens.**

4.1.4 India's growth trajectory will be driven by three different contours in the coming decades, which are already ushering in new challenges as well as providing opportunities for reform and modernization to keep up with the changing times. These trends are as follows, explained in the ensuing paragraphs in more detail:

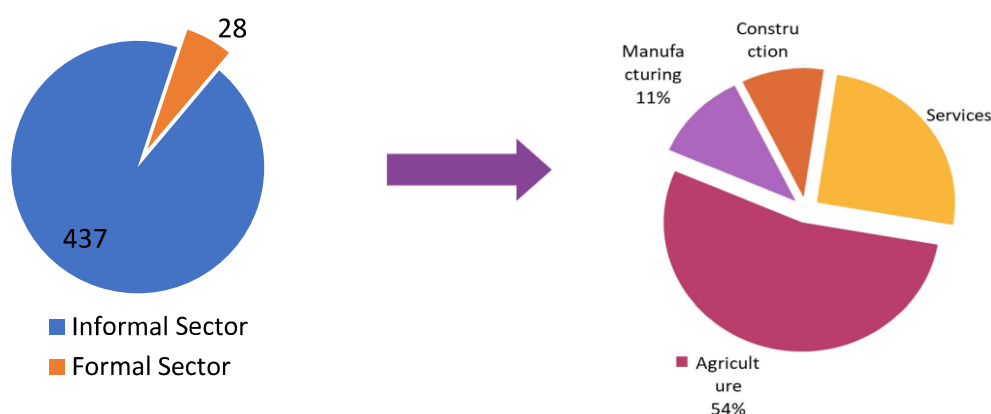




## 4.2 POISED FOR A DEMOGRAPHIC SHIFT: INDIA - NOW AND 25 YEARS HENCE

- 4.2.1 Indian economy is one of the fastest growing major economies, and India is projected to be one of the top three economic powers over the next 10-20 years, backed by a robust democracy and strong partnerships. The Indian economy employs around 501 million workers, of which, agriculture consists of a little over 41 percent, the bulk of the remaining belonging to industry and services sectors. Of these over 93 percent work in unorganised enterprises in the informal sector.

**Workforce by Sector  
(Millions)**



**Total Workforce: 465 Million Source: NSSO 2012**

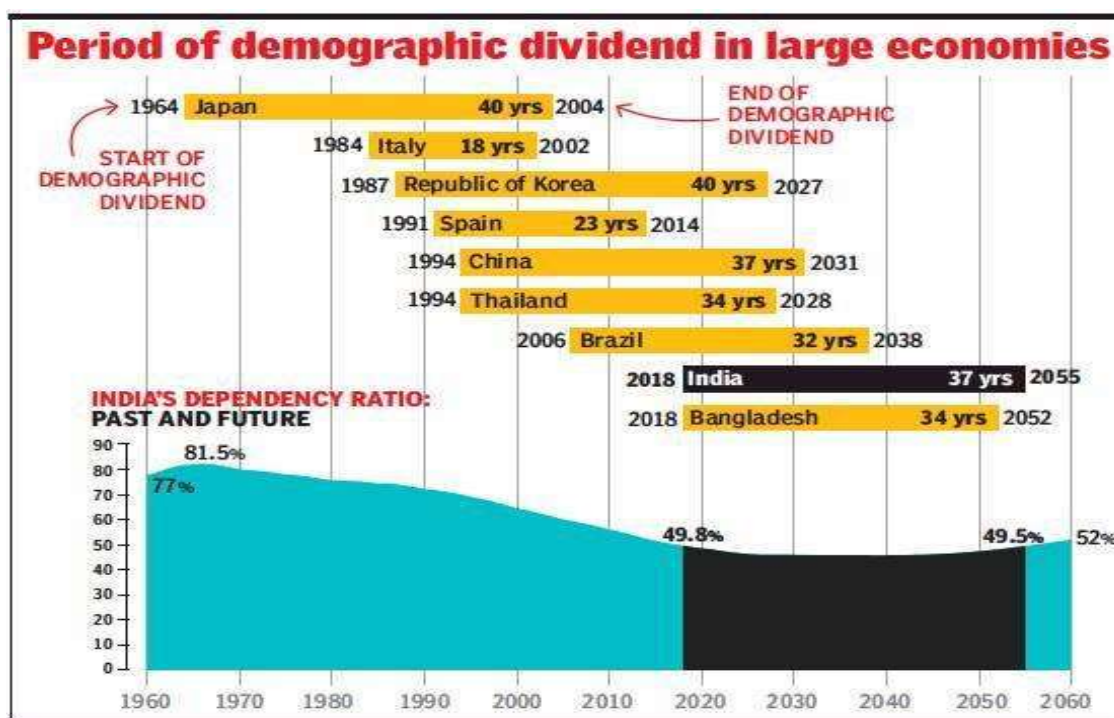
- 4.2.2 The population projection for India [Report of the technical group on population projections, Census of India], indicates that the rate of growth of population will slow down considerably in the coming decades. Decadal growth rate is projected to be 8.4 percent during 2021-31. The projected population is 1.6 billion by 2047<sup>1</sup>, with a working population of 748 million. With coverage of formal workers standing at 60 million presently, there is a need to look at reducing or eliminating threshold limits for coverage for universalising of social security and extending coverage to all workers. Following are the broad trends which need to be kept in mind while designing interventions:

### 4.2.2.1 THE DEMOGRAPHIC DIVIDEND

- According to Economic Survey 2018-19, India's Demographic dividend will peak around 2041, when the share of working-age population is expected to

<sup>1</sup> <https://www.populationpyramid.net/india/2047/>

hit 59 percent. Demographic dividend, as per definition provided by United Nations Population Fund (UNFPA), means, "*The economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age share of the population (14 and younger, and 65 and older)*"<sup>2</sup>. Demographic dividend has **historically contributed up to 15 % of the overall growth in advanced economies**<sup>3</sup>.



Source: Economic Times, Jul 22, 2019

- ✚ The median age in India is just 28, compared to 37 in China and the US, 45 in Western Europe, and 49 in Japan, making the Indian population among the youngest in the world<sup>4</sup>.
- ✚ Since 2018, India's working-age population (15- 64 years) has grown larger than the dependant population — children aged 14 or below as well as people above 65 years of age. This **bulge in the working-age population** is projected to last till 2055<sup>5</sup>.

<sup>2</sup> Website of United Nations Population Fund <https://www.unfpa.org/demographic-dividend#readmore-expand>

<sup>3</sup> Economic Times, Jul 22, 2019 <https://economictimes.indiatimes.com/news/economy/indicators/india-enters-37-year-period-of-demographic-dividend/articleshow/70324782.cms>

<sup>4</sup> The Hindu, February 23, 2020 22:39 IST, Opinion: "Youth can be a clear advantage for India" Meenakshi Datta Ghosh <https://www.thehindu.com/opinion/lead/youth-can-be-a-clear-advantage-for-india/article30897179.ece>

<sup>5</sup> Economic Times, Jul 22, 2019 <https://economictimes.indiatimes.com/news/economy/indicators/india-enters-37-year-period-of-demographic-dividend/articleshow/70324782.cms>

- ✚ Approximately 1.2 crore persons are joining the working age population every year.

#### 4.2.2.2 RISE IN NUMBER OF ELDERLY PERSONS

- ✚ The proportion of the middle age-group (15-59 years) and the older ages (60 years and above) is set to increase. The elderly population is expected to increase by more than double from 10 crores in 2011 to 23 crores in 2036.
- ✚ *The median age of population of India is likely to be around 35 years by 2047*
- ✚ The life expectancy for both males and females in India is likely to continue rising, consequently, the number of people requiring old age income and health security will go up exponentially. With increasing longevity, these



groups would require **Long Term Care (LTC)**. In 20-25 years, India will become an ageing society, with 140 million persons over the age of 60. To offset inflation, higher quantum pensions for longer duration will have to be envisaged. Increasing the retirement age going forward could be considered in line with the experience of other countries and will

be key to the viability of pension systems.

#### 4.2.2.3 MORE NUMBER OF WOMEN IN THE WORK FORCE

With falling birth rates, the time spent by women in bearing and raising children falls, and women can be expected to enter the labour force in large numbers. Consequently, the growth rate of the labour force would remain higher than the growth rate of the total population for an extended period of time. This “deferred bonus” of the demographic transition could be higher than the immediate bonus resulting from



the dividend of age-structure changes <sup>6</sup>. Entry of women in the workforce is expected to rise as a result of:

- ✚ Remote work and flexible work on gig platforms will make work life balance possible
- ✚ Better childcare facilities made possible and affordable through higher income levels
- ✚ Multitasking and organization skills of women, as well as better communication and people-skills, are encouraging organizations to hire more women employees
- ✚ Growth in care-giving and counselling professions, increase demand for women workers

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#### 4.2.2.4 URBANIZATION

A larger share of population, up to 39 percent, will be staying in urban areas. **Rural to urban migration** will play an important role in this growth of urban population. The census 2011 places the migrant population of India at 40 million workers, actual numbers are much higher in the present decade.

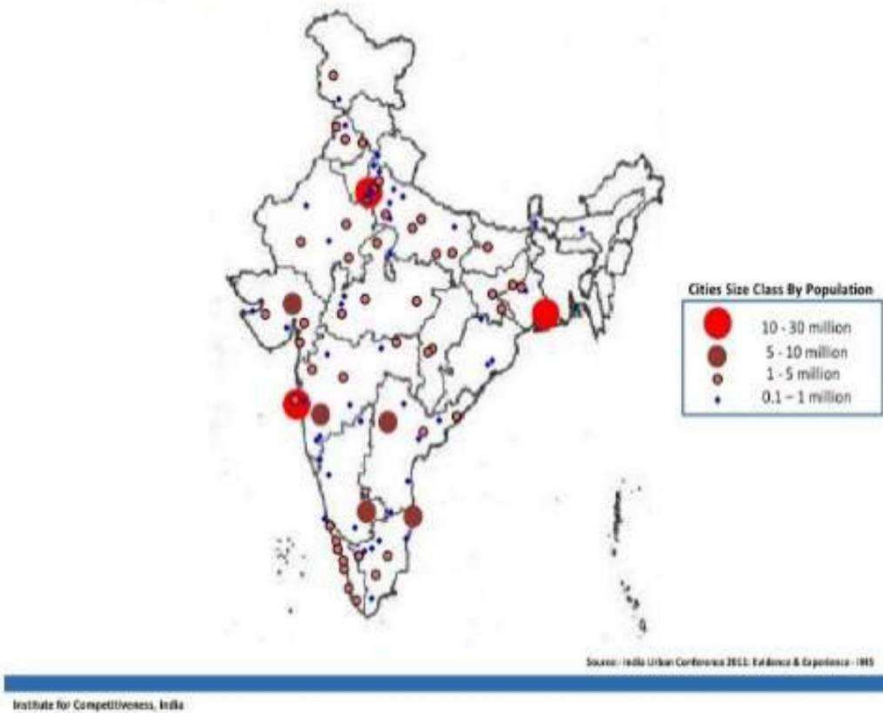
- ✚ 40 million workers (Census 2011)
- ✚ 60 million (Indian Economic Survey 2016-17)
- ✚ The World Economic Forum estimates a higher figure of 139 million migrants in the country

Expanding cities and influx of rural diaspora will bring new challenges of housing, job creation and strain on existing frameworks of regulation, as governments will struggle to protect and cover such workers. This trend will counterbalance the increase in formalisation, while swelling the ranks of the unorganized workers. Following figures give the direction and trends of urbanization in India.

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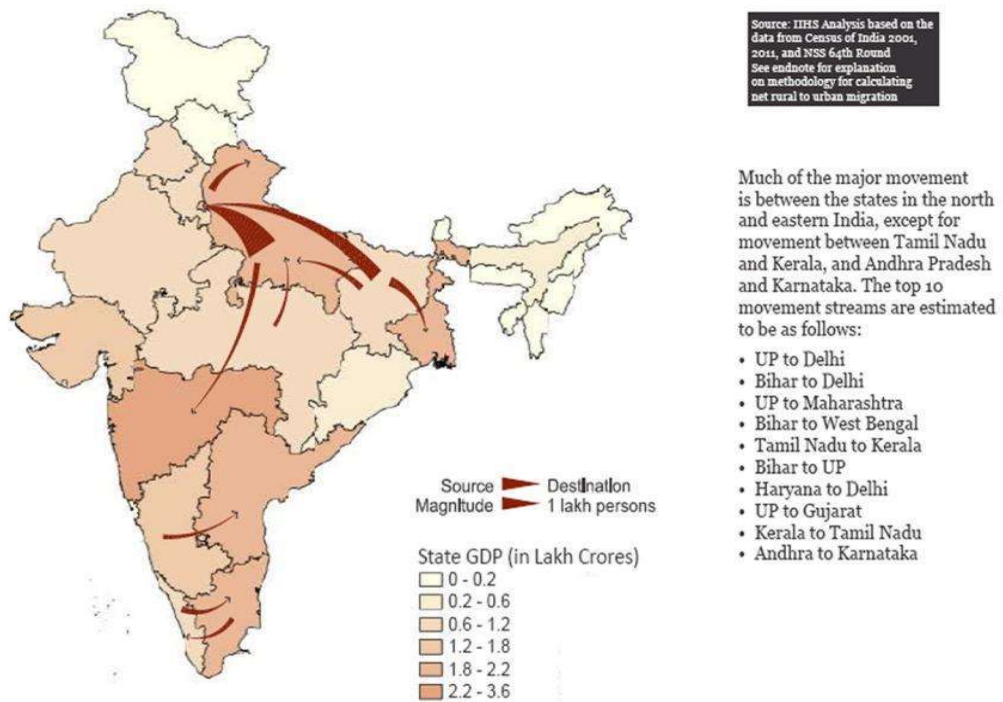
<sup>6</sup> **The Hindu, February 23, 2020 22:39 IST, Opinion:** “Youth can be a clear advantage for India” Attributed to Yogendra K Alagh, Meenakshi Datta Ghosh <https://www.thehindu.com/opinion/lead/youth-can-be-a-clear-advantage-for-india/article30897179.ece>

### SNAPSHOT OF URBAN INDIA IN 2011



Source: India Urban Conference 2011: Evidence and experience, IIHS



### Estimated Major Net Rural to Urban Inter-State Migration: 2001-2011



The figures for 2011 are estimates with their methodology described in the endnotes.

Source: India Urban Conference 2011: Evidence and experience, IIHS



-  LPR or Labour Participation Rate measures how many able and employable people in the economy are looking for work. CMIE estimates that in 2021 this number has fallen to about 40 percent, i.e., about 60 percent workers have stopped actively looking for work on account of COVID induced disruptions in the job market. Social assistance programmes need to be designed to cater to this segment also.
-  The nature of jobs is changing. Salaried jobs are on the decline and a variety of “consultants”, ‘contractors’ and ‘sub-contractors’ are slowly taking the place of employers. There need to be checks and provisions in the code to check evasion on account of chain sub-contracting.

#### **4.3 INCREASING FORMALITY**

- 4.3.1** The introduction of the goods and services tax (GST) has brought more firms into the tax net and is expected further provide an impetus for greater formalization of the economy.
- The number of enterprises paying indirect taxes has gone up by 3.4 million, registering an increase of 50 percent.
  - Nearly a third of the non-farm Indian workforce of 240 million has now been provided some social security coverage.
  - Employees’ Provident Fund Organisation (EPFO) and the National Pension System (NPS) data show 2.2 million formal jobs added in 6 months.
  - Government’s push for a cashless economy through digital India and ‘Aadhaar’ has streamlined businesses and brought them into the formal sector.
- 4.3.2** However, there might also be shifts from formal to informal work, and vice versa, as employees move from regular to gig work, or self-employed workers shift to platforms.
- 4.3.3** The job of social security organizations is to make sure that social safety nets are extended to vulnerable workers and their families, while handholding firms through the process, and simplifying and easing their compliance norms. EPFO has sought to carry out this mandate by launching and implementing several

schemes of the government aimed at providing employment support and other benefits, like the ABRY, and the PMPRY etc.

#### 4.4 SWOT ANALYSIS

Considering the above broad trends shaping the future of work in India, a SWOT analysis of the Strengths, Weaknesses, Opportunities and Threats which will be faced by EPFO in the coming years, and in fulfilling its mandate as a world class organization, has been attempted below:



#### 4.5 THE WAY FORWARD: WHAT NEEDS TO BE DONE?

- 4.5.1** The way forward for the future of social security in the country, is required to include universality of application, diversity and differentiation of work categories, and protection of vulnerable categories. Universalization of social security will need elimination of wage and number thresholds to cover all workers, formal as well as informal.
- 4.5.2** Benchmarking of social security benefits to international standards will require increasing both the scope and the quantum of benefits in each of the nine categories of benefits envisioned in Conventions 102 and 202 of ILO. At the

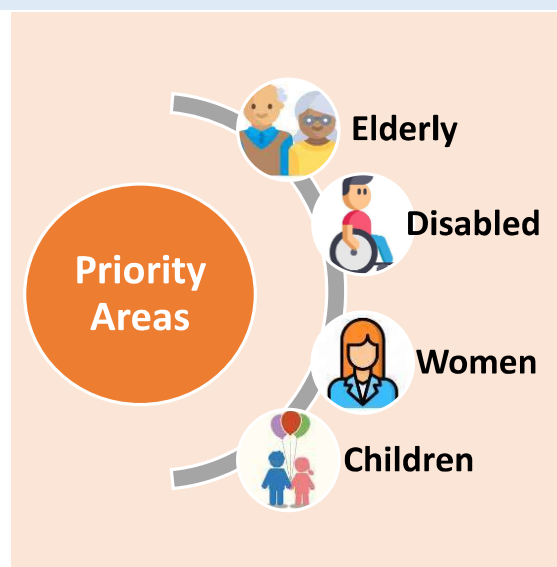
same time, duplicity and overlapping of benefits needs to be eliminated. Medical benefit for instance, including medical advances, needs to be shifted to ESIC for better consolidation.

**4.5.3** In order to increase the scope and quantum of benefits, higher yields or returns on existing investments is a must. Reassigning the organizations asset allocations and investment patterns into longer maturity and higher yield securities, through professional asset management bodies needs to be looked into. This is required in order to safeguard investments and deliver higher returns, especially in light of progressively lowering interest rate regimes.

**4.5.4** There is a felt and expressed need for enhancing the customer interface with the organization and make it more user friendly, seamless and accessible, leading to customer delight. This rise in expectations is a global phenomenon fuelled by technology and mass usage of smart phones by the greater proportion of consumers who have an endlessness of choice at their fingertips. In keeping up with customer expectations, EPFO will need to work on its image building, branding, and its customer friendliness, via more fine-tuned and sensitive user interfaces, improved portals and enhanced dashboards and calculators. IT and infrastructural overhaul as well as staff sensitization to bring about a service oriented and customer friendly ethos, will go a long way in increasing the customer experience.

#### **4.6 THE ROADMAP**

Any roadmap for the future of social security, will always have to keep the vulnerable sections of society as priority areas for planning and development. In addition to universalisation of social security, special enabling provisions for greater protection and promotion of the elderly, the differently-abled, women and children, the poor and vulnerable will need to be kept foremost, in the following possible ways:



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- ✚ Better targeting of government subsidies and top-ups, when designing plans, for the weaker sections, especially the differently-abled and the elderly.
- ✚ Better syncing of benefits between government departments and ministries and more benefit calibration. The organization should also look at differentiating products and offering better bundles or baskets of products with built in contribution customisation and portability of benefits across products. Benefits over and above the minimum base-level should be graded and calibrated to the quantum of contributions paid to assure sustainability and avoid the free-rider burden on the system.
- ✚ Flexibility of contributions, and voluntary enrolment: besides enforcing compliance on establishments, EPFO should also create a separate window for self-employed persons to enrol and pay for social security benefits on their own.

### 4.7 EPFO@2047: A SNAPSHOT OF THE SOCIAL SECURITY SCENARIO

A snapshot of the roadmap for India's social security, during Amrit Kaal Mahotsav, in the coming 5, 10, 15, 20 and 25 years respectively, till 2047, is given below:

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#### 4.7.1 INSTITUTIONAL FRAMEWORK: STRUCTURE

Change begins with institutions. Looking to align with international minimum benchmarks, as a leaner and flatter organization, EPFO is looking to transition into a transparent, people centric, and world class organization over the next twenty-five years, aligned to provide social security support adhering to the highest global standards and citizen-centricity.

## EPFO@2047 VISION DOCUMENT

EPFO@2027	EPFO@2032	EPFO@2037	EPFO@2042	EPFO@2047
<ul style="list-style-type: none"> <li>• Flatter leaner transparent people centric organization</li> <li>• Smart and smaller offices pan India</li> <li>• Manned by highly skilled tech-savvy, future ready manpower &amp; strategic tie-ups with prominent international bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Specialized pillars for each functional area with convergence at top level to ensure macro level synchronization of policy vision</li> <li>• Large centralized backend office with multitude of leaner single window offices</li> <li>• Manned by staff having global expertise</li> </ul>	<ul style="list-style-type: none"> <li>• World class organization with services benchmarked to international standards</li> <li>• Strong points of presence and service centres in Asia &amp; Pacific</li> <li>• Manned by best available global talent</li> </ul>	<ul style="list-style-type: none"> <li>• Positioned among the top 10 social security providers in the world</li> <li>• Consultancy offices and service centres in Latin America and Africa</li> <li>• Globally benchmarked Expert systems &amp; experts for each functional area</li> </ul>	<ul style="list-style-type: none"> <li>• Positioned among the top 5 organizations globally</li> <li>• Global points of presence</li> <li>• Manned by globally certified specialists &amp; best global expertise to be leveraged through retainership tie-ups</li> </ul>

### 4.7.2 INSTITUTIONAL FRAMEWORK: GOVERNANCE

The governance is aimed at increasing specialisation by bringing in experts from different domain and also inviting global expertise. This is important to best possible service to all stakeholders.

EPFO@2027	EPFO@2032	EPFO@2037	EPFO@2042	EPFO@2047
<ul style="list-style-type: none"> <li>• Tripartite governing board to be assisted by domain specialists</li> </ul>	<ul style="list-style-type: none"> <li>• A quadripartite governing board having world renowned domain specialists in addition to employer/employee/government representatives</li> </ul>	<ul style="list-style-type: none"> <li>• Governing board to have domain experts from within the organization on temporary co-option basis</li> </ul>	<ul style="list-style-type: none"> <li>□ Governing board to have domain experts from within the organization as permanent board members with full voting rights</li> </ul>	<ul style="list-style-type: none"> <li>• Governing board to have a provisioning to temporarily co-opt or invite best global expertise available for specific task based advise</li> </ul>

### 4.7.3 COVERAGE

The road map for coverage starts with full coverage among formal sector in the first phase. Among informal sector the coverage would increase in a phased manner. Adequacy of benefits would be benchmarked to international standards as we approach 100 years of our independence, so as to provide appropriate levels of social security to all citizens.

EPFO@2027	EPFO@2032	EPFO@2037	EPFO@2042	EPFO@2047
<ul style="list-style-type: none"> <li>• Full coverage of all coverable workers in formal sector</li> <li>• 25 percent coverage of informal workers</li> </ul>	<ul style="list-style-type: none"> <li>□ Full coverage of formal workers including casual, seasonal, piece rated and contractual workers</li> <li>□ 75 percent coverage of informal workers</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion of all 9 benefits for formal workers</li> <li>• 100 percent coverage of informal workers</li> </ul>	<ul style="list-style-type: none"> <li>• Adequacy of benefits benchmarked to international standards for formal workers</li> <li>• Adequacy of benefits benchmarked to international standards for informal workers</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability and high level of benefits which are more than adequate for formal workers</li> <li>• Sustainability and high level of benefits which are more than adequate for informal workers</li> </ul>

### 4.7.4 FOCUS AREAS

As the coverage under social security goes up, the thrust of social security is going to shift to providing better and more customised social security products. EPFO would eventually position itself as a leader in this space to ensure adequacy of living standards to all citizens.



## EPFO@2047 VISION DOCUMENT

EPFO@2027	EPFO@2032	EPFO@2037	EPFO@2042	EPFO@2047
<ul style="list-style-type: none"> <li>• Better targeting of government subsidies towards low income, disabled workers, orphaned children &amp; other vulnerable categories</li> <li>• Increasing number and types of Social assistance products</li> <li>• Strengthening pillar '0' &amp; '1' pensions</li> <li>• Schemes to transition from PF to pension in a phased manner</li> <li>• Developing a core team to manage pension investments inhouse</li> </ul>	<ul style="list-style-type: none"> <li>• Providing a strong social protection floor, covering at risk vulnerable populations</li> <li>• Customising Social assistance products and providing differentiated and flexible bundling of products</li> <li>• Strong pillar '0' pension provider</li> <li>• Moving towards a Pension only scenario with adequate pensions</li> <li>• Developing capacity to provide pension investment consultancy to other players</li> </ul>	<ul style="list-style-type: none"> <li>• Raising the social protection floor benefits to adequate levels</li> <li>• Increasing number and types of Social Security/Insurance products</li> <li>• positioning EPFO as a lead pillar '2' pension provider in India</li> <li>• Investing pension funds in long-term securities, for better, adequate &amp; sustained pensions</li> <li>• Expanding inhouse pension investment team by co-opting best international expertise enabling developing capacity for managing corpuses for other players in India</li> </ul>	<ul style="list-style-type: none"> <li>• Raising the social protection floor benefits to the best International standards.</li> <li>• Customising Social Security/insurance products and providing differentiated /flexible bundling of products</li> <li>• Positioning EPFO as a lead pillar 3 &amp; 4 pension provider in India</li> <li>• Diversify pension products &amp; provide customisable solutions</li> <li>• Expanding pension investments into off-shore and global funds and projects and also build a specialized investment capacity having multiple groups of experts specializing in different asset classes</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing the social protection floor benefits to a level which would place them in the top 5 globally.</li> <li>• Being able to offer customised social security products in partnership with other organizations globally</li> <li>• Position EPFO as a lead player of pillar 3 pension globally</li> <li>• Enhancing Pension benefits to raise them to international benchmarks</li> <li>• Developing capacity for providing consultancy and managing other global pension funds</li> </ul>

#### 4.7.5 INVESTMENTS

Investments are going to be the key drivers of how much benefits the fund can deliver to its subscribers. The roadmap for investment is clear in terms of expanding its investment horizon both in terms of asset class and geographies. EPFO envisages having world class investment management infrastructure and the team managing the assets so as to give targeted citizens high level of returns.

EPFO@2027	EPFO@2032	EPFO@2037	EPFO@2042	EPFO@2047
<ul style="list-style-type: none"> <li>•Smarter, separate investments for PF and Pension</li> <li>•Expanding inhouse team by co-opting best international expertise</li> <li>• Developing inhouse investment expertise benchmarked to best global standards</li> </ul>	<ul style="list-style-type: none"> <li>•Differentiating investments by age and risk-profile, investing more in equity for younger members</li> <li>•Expanding inhouse team by strategic international tie-ups and retainership arrangements</li> <li>•Developing capacity to provide investment consultancy to other players</li> </ul>	<ul style="list-style-type: none"> <li>•Investing pension funds in longer-term, infrastructure and real estate for sustained returns</li> <li>•Build specialized investment capacity with multiple global experts for different asset classes</li> <li>•Developing capacity for managing corporates for other players in India</li> </ul>	<ul style="list-style-type: none"> <li>•Expand investments into off-shore and global funds and projects for higher returns</li> <li>•Develop investment team specializing in global assets and fund investments</li> <li>• Develop capacity to provide investment consultancy to global funds</li> </ul>	<ul style="list-style-type: none"> <li>• Expand investments into global infrastructure and equity for leveraging returns</li> <li>• Develop team having internationally renowned asset class specialists</li> <li>•Developing capacity for managing global funds</li> </ul>

#### 4.7.6 TECHNOLOGY

Technology is currently driving the organisations growth. This is further going to be strengthened in the times to come. Use of AI, NLP, Block chain etc would further give the organisation the push to deliver its services in ways which is currently even beyond imagination in order to ensure customer delight.

## EPFO@2047 VISION DOCUMENT

EPFO@2027	EPFO@2032	EPFO@2037	EPFO@2042	EPFO@2047
<ul style="list-style-type: none"> <li>Any-device-anywhere-anytime access to services</li> <li>Client identification through biometrics &amp; Facial recognition</li> <li>Emerge as a consultant to provide Any-device-anywhere-anytime access to services in India</li> </ul>	<ul style="list-style-type: none"> <li>Any-device-anywhere-anytime access to benefits</li> <li>Use of Artificial Intelligence (AI) and Natural Language Programming (NLP) in customer interface to enhance user-friendliness</li> <li>Emerge as a global tech leader in Any-device-anywhere-anytime access to services &amp; delivery of benefits</li> </ul>	<ul style="list-style-type: none"> <li>Use of AI, seamless and Automated Benefit Delivery in 24 hours</li> <li>Use of cutting edge emerging technology to make the services more user-friendly</li> <li>Emerge as global leader in accurate client identification technology</li> </ul>	<ul style="list-style-type: none"> <li>Instant real time settlement of benefits</li> <li>State-of-the-art technology run on single back-end data hub operating pan-India</li> <li>Emerge as a global leader with State-of-the-art technology run on single back-end data hub operating nationally</li> </ul>	<ul style="list-style-type: none"> <li>Benefit delivery aligned to cutting edge emerging future technologies</li> <li>Use of DNA based technology for ensuring accurate client identification</li> <li>Emerge as global tech leader in setting up of state of art social security data centres and network</li> </ul>

### 4.7.7 REGULATION

Ease of doing business is the current mantra. This will be more aided by technology in the times to come. Thus, the regulation would be more technology driven rather than person driven. The technology would make defaults almost impossible and help the employers in contributing to the schemes with ease so EPFO will be able to pass on rightful benefits to their employees.

## EPFO@2047 VISION DOCUMENT

EPFO@2027	EPFO@2032	EPFO@2037	EPFO@2042	EPFO@2047
<ul style="list-style-type: none"><li>• Reducing regulation to a minimum and encouraging self declarations</li></ul>	<ul style="list-style-type: none"><li>• AI driven system enabling early detection of evasion &amp; auto-triggering of enforcement actions</li></ul>	<ul style="list-style-type: none"><li>• Focussed inspections and exemplary punitive action in rare cases</li></ul>	<ul style="list-style-type: none"><li>• Doing away with inspections completely and making default almost impossible through data driven detection techniques</li></ul>	<ul style="list-style-type: none"><li>• Use of global best cutting-edge technologies of the time to reduce regulations to the bare minimum and avoid evasion</li></ul>

### 4.7.8 CAPACITY BUILDING

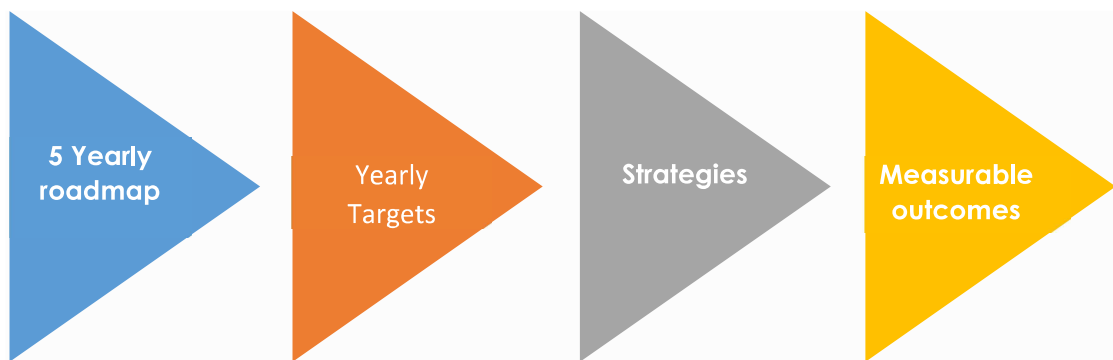
Human resource drives any organisation. The organisation is as good as its people. Therefore, the roadmap for capacity building has to be in sync with technological change, regulatory change, and also aligned with the focus area of the organisation. In order to full fill the mandate of enabling such quantum change in the organisation, Pandit Deendayal Upadhyay National academy of social security over the years would develop into a global centre for research and training in the field of social security helping in capacity building of the employees of the organisation so as to serve the citizens better.

## EPFO@2047 VISION DOCUMENT

EPFO@2027	EPFO@2032	EPFO@2037	EPFO@2042	EPFO@2047
<ul style="list-style-type: none"> <li>• Developing the training outfit of EPFO into a centre of excellence in social security training and research</li> <li>• Publishing peer reviewed journals/ books in the domain of Social Security and allied fields</li> </ul>	<ul style="list-style-type: none"> <li>• Positioning it as a leading research hub and training destination on social security and allied fields for Africa, Asia &amp; Pacific</li> <li>• Emerging as a global leader in publishing peer reviewed journals/ books in the domain of Social Security and allied fields in Africa, Asia &amp; Pacific</li> </ul>	<ul style="list-style-type: none"> <li>• Developing EPFO as a leading research hub and training destination on social security and allied fields for Europe &amp; Americas.</li> <li>• Emerging as a global leader in publishing acclaimed journals/bo oks in the domain of social security practice and research focussing on Europe, North America &amp; Latin America</li> </ul>	<ul style="list-style-type: none"> <li>• EPFO to emerge among the top 10 training and research centres in the world</li> <li>• Emerge as a credible and acclaimed global publisher of journals and books which figure among the top 10 in world ranking</li> </ul>	<ul style="list-style-type: none"> <li>• EPFO to emerge among the top 5 training and research centres in the world</li> <li>• Emerge as a credible and acclaimed global publisher of journals and books which figure among the top 5 in world ranking</li> </ul>

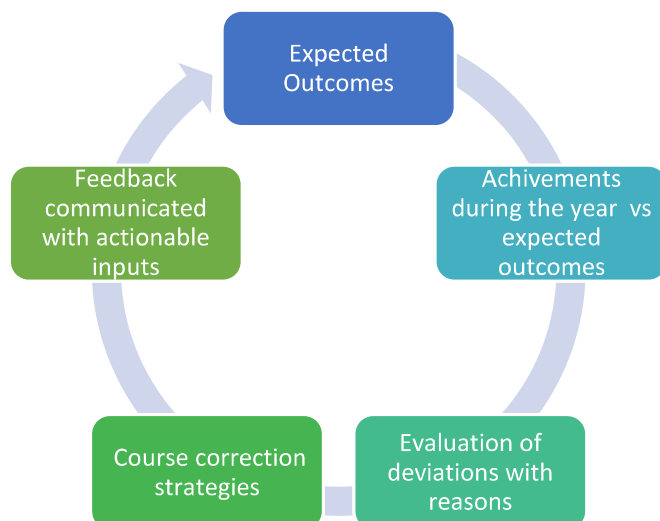
#### 4.8 MONITORING, EVALUATION AND FEEDBACK

An effective monitoring and evaluation framework is necessary to evaluate incremental progress of the organization along the roadmap and keep track of diversions as well changes in the business environment which may warrant policy rethink and change strategies.



An effective monitoring and feedback mechanism will involve usage of:

- Yearly targets, goalsetting and reporting, evaluation and feedback loops
- Continuous data driven 360-degree performance monitoring and mapping
- Real time monitoring tools enabling timely interventions to improve performance and enhance capacity





## 5. SUGGEST WAYS TO DEVELOP INSTITUTIONAL EXPERTISE AND EXCELLENCE ACROSS SECTORS, INCLUDING GOVERNMENT PROCESS RE-ENGINEERING.

- 5.1 The organization needs to realize, that the world of work has changed. Widespread automation is disrupting the old-world order. Old industries are getting defunct and new businesses are being created. Old work relationships have completely broken down, and new structures have taken their place, leaving a majority of workers unprepared, unemployable and without jobs. The nature of jobs has also changed, requiring realignment of legislation, rules and regulations to keep abreast with the changing world of work. It is in this context that complete government process re-engineering is required.

### 5.2 PREPARING FOR DISRUPTION: THE CHANGING NATURE OF WORK

- 5.2.1 New technologies are transforming the world by creating new lines of business, needing new skill-sets in workers to operate them. Platforms enable firms to enter markets without physical presence, and grow exponentially without vertically integrating. As artificial Intelligence (AI) grows, the demand for low-skilled labour decreases while that for higher order thinking and socio-behavioural skills with greater adaptability is rising. These shifts present uncertainties for all countries, forcing nations and organization to adapt their policies to reskill and protect their workers.

- ✚ Platform-based businesses are on the rise in every country. Digital platforms allow quick scaling. Consumers are also more willing to use online services. Consumer trust enables platforms to expand quickly into other business lines. However, workers employed in these platforms are exposed to exploitation as archaic labour laws fail to keep pace with the rapid changes.

- ✚ The rise of the digital platforms existing in the cloud, and generating income without capital outlay, allows firms to operate without accountability. Global presence without physical footprint enables firms to evade taxes and social security obligations. Platform firms often operate in regulatory grey areas, not adhering to minimum standards of quality and safety.

- ✚ With the boundaries of firms transcending national borders, it has become easier to shift profits to low-tax lower-regulation jurisdictions. As a result, billions of rupees of corporate profits can go untaxed every year. The Organisation for Economic Co-operation and Development (OECD) estimates that US\$100–\$240 billion is lost in revenue each year from base erosion and profit shifting by multinational companies<sup>7</sup>
- ✚ Data privacy and protection concerns also need to be addressed because of the large amount of data accumulated, employed, and monetized by platform businesses without regulatory oversight.

### **5.3 NEED FOR NEW PARADIGMS TO MEET THE CHALLENGE**

#### **5.3.1 RESKILLING THE WORKFORCE**

The World Economic Forum estimates that more than half of employee's world over will need re-skilling in the next few years to keep up with the changing job scenario (WEF, 2018). It recommends significantly increasing investment in people, both in terms of money and skills, across the public and private sectors. Curricula need to be completely revamped along with teaching methodologies and skill-based intensive on-job trainings. In addition, soft skills for coping on the job, keeping in mind expectations of better service standards will need to be embedded in induction training curricula, to better equip employees for meeting the challenges of working in a service organization.

#### **5.3.2 NEW SOCIAL CONTRACT**

The WEF in its white paper on Globalization (WEF, 2019), seeks to mobilize stakeholders in support of strategies to improve employment opportunities and working conditions. It calls for global cooperation to promote better wages and working conditions, increased gender equality and more equality for workers through social dialogue – engagement among workers, firms and governments in the search for common ground to build a fairer, more inclusive world that will deliver benefits to economy and society for generations to come. To ensure adhering to the changed standards, changes in the mandate and working of the organization may be required.

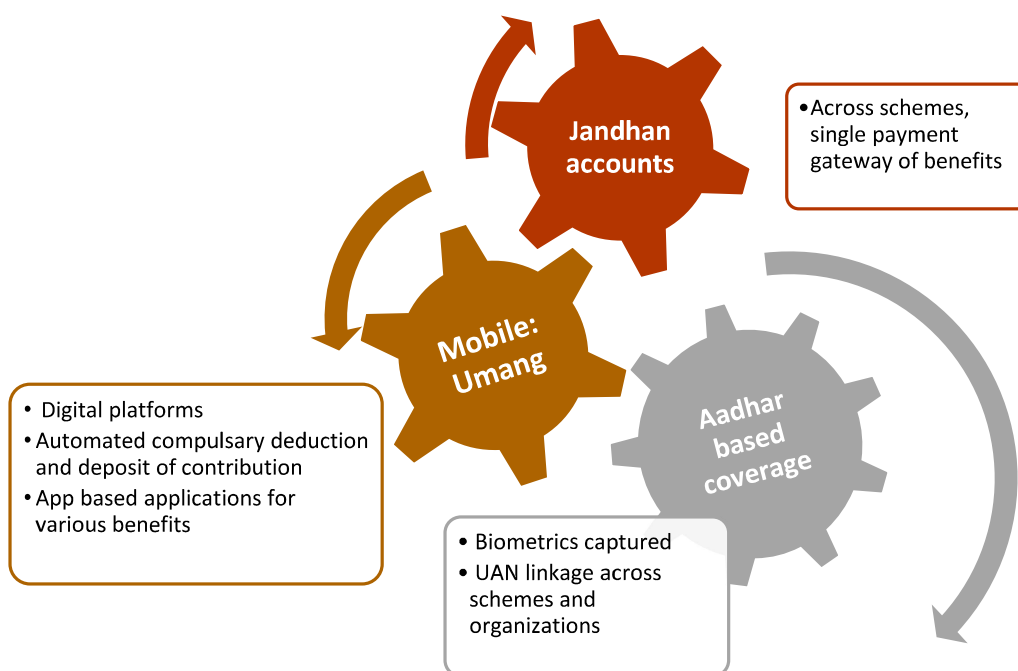
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<sup>7</sup> OECD Report (2017)

### 5.3.3 REGULATING THE NEW BREED OF EMPLOYERS

Just as the new age employers use digitization automation to their benefit, so should law enforcement. An intelligent portal networking different organs of the government and facilitating data and intelligence sharing would be effective. Focus should be on affecting reduction in compliance cost through ICT. Contribution collection should be on a seamless automated platform with auto generation of notices and alerts. Other measures for ensuring institutional expertise and excellence could be:

- ✚ ***Developing a long-range plan for stakeholders including employers, employees, trade union representatives and government officers.***
- ✚ ***Establishing a centralized collaboration plan with a common framework for planning strategies. Bringing in sector-based expertise and letting international standards guide policy making***
- ✚ ***Finding technological solutions for solutions for coverage extension and universalization. Extensively use ICT in social security management. Enable free data sharing between government departments, and joint collaborations***
- ✚ ***The Jan Dhan Aadhar-Mobile Trinity needs to be leveraged for extending social security measures to the farthest worker in the country, especially in the unorganized sector.***






## 6. PREPARE A ROADMAP FOR DEVELOPING EPFO INSTITUTIONS (TRAINING, RESEARCH AND THINK TANKS) TO EMERGE AS A GLOBAL LEADER

6.1 For EPFO to assume global leadership in the social security domain, its vision needs to be futuristic and processes aligned and benchmarked to the highest international standards. The focus and thrust needs to be on capacity building and skill upgrading of employees, and constant reimagining of ideas and functionalities towards incremental improvement. For this, development of training and research facilities need to be prioritised and invested in, to enable development of research and think tank capabilities and world class in-house expertise in the field. The following avenues can be looked at:

-  Investment in State-of-the-art digital infrastructure and high-quality collaborations and affiliations with premier institutions globally, for free collaboration, data sharing and intermingling of ideas.
-  Establishment of Research Chairs, Joint Working Groups, collaboration and sharing of best practices. Development of High-quality institutions and Centres of excellence for knowledge creation with research and innovation as the prime focus. Adopt the mentor model to develop research capabilities in Indian institutions
-  High focus on research conducted by social security experts and budding scholars. Inter-disciplinary areas of scholarship
-  Encourage community-focused research. Strengthen industry academia linkages across all aspects of the education value chain.
-  Provide competitive access to public research grants to all institutions. Encourage corporate and alumni funding. Link public funding to institutional performance
-  Create a centralized repository of all information related to higher education in India

## 7. PREPARE A ROADMAP FOR DEVELOPING EPFO AS A GLOBAL LEADER

- 7.1 EPFO has one of the world's largest fund corpuses, providing social security to the largest single group of people, and is the eighth largest sovereign pension fund in the world. With over 70 years of experience and Pan-India presence, it is situated to become a dominant global player in the social security arena, using the right mix of technological leverage and managerial vision.
- 7.2 EPFO's sizeable corpus and turnovers from older high yielding securities as well as newer ETF investments have been able to keep our returns robust, even in the face of global financial turmoil and lowering interest regimes. Even when social security benefits of developed nations were reduced during the pandemic, it has managed to provide higher-than-market returns. By tweaking and fine tuning its investments, there is scope to venture into the global arena, by providing expert consultancy, portfolio management services, as well as overseas fund management service to other government and private funds.
-  By diversifying the investment mix, EPFO may be able to provide customised products to different categories of consumers on the one hand, while also positioning itself as a provider of the basic social protection floor in India, subsuming and unifying multitudes of schemes and funds in place.
  -  EPFO has established itself as the primary pension provider for the private organized sector in India. It can also emerge as a strong pillar '1' and '2' pension pillar in addition to its basic pillar '0' pension.
  -  To ensure sustainability of pensions, it needs to Increase coverage of employees (including non-standard workers), increase the retirement age over time to reflect increasing life expectancy, and reduce the leakage from the retirement savings system prior to retirement by discontinuing withdrawal benefits.
- 7.3 Currently, the Labour force participation rate in India stands at 50.2 percent against a global average of 64.4% with the Female Labour force participation (FLFP) particularly low at 25 percent against a global average of 46 percent. The aspiration is to exceed the Global average LFPR by 2047, through the following interventions:

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- ✚ Leveraging Flexible workplaces
  - ✚ Assigning value to unpaid care work
  - ✚ Improving workplace safety and gender-specific facilitation at work
  - ✚ Enablers to promote participation in all forms of work in all sectors
- 7.4 Other measures include - making efforts to reduce the gender pension gap, regulating the governance of private pension plans and introduction of greater transparency through online pension calculators to gain the confidence of members and the broader community.
- 7.5 EPFO can leverage its basic pillar '0' pension expertise to emerge as a global leader in pensions, ensuring Adequacy, Sustainability and Integrity, to become the best-in-class pension provider globally.
- 7.6 Diversifying of services may enable EPFO to look into providing expert consultancy in areas of change management, disaster proofing of organizations and systems, capacity building, training, development and research in social security, and related areas.



## 8. INSTITUTIONAL COLLABORATIONS WITH FOREIGN GOVERNMENTS, INTERNATIONAL AGENCIES AND INSTITUTIONS TO INVOLVE THEM IN INDIA'S GROWTH STORY

- 8.1 In order for EPFO to globally collaborate, it needs to have an enhanced role, and take leadership positions in prominent international bodies in the social security arena, like ILO and ISSA, including nomination and voting rights. In addition, joint collaborative efforts should be fostered with organizations like ADB, OECD, ESCAP, and other notable prominent international institutions social security research and advocacy, including knowledge sharing and exchange of experts.
- 8.2 India has the largest diaspora population in the world with 18 million people living and working outside India, according to a report by the United Nations, with UAE, US and Saudi Arabia hosting the largest number of migrants from India<sup>8</sup>. Of these, USA has the highest number of international migrants (51 million). Other countries hosting large numbers of Indian migrants include Australia, Canada, Kuwait, and the United Kingdom.
- 8.3 In order to create a level playing field for Indians embarking for work outside India, as well as foreign nationals that work in India, the Government of India in October 2008 introduced special provisions for International Workers. India has signed and operationalized Social Security Agreements (SSAs) with 18 countries which are given below, along with dates.

Belgium 01.09.2009	Germany 01.10.2009	Switzerland 29.01.2011	Denmark 01.05.2011	Luxembourg 01.06.2011
France 01.07.2011	South Korea 01.11.2011	Netherlands 01.12.2011	Hungary 01.04.2013	Finland 01.08.2014
Sweden 01.08.2014	Czech Republic 01.09.2014	Norway 01.03.2015	Austria 01.07.2015	Canada 01.08.2015
Australia 01.01.2016	Japan 16.11.2012	Portugal 04.03.2013	Quebec 26.11.2013	

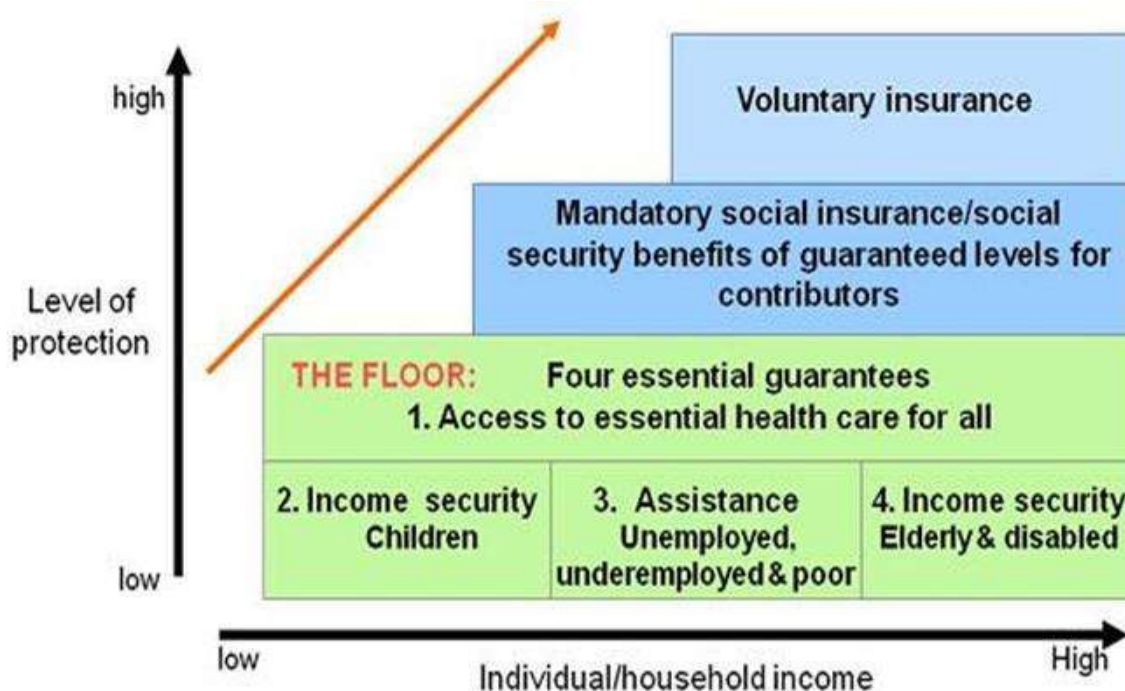
<sup>8</sup> 'International Migration 2020 Highlights', by the Population Division of the UN Department of Economic and Social Affairs (UN DESA), 2020, cited by:  
[https://economictimes.indiatimes.com/nri/migrate/at-18-million-india-has-the-worlds-largest-diaspora-population/articleshow/80290768.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/nri/migrate/at-18-million-india-has-the-worlds-largest-diaspora-population/articleshow/80290768.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

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- 8.4 However, SSAs have not been signed with countries which host the maximum number of workers, like USA, UAE and Saudi Arabia, at the time of writing this report. This needs to be vigorously pursued in order to assure continuity of benefits to workers migrating to these countries, and loss of contributions. Also, different SSAs have different terms and requirements, which may be relevant to each country separately; however basic tenets should ideally be uniform.
- 8.5 Countries with higher worker immigration, especially in absence of SSAs can have office attaches with embassies and posting of officers and staff to these attaché offices in order to assist the migrant workers and their families, and extend service delivery. For itinerant workers, orientation as well as assistance with paperwork can be provided to ensure seamless transfer and portability of contributions and benefits.

## 9. BENCHMARKING EPFO'S REGULATION, PROCEDURE AND PROCESS TO INTERNATIONAL STANDARDS AND SUGGEST A ROADMAP TO ALIGN THEM TO GLOBAL STANDARDS

- 9.1 As per the gap analysis done in section 2.2, EPFO's social security systems are still not benchmarked to international standards, due to existence of gaps as compared to minimum standards laid down in conventions 102 (Social Security) and 202 (Social Protection floors). *Social protection floors are nationally defined sets of basic social security guarantees that should ensure, as a minimum that all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.*<sup>9</sup>. Convention 102 is broader, listing out minimums of social security for workers and families. Together, both the conventions push for a basic minimum of facilities a country should provide to all workers to assure them of a dignified life, irrespective of income. Following is the basic social security floor model for providing a social safety net to the poorer and vulnerable sections, as well as contributory higher benefits to the comparatively better off workers. EPFO is being envisioned as a provider of basic SPF as well as full spectrum social security, a one-stop end-to end solution for social security in India.



<sup>9</sup> Website of ILO <https://www.ilo.org/seccoc/areas-of-work/policy-development-and-applied-research/social-protection-floor/lang-en/index.htm>

9.2 For the purpose benchmarking procedures and processes to international standards and aligning benefits to the best global standards, following are the suggested measures which can be adopted:

- ✚ Adopting a rights-based universal scheme that subsumes existing piece-meal schemes to ensure economies of scale
- ✚ Biometric identification to underpin claim approvals, to eliminate duplicity, fraud proof systems, capture leakages, and ensure direct beneficiary interface for speedy and seamless delivery of services and benefits
- ✚ Individual account-based pension scheme which is funded mainly by the employer's contribution. Government to also contribute towards pensions for the low-wage earners to supplement the pension fund. Individuals also have the facility to contribute to the pension fund with a defined periodicity or in a lump sum to augment the fund. This approach of having multiple sources of contribution towards the pension will lead to the accumulation of funds till retirement which would suffice as an adequate pension to make a dignified living post-retirement. The option of allowing the accumulations of the provident fund and also insurance benefits where applicable to invest in the pension fund can lead to a significant increase in the pension amount. The financial insecurities post-retirement can be mitigated to a large extent by the choice of inflation-indexed annuity purchased from the pension fund account on retirement.
- ✚ Universalization of coverage of all workers. Removing all schedule heads, headcount and wage thresholds for coverage, to be able to cover all workers irrespective of size and type of enterprise. A small negative list may be prescribed to cover exclusions. Realistic wage ceilings for contributions not less than the national minimum wage can be fixed, with inbuilt provisions of enhancement from time to time linked with Consumer Price Index (CPI).
- ✚ Realigning investments to ensure adequacy of benefits and to maximize returns. To ensure this, the investment framework must be aligned with the goals of each of the social security schemes. Pension schemes have comparatively long-term liabilities and therefore the investment policy for pension Schemes should be distinct and appropriate. An investment framework must be built that ensures management of investments by an agile and professional executive body. Benchmarking every aspect of fund

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management with the best in the world and delivering consistent and optimal returns on the investment by a smart choice of assets, geographies for investment, and even currencies.

- ✚ EPFO should look into building and expanding its own in-house investment team by co-opting the best available domestic and international expertise. There should be separate streams of investments for Provident Fund and Pension to ensure smarter tailoring of returns to short- and long-term goals, investing in longer-term securities, infrastructure and real estate for longer and sustained returns, and eventually diversifying and expanding into global financial markets on the strength of multiple groups of experts specializing in different asset classes.





## 10. FOCUS AREAS IN TECHNOLOGY AND FRAMEWORK TO POSITION EPFO AS A LEADER

### 10.1 MOBILE TECHNOLOGY

The ubiquitous usage of mobile phones provides the easiest access point from which to expand access into remote and rural areas and make social security offerings more inclusive. The Government of India's UMANG application offers a single platform for accessing a range of e-government services on mobile phones. This platform is being made use of by EPFO to extend services to subscribers. EPFO offers more than 16 services through the UMANG app and many more are in the process of being added. 88 percent of the footfall on UMANG is for EPFO services alone.

### 10.2 ARTIFICIAL INTELLIGENCE (AI), MACHINE LEARNING (ML) AND NATURAL LANGUAGE PROGRAMMING (NLP)

Artificial Intelligence (AI) is finding more frequent and wider based roles in social security institutions engaged in efforts to enable proactive and automated social security service delivery. The scalability and flexibility of AI has made it an essential and complementary tool for data verification and validation, interaction with stakeholders, and informing and fine-tuning further processing of information and services. AI can be used in the Social Security arena in two different ways:

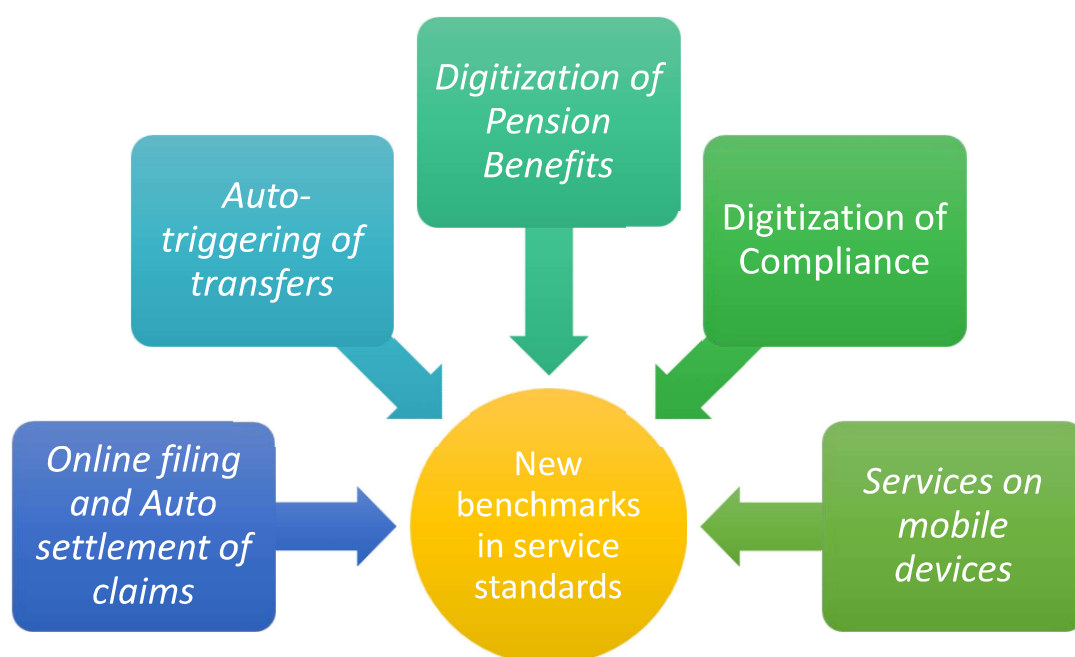
-  Improving customer services by combining e-services with intelligent chatbots.
-  AI-based image recognition to automate processes by recognizing documents.

### 10.3 BLOCKCHAIN TECHNOLOGY

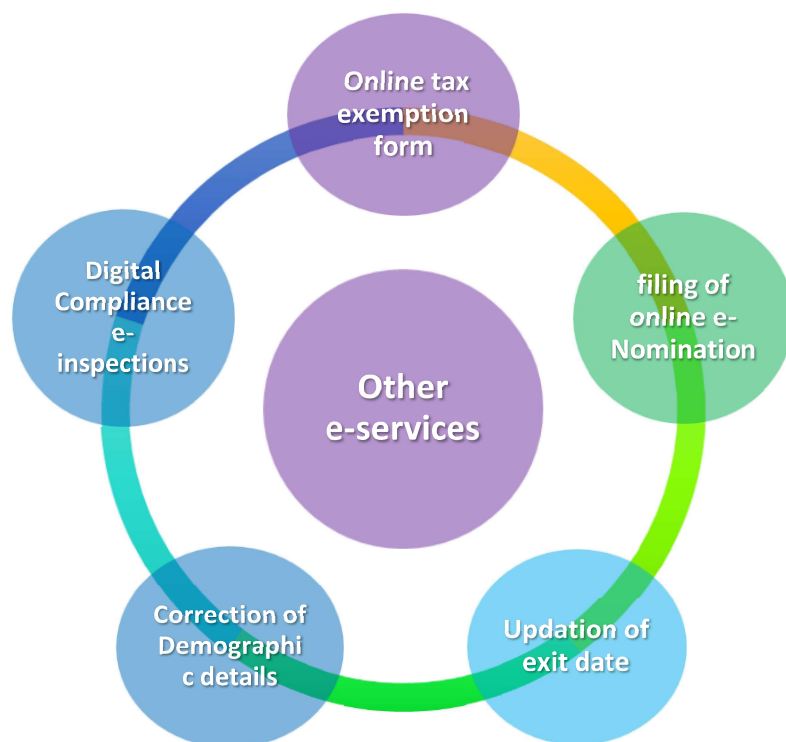
Blockchain technology can be used to ensure safety of financial data through encryption, and facilitate data exchange among stakeholders without fear of leakages. It can also be used to implement new medical records and e-prescriptions. In a blockchain system, business transactions are permanently recorded in sequential, append-only, tamper-evident blocks in the distributed ledger following the transactions' chronological order.

## 11. FRAMEWORK TO LEVERAGE TECHNOLOGY FOR ALL ROUND DEVELOPMENT IN THE SOCIAL SECURITY SECTOR

- 11.1 EPFO was already settling 90 percent of claims filed in online mode by March 2020. During the pandemic the department was able to fast-track its digitization, shifting most of its regular working to online mode, while enhancing its service delivery interface through use of technology. System-driven auto claim settlement for accounts which were KYC compliant, auto-trigger facility for transfer of accounts, electronic transfer of funds for exempted establishment transfers, etc., are some of the broad initiatives undertaken:



- 11.2 Addition of other e-services continues to be a work in progress. EPFO has partnered with C-DAC, under Ministry of Electronics and Information Technology (MeitY) to find tech solutions to everyday problems. Underpinning digital solutions is the correct identification of members through KYC. The e-services provided by EPFO are given below:



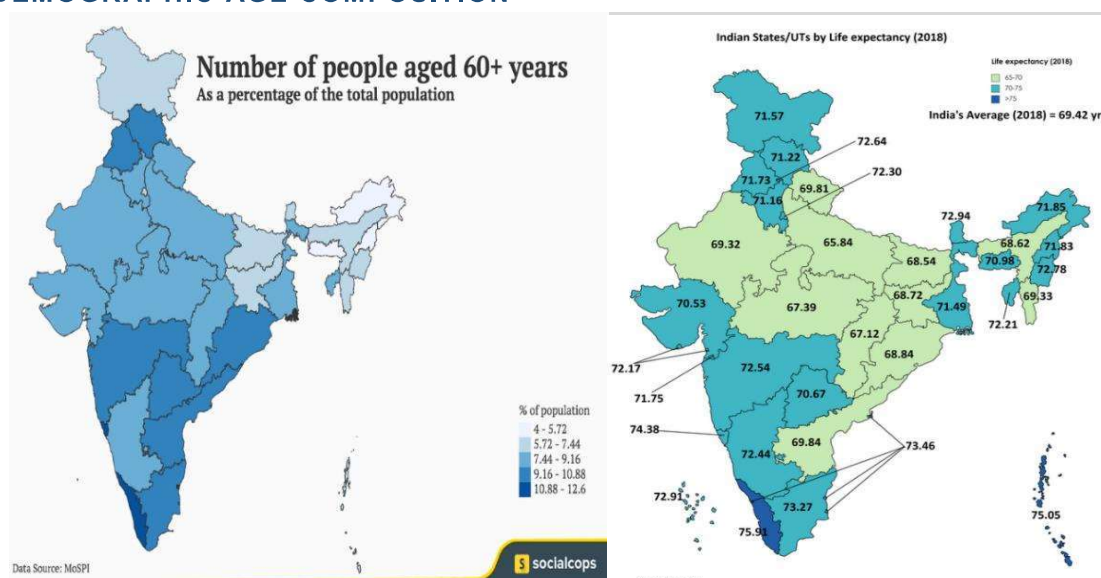
Other suggested measures for all round development and better service delivery leveraging technology are as follows:

<b>Unity of Coverage</b>	<ul style="list-style-type: none"> <li>• Using a single UAN number and card, members be enabled to access single point of coverage and enjoyment of multiple benefits as per entitlement, without any duplicity</li> </ul>
➤ <b>Portability of benefits:</b>	<ul style="list-style-type: none"> <li>• Using the single unique UAN, members be allowed to shift from formal to informal employment or to platform-based work seamlessly, ensuring continuity of employment and pooling of benefits for old age</li> </ul>
<b>Agility of systems</b>	<ul style="list-style-type: none"> <li>• Even when workers are out of employment, they may be allowed to contribute, to ensure continuity of membership</li> </ul>
<b>Faster Responsive Service</b>	<ul style="list-style-type: none"> <li>• Ensuring immediate logging and auto-acknowledging of complaints, responding to each complaint within 3 working days</li> </ul>
<b>Two way communication</b>	<ul style="list-style-type: none"> <li>• Using chatbots, escalating to human interface through an available operator, will allow consumers to reach out, raise grievances and get redressal in real time, without requiring more staff outlay</li> </ul>

## 12 ASSESS DISPARITIES ACROSS REGIONS AND STATES, AND MEASURES TO REDUCE THEM

12.1 The EPF & MP Act, 1952, being a central act, applies uniformly across the country. Hence there are no regional variations in applicability or coverage of coverable workers. Variations however do exist on account of demographics, development of industry, and differing wage patterns and employment statistics in different states. Demographics also play a part in terms of planning the lifecycle of benefits, the number of offices and staff required to cater to higher numbers of subscribers geographically, the number, quantum and duration of pension payments etc. Following are the points of consideration:

### 12.2 DEMOGRAPHIC AGE COMPOSITION



It can be seen that some states have a higher burden of elderly population than others, with higher life expectancies. These numbers need to be modelled for planning future pensions, their sustainability, and delivery mechanisms.

### 12.3 EMPLOYMENT PATTERNS

The employment map of India can give information about the geographical hubs where jobs are concentrated in the country, coincidentally, offices with the highest claim receipts. Physical infrastructure and manpower need to be concentrated more in these areas, while keeping slimmer points of contact available elsewhere to avoid hardships to people in remote areas. The coverage

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potential also needs to be worked out accordingly, and schemes tailored to cover the hard-to-reach segments.

Chart 1a

**Most non-farm jobs are clustered in a few districts in the South and the West**

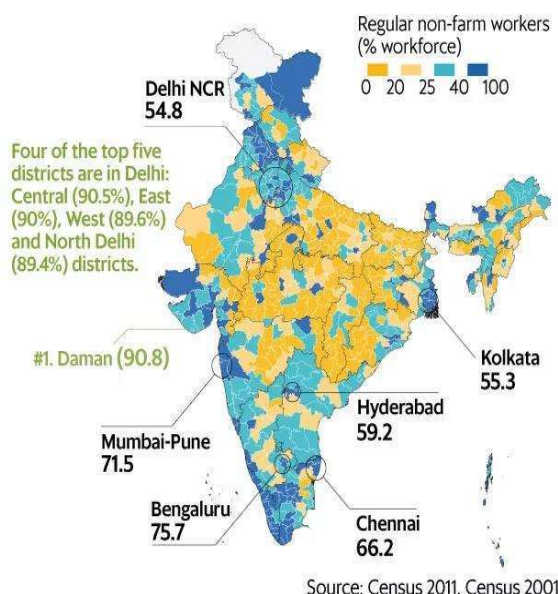
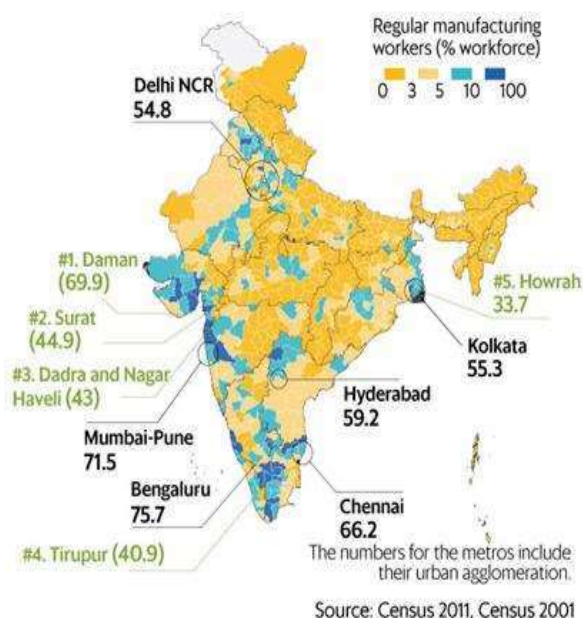


Chart 2a

**Most districts have very few factory jobs**



Source: <https://idronline.org/the-geography-of-employment-in-india/> sourced from census data tables, census 2011.

### 12.4 VARIATIONS IN COVERAGE

Juxtaposed on total population, working population and EPFO covered working population across states, large variations in coverage are observed. These have to be seen in context of 12.3 above, and internally migrated people from both villages and smaller towns to the metros in search of employment. Hence, people belonging to a particular state, and having been registered in the workforce of that state, from where they will also draw pension, might be covered for PF and other labour benefits in some other state. These factors have to be accounted for when designing benefit matrices.

State	Total Population (2021)	Working Population (2021)	No of EPFO Subscribers in as on 31.03.2021 UAN based)	Percentage of working Population covered by EPFO
Andhra Pradesh	4,43,36,000	1,79,87,000	14,61,212	8.12
Assam	2,70,51,000	1,24,77,000	3,43,878	2.76
Bihar	8,22,34,000	2,91,17,000	10,31,505	3.54

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<b>Chhattisgarh</b>	2,31,33,000	96,75,000	6,16,177	6.37
<b>Goa</b>	13,13,000	4,83,000	2,48,001	51.35
<b>Gujarat</b>	5,50,90,000	2,63,97,000	42,69,629	16.17
<b>Haryana</b>	2,33,86,000	96,50,000	34,01,401	35.25
<b>Himachal Pradesh</b>	62,75,000	21,70,000	4,48,195	20.65
<b>Jammu and Kashmir</b>	1,08,86,000	42,11,000	1,96,893	4.67
<b>Jharkhand</b>	2,79,55,000	1,17,18,000	6,37,381	5.44
<b>Karnataka</b>	5,79,60,000	2,35,20,000	69,69,069	29.63
<b>Kerala</b>	2,87,82,000	98,72,000	12,42,023	12.58
<b>Madhya Pradesh</b>	6,40,37,000	2,46,72,000	14,69,755	5.96
<b>Maharashtra</b>	10,61,35,000	4,55,81,000	1,19,17,007	26.14
<b>Meghalaya</b>	24,49,000	14,55,000	40,380	2.78
<b>NCT of Delhi</b>	1,65,24,000	59,31,000	36,50,155	61.54
<b>Odisha</b>	3,68,75,000	1,47,35,000	9,58,476	6.50
<b>Puducherry</b>	13,02,000	4,64,000	NA	NA
<b>Punjab</b>	2,58,18,000	1,03,26,000	9,13,626	8.85
<b>Rajasthan</b>	6,03,57,000	2,70,08,000	15,80,509	5.85
<b>Tamil Nadu</b>	6,75,01,000	2,52,45,000	65,35,382	25.89
<b>Telangana</b>	3,28,35,000	1,74,47,000	35,75,715	20.49
<b>Tripura</b>	33,51,000	18,04,000	38,499	2.13
<b>Uttar Pradesh</b>	17,07,30,000	5,88,17,000	30,00,270	5.10
<b>Uttarakhand</b>	91,41,000	29,00,000	7,73,624	26.68
<b>West Bengal &amp; Sikkim</b>	8,55,21,000	3,85,72,000	32,40,972	8.40
<b>Total</b>	<b>107,09,77,000</b>	<b>43,22,34,000</b>	<b>5,85,59,734</b>	<b>13.55</b>

Source: Unemployment in India a Statistical Profile September-December 2021, CMIE.

<https://unemploymentinindia.cmie.com/kommon/bin/sr.php?kall=wstatmore>

- 12.5 The regional variations seen above can be ameliorated with time and more equitable development of industry. The concept of PURA (Provision of Urban Facilities in Rural Areas) mooted by our late president Shri APJ Abdul Kalam would go a long way in evening out the regional disparities by providing facilities and employment avenues in rural areas, and decreasing the rural to urban migration considerably. Coverage figures will also become more uniform subsequent to coverage of informal sector and extending universal coverage to



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all workers, moving from a strong social protection floor, onto full-spectrum, comprehensive coverage in line with developed countries.

## **13 SERIES OF STEPS TO BE TAKEN IN CURRENT DECADE WHICH WOULD SUBSEQUENTLY ACT AS FOUNDATION FOR FUTURE GROWTH**

### **13.1 INSTITUTIONAL FRAMEWORK**

- 13.1.1 Envisioned as a one-stop social security service provider in the country, EPFO should align with C-102 minimum standards on Social Security support in a more meaningful manner, and look into positioning itself as a provider of a strong social protection floor for the weaker sections. It should also solidify its position as a strong pillar '0' & '1' pension provider.
- 13.1.2 EPFO must restructure into a flatter, leaner organization, manned by a highly-skilled, future-ready manpower drawn from among the best global experts available. There must be specialized pillars in each functional area with convergence at the top level to ensure a macro-level synchronization of policy vision and organizational goals.

### **13.2 UNIVERSALIZING COVERAGE**





Within the next decade, EPFO needs to extend coverage to 100 percent of formal workers as per its mandate. This will necessitate the removal of headcount and wage thresholds of coverage, enabling coverage of all workers irrespective of income or size of the enterprise. For coverage of informal workers, EPFO needs to emerge as a viable social security provider, and look into covering at least 50 percent of informal workers within its ambit by the end of the decade.

### **13.3 INCREASING THE SCOPE, ENHANCING BENEFITS FOR SUBSCRIBERS AND CAPACITY BUILDING**

- 13.3.1 EPFO should Increase the number of social security products to cater to different segments of people, and should offer a choice of products as well as investment mix. It should look into putting in place schemes to transition from PF to pension in a phased manner, in order to align its benefits with the developed countries and ensure adequacy and sustainability of pensions, and ensure better targeting of government subsidies towards elderly, disabled persons, women and children.
- 13.3.2 On the capacity building side, EPFO should try to build a core team to manage investments inhouse, and look at smarter and separated streams of investments.

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### 13.3.3 LEVERAGING TECHNOLOGY FOR EASE OF ACCESS AND BETTER REGULATION

-  EPFO should build upon its already expansive e-services to provide truly platform agnostic services across all platforms and devices, ensuring a seamless *Any-Device-Anywhere-Anytime* service interface to all subscribers without any gaps.
-  In order to truly safeguard accounts and prevent against unauthorised withdrawals, the organization should focus on direct client identification like banks using biometrics, keeping current biometrics, signature and photograph of each subscriber in its records for verification of credentials of members.
-  In an advanced era of ICT, EPFO should look into promoting and encouraging self-auto-declarations by companies, and reducing to a minimum, the need of regulatory compliance by the department. It should fine tune its AI systems to auto detect and flag default immediately, and initiate corrective action. By increasing the ease of compliance and making wilful default not only difficult but also costly, EPFO can encourage positive compliance.
-  With robust intelligence inputs and free sharing of information and intelligence between departments, evasion should become a rarity. Upon detection however, compliance action should be focussed, punitive and exemplary.

**CONCLUSION**

The world we live in is changing and ever evolving. And though much progress has been made to make lives easier through technology and automation and in the field of medicine, lives and livelihoods continue to remain precarious. Growing inequalities and breakdown of joint families and old social contracts have generated social and economic vulnerabilities which prevent people from living healthy and fulfilled lives. The Covid-19 pandemic in recent times has further highlighted the urgency for providing universal access to affordable health care, social assistance support, and adequate social security for all citizens. EPFO, as a flagship social security organization of India, takes its responsibility in this regards very seriously.

It is with a view to be able to meet up with expectations of stakeholders in the changing milieu, that this document has been prepared, and the organization remains optimistic that in the coming times it will be able to emerge as a citizen centric and futuristic world class organization, setting paradigms of excellence in the arena of social security.

# MATRIX OF BENEFITS BENCHMARKED ON CONVENTION 102

## Annexure-1

	Minimum Benefits provided as per convention 102 of ILO	Benefits available against the benchmark	Gaps	International Best practices
Medical Care	<ul style="list-style-type: none"> <li>Preventive Care</li> <li>General Practitioner Care Including Home Visits</li> <li>Specialist Care</li> <li>Essential Pharmaceutical Supplies</li> <li>Prenatal, Confinement and Postnatal Care</li> <li>Hospitalization Where Necessary</li> </ul>	<ul style="list-style-type: none"> <li>None (Domain of ESIC)</li> </ul>		<p><b>The National Health Service (NHS) UK:</b></p> <ul style="list-style-type: none"> <li>Government-sponsored universal healthcare system covering all citizens free of charge</li> <li>Citizens are entitled to free healthcare but have the option to buy private health insurance</li> <li>All aspects of care up to tertiary level available to all citizens at high standards of quality</li> </ul> <p><b>Netherlands</b></p> <ul style="list-style-type: none"> <li>Top ranked healthcare system in the world</li> <li><b>Universal healthcare</b> ; managed by the government and supplemented by private insurers.</li> <li>Mandatory health insurance, all primary care and long-term care services are offered at a fixed price.</li> </ul> <p><b>Canada Model</b></p> <ul style="list-style-type: none"> <li>Medicare, which covers all Canadians, is publicly financed and privately run.</li> <li>Medical practitioners must only charge fees fixed by governments</li> </ul>

## MATRIX OF BENEFITS BENCHMARKED ON CONVENTION 102

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<b>Sickness benefit</b>	<ul style="list-style-type: none"> <li>• Embed the right to sick leave in the law, ensure universal coverage of sickness benefits</li> <li>• Periodical payments, corresponding to at least 45 per cent of the reference wage to provide income security in case of illness</li> </ul>	<ul style="list-style-type: none"> <li>• Advances from PF accumulated corpus as Sickness advance</li> <li>• Equivalent to 6 months basic wages with interest</li> </ul>	<p><b>Norway:</b></p> <ul style="list-style-type: none"> <li>• Comprehensive and generous sick-leave compensation and disability benefit alongside <i>vocational rehabilitation</i> is an important component of employee rights and benefits.</li> </ul> <p>Closely followed by <b>Sweden, Netherlands and Switzerland</b></p>
<b>Unemployment benefit</b>	<ul style="list-style-type: none"> <li>• Provide continuity of income in case of suspension of earnings, due to inability to obtain employment, in case of a person who is capable of, and available for, work</li> <li>• Periodical payments, corresponding to at least 45 per cent of the reference wage</li> <li>• Minimum duration: 26 weeks within a period of 12 months.</li> </ul>	<ul style="list-style-type: none"> <li>• Advances provided from PF Accumulations for lay-offs/ factory closure etc. u/p 68 H</li> <li>• Covid Advances introduced to take care of loss of wages</li> <li>• After two month of unemployment, PF accumulations can be drawn in full</li> <li>• <b>ABRY Scheme:</b> Incentives for generating new employment</li> </ul>	<p>Source is members own savings corpus, to the extent available. No separate benefit is given.</p> <p>No periodicity of payments, extent available only to members own share of contributions</p> <p><b>Mauritius and Israel (By quantum)</b></p> <ul style="list-style-type: none"> <li>• 90 percent of reference wage as initial replacement rate</li> <li>• <b>Sweden</b> The maximum amount of the benefit is 80 percent during first 200 days. Thereafter, 70 percent during next 100 days.</li> </ul> <p><b>Belgium (By duration)</b></p> <ul style="list-style-type: none"> <li>• Indefinite period of payment of benefit</li> </ul>



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<b>Old Age</b>	<ul style="list-style-type: none"> <li>• Enable elderly citizens to lead a dignified life</li> <li>• Periodical payments, corresponding to at least 40 per cent of the reference wage.</li> </ul>	<ul style="list-style-type: none"> <li>• Provident Fund (Accumulated)</li> <li>• Pension (Defined Benefit) (Guarantee of Pension)</li> <li>• Government contributes up to 1.16 percent</li> <li>• Tops up minimum pension to Rs. 1000</li> </ul>	<ul style="list-style-type: none"> <li>• Not Universal. Available to only formal workers</li> <li>• Only available till wage ceiling of Rs 15000/-</li> <li>• Low pension, not benchmarked to wage in real terms</li> </ul>	<p><b>Netherland, Denmark, Israel</b></p> <ul style="list-style-type: none"> <li>• Best Pension systems in the world based on adequacy, sustainability, and integrity</li> </ul> <p><i>(Mercer CFA Institute Global Pension Index 2020)</i></p>
<b>Employment Injury</b>	<ul style="list-style-type: none"> <li>• Medical care, periodical payments corresponding to at least 50 per cent of the reference wage in cases of incapacity for work or invalidity.</li> <li>• Benefits for widows and dependent children with periodical payments corresponding to at least 40 per cent of the reference wage. Possibility of converting periodical payments into a lump sum under certain conditions.</li> </ul>	<ul style="list-style-type: none"> <li>• Advance u/p 68-N for physically handicapped members for purchase of equipment to minimise hardship</li> </ul>		<p><b>Netherland and Iceland</b></p> <p>97 and 95 percent of workforce covered under social insurance for all kinds and full range of employment injury*</p> <p><i>*Global Programme Employment Injury Insurance and Protection   GEIP Contributing to Decent Work and the Social Protection Floor Guarantee in the Workplace/ wcms_573083 ILO</i></p>
<b>Family Benefits</b>	<ul style="list-style-type: none"> <li>• Cash benefits for proper growth and maintenance of children, elderly members</li> <li>• Periodical payments, or the provision of food,</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Advances under para 68 J (3) for medical treatment of family members up to 6 months basic wages</b></li> </ul>		<p>Germany and UK have highest quantum of child care benefits paid out per child.</p>

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	clothing, housing, holidays or domestic help, or a combination of these	• <b>Advances under para 68 K for marriages/ post matriculation studies of children</b>	
<b>Maternity</b>	<ul style="list-style-type: none"> <li>• Medical care, including prenatal, confinement and postnatal care, hospitalization where necessary;</li> <li>• Periodical payments, corresponding to at least 45 per cent of the reference wage.</li> </ul>	Provided by ESIC and DWC	<p><b>Finland</b> has the best maternity/ paternity leave policy: both parents are entitled to parental leave of 164 days each. Parents can transfer 69 days from their own quota to the other parent. Single parents will have the right to use the parental allowance of both parents.</p> <p>Also, <b>Germany, Iceland and Norway</b>.</p>
<b>Invalidity</b>	Periodical payments, corresponding to at least 40 per cent of the reference wage; the rates of the relevant benefits must be revised following substantial changes in the general level of earnings cost of living.	<ul style="list-style-type: none"> <li>• <b>Disabled Pension</b> for life on permanent and total disablement, even with one month contribution paid.</li> </ul>	<p>Not benchmarked to reference wage.</p> <p>Available to only formal sector workers</p> <p>The United Kingdom has recently introduced a new Employment and Support Allowance in late 2008 to replace the existing disability benefits</p>

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<b>Survivor's Benefit</b>	Periodical payments, corresponding to at least 40 per cent of the reference wage;	<b>EPS 1995</b> <ul style="list-style-type: none"> <li>• Accumulated corpus plus interest to family</li> <li>• Widow and children pension for 2 children up to 25 years of age</li> <li>• Lifelong pension for disabled children</li> <li>• Employees Deposit linked Insurance (EDLI) benefit, up to a maximum of 7 lakhs, and minimum Rs. 2.5 Lakh, for cases of death in service)</li> </ul>	Defined benefit, not benchmarked to wage.	<b>Iceland and Netherland</b> in terms of indexing of Pillar 2 benefits to price and wage.
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