

RETIREMENT SAVINGS

PROVIDENCE PAYS

EPFO has launched an online passbook scheme where subscribers can keep track of their retirement fund and also get transaction alerts

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THE Employees' Provident Fund Organisation (EPFO) has launched an online passbook scheme where subscribers can keep track of their retirement fund and get alerts on the employer's contribution as well every month.

The e-passbook will show transaction-wise details of account (all credits and debits) since the month for which the details for the establishment have been processed in the new application software at the field offices.

Members of EPFO can register themselves on the portal, www.epfindia.gov.in, by using their photo identification number, such as Aadhaar, Permanent Account Number, National Population Registry, driving license, passport, voter ID and ration card. The mobile phone numbers will become the passwords.

Members can add multiple ID numbers after registration and can use any one for logging into their accounts. Under the e-passbook service, only one registration will be allowed against one mobile number.

If the mobile number changes, the member can change his password with the new mobile number. Once registered, a member can download the passbook by entering his account number. A member can download the passbook for only one account number under one establishment.

Although most of the salaried employees in the organised sector view their PF deduction at the salary slip each month, there were some grey areas over the employer's contribution. This is vital for employees, considering the fact that there have been instances when companies have deducted PF contribution from employees, but didn't deposit it with the EPFO.

While EPFO was aware of manipulations and has cracked down on erring companies, many companies continued to flout rules by not registering their workers with EPFO.

With the e-passbook, the subscriber will get to know about his

SMOOTHER OPERATIONS

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- The mobile phone numbers will become the passwords
- Holders of inoperative accounts where there has been no contribution in the preceding 36 months cannot access this facility.

- For members who are not



active and have not settled their accounts, a e-passbook is available on special requests

- The online downloading of a PF account statement is not available as of now for members of exempted PF trusts which are set up by employers to manage their employees' retirement benefit

- EPFO will soon set a deadline for exempted funds to offer similar services to their members

- The operational problems are not going to go away soon, though

- Today, there are about 11 crore PF accounts and only 4.5 crore of them are operative.

- EPFO is now planning to roll out a number portability system that will make the Aadhaar card number a permanent EPF account number, which will remain intact for an employee all through the career

EPF contributions as soon as the money is deposited in the designated State Bank of India (SBI) branches. This will also help members to get the exact amount of the balance in the Provident Fund for disclosing it as an asset for obtaining home loan.

However, not all will benefit from the scheme as active subscribers whose electronic challan-cum-return is already uploaded can download their e-passbook every month.

Holders of inoperative accounts where there has been no contribution in the preceding 36 months cannot access this facility. For members who are not active (left service) and have not settled their accounts, a e-passbook is available on special requests.

Also, the online downloading of a PF account statement is not available as of now for members of exempted PF trusts which are set up by employers to manage their employees' retirement benefit. EPFO will soon set a deadline for exempted funds to offer similar services to their members.

While the e-passbook facility was necessary due to rising trend of non-compliance by

companies, especially those engaging more and more contract workers — ranging from unskilled migrant workers coming from far-flung places to take up construction jobs to the white-collar software professionals — who switch jobs frequently, the operational problems are not going to go away soon.

Today, there are about 11 crore PF accounts and only 4.5 crore of them are operative.

This means many workers have neither transferred their funds from previous accounts to the new accounts nor made withdrawal claims after switching jobs. In many cases, there is a long delay in transferring money from an old account into a new account.

To address these problems, EPFO is now planning to roll out a number portability system that will make the Aadhaar card number a permanent EPF account number, which will remain intact for an employee all through the career.

The EPFO has been debating on the unique account number for quite some time. At one time it wanted to make the PAN issued by the finance ministry as

the unique number.

But since many of the casual workers haven't obtained PAN as their income were either lower or dwindling, EPFO was having second thoughts over PAN. In contrast, Aadhaar will be made available to all, especially the economically weaker class to facilitate direct cash transfer of subsidies to the poor based on the Aadhaar platform developed by the Unique Identification Authority of India.

As per government plans, the entire country will be covered under the Aadhaar platform by April 2014. EPFO is aligning its plan to piggy-back on Aadhaar to spread its coverage too.

At the end of March 2011, EPFO was managing a corpus of ₹4.66 lakh crore under three schemes — Employees' Provident Fund (EPF), Employees' Pension Scheme (EPS) and Employees' Deposit-Linked Insurance (EDLI) — for 6.16 crore subscribers. Despite enjoying a virtual monopoly, EPFO is now facing competition as investors are lured by higher returns offered by the New Pension System, banks and even post office schemes.