

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:1238
ANSWERED ON:01.12.2014
UNCLAIMED EP FUND
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether there is a large amount of unclaimed Employees Provident Fund (EPF) money lying with the Employees Provident Fund Organization (EPFO);
- (b) if so, the details of such unclaimed money lying with EPFO, State/UT-wise including Tamil Nadu along with the reasons therefor; and
- (c) the corrective steps being taken by the Government to ensure that these funds reach their legitimate owners?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT (SHRI BANDARU DATTATREYA)

(a) & (b): There is no unclaimed amount in EPFO. However, as per the Annual Accounts of the Organisation for the year 2013-14, an amount of Rs. 27,448.54 crore is lying in Inoperative Accounts as on 31st March 2014. As per para 72(6) of the Employees' Provident Fund Scheme 1952 certain accounts are classified as 'Inoperative Accounts' in which contribution have not been received for 36 months continuously. The State/UT-wise details of amount lying in Inoperative Accounts as on 31st March 2014 are at Annex. The reasons are as under :

(i) The members after switching over from one covered establishment to another do not get the funds transferred to their present account. As a result, the old account becomes inoperative after 36 months.

(ii) The interest earned on the deposits with EPFO is exempted from Income Tax. Therefore, there exists a tendency of leaving the balance amount with EPFO.

(iii) Such deposits are safe investments and cannot be attached even by a decree of any Court.

(c): The following steps have been taken to facilitate payments of these funds to rightful claimants:

(i) EPFO has launched allotment of permanent numbers to its members called Universal Account Number (UAN). After successful implementation of UAN, it will be possible to identify the members without intermediation of the employers. The amount can be claimed by current member in an easy manner in that case.

(ii) Awareness campaigns have been undertaken through electronic as well as print media from time to time to educate the members.

(iii) The employers' and employees' unions have also been requested to advise the members to file such claims for settlement.

(iv) Online Transfer Claim Portal (OTCP) has been introduced to facilitate online submission of transfer claim in order to make the transfer process transparent & simple.

(v) The settlement of claims have been simplified and following precautions have been taken to ensure payments to the rightful claimants:

(I) Attestation of claim forms by the authorized signatory has been made mandatory where the establishment is in operation.

(II) To identify the members in those cases where employer is not available, the attestation by the bank authorities is insisted upon along with at least one of the documents as required under KYC (Know Your Customer) of the bank.