



कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organisation

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
(Ministry of Labour & Employment, Govt. Of India)
मुख्य कार्यालय / Head Office

भविष्य निधि भवन, 14 भीकाजी कामा प्लेस, नई दिल्ली - 110066.

Bhavishya Nidhi Bhawan, 14-Bhikaji Cama Place, New Delhi-110066
Phone: 011 - 26172685, Fax: 011-26173022, e-mail: rc-fao@epfindia.gov.in

No.: WSU/Inoperative Accounts/

Date: 12.01.2015

To

All Regional P.F. Commissioners

In-charge of the ROs/SROs.

Sub: Strategy to Reduce Inoperative Accounts by Identification and Refund of balance to the beneficiaries.

Sir,

It was mentioned at the highest level on the occasion of Shramyev Jayate held on 16th October 2014 that the amount of accumulation pertaining to beneficiaries which have become inoperative shall be returned to the rightful persons. The task of EPFO is to secure the financial benefits particularly in old age to persons joining the Scheme. In its fiduciary capacity it is responsibility of EPFO to refund the money to the beneficiaries for and on behalf of whom the money has been collected.

2. In absence of availability of address of the beneficiary, the task though may be onerous has to be performed in time bound manner with active help and support of employers.
3. The inoperative accounts are presently being settled as on date as per the existing process elaborated in circular No. WSU/Inoperative Accounts/6184 dated 28.07.2014. The process in respect of application made by the account holder in its own volition shall remain identical. For ready reference, copy of the circular is enclosed.
4. The issue of inoperative account has been discussed in a series of meeting held by CPFC. Every RO has been instructed to organize camp to ensure that money goes to the rightful claimant. Copy of the Email dated 18.08.2014 addressed to each RPFC/CIC is enclosed for ready reference.
5. It has been observed that despite the express instructions, the progress in the area of reduction in inoperative account is not adequate. A concerted effort in this matter is needed. The following needs to be done immediately:-

- Identification of inoperative accounts.
- Reconciliation of same from the existing records to confirm the exact amount due to the beneficiary.
- Ascertaining UAN of current employment of the beneficiary in case the beneficiary is currently under employment and has a UAN.
- Transferring the amount from inoperative account to the current account by linking the UAN.
- Ascertaining the present address of the beneficiary with help of employer in case employee is not currently working.
- Getting the amount standing in the account refunded to the identified beneficiary.

6. It has been observed that there a large number of accounts which are presently inoperative wherein the final settlement through withdrawal has already been affected. However, subsequent to the withdrawal, an amount has been received in these accounts due to remittance of dues by the employer; collection of additional amount consequent to assessment under 7A; and collection of the dues so assessed. The amount might also come due to transfer of an amount in the account from other offices. Amount might have also due to calculation and credit of interest subsequent to withdrawal particularly if the settlement had taken place prior to 2007 as per the then Scheme provisions.

7. The Manual of Accounting Procedure at para No. 10.11.2 provides the following:-

"In case of defaulting establishments, the claim should be settled to the extent the amount standing to the credit of the member, balance as and when realized from the defaulting establishment, should be released with interest as admissible under Para 60 of the EPF Scheme, 1952."

To this category of withdrawal process, all the cases where subsequent collection has been made through the process of assessment under 7A and collection of additional amount so assessed should also be included. Similarly, all the cases where withdrawal has already been made but subsequent credit due to transfer in or calculation of interest has been affected should also be included in this category. Interest to these additional amount of credit should be made only as per the existing provisions in paragraph No. 72(6) read along with paragraph 60(6) of the EPF Scheme, 1952.

8. The address and the bank account number of such inoperative account is likely to be available in the system as these information are stored in the database at the time of settlement of first claim of withdrawal.

9. The process of this settlement does not require any application to be made by the beneficiary.

10. However, in order to ensure that no wrong amount is credited to the account of the beneficiary who has settled his account through settlement at first instance, the following process over and above the existing process of settlement of claim is prescribed –

- i) RPFC/OIC will get a list of all such cases prepared through the database.
- ii) The SSA of the Account Group will individually check that these inoperative accounts have earlier been settled.
- iii) The SSA will also note on the list the reason for credit in the account subsequent to settlement which will also be counter verified by AO in each case in order to satisfy that the inoperative account pertains to the category mentioned in para 6 of this instruction.
- iv) In all such cases, where subsequent credit in the settled account has been affected through any of the Appendix-E entry, it will be verified in 100% of cases by APFC.
- v) It will be responsibility of the AO to put up the list of cases before APFC wherein the subsequent credit has been affected in Appendix-E.
- vi) A letter will be dispatched to the last known address of the beneficiary to ascertain the following:-
 - a. Whether the beneficiary still resides at the address available with EPFO.
 - b. Whether the beneficiary is also currently under employment and is part of EPF Scheme, 1952 and has been allotted a UAN.
 - c. The correct and current bank account details of the beneficiary.
 - d. Aadhar of the beneficiary.

Initially considering the cost of the postage, letter will be sent only in cases having residual balance of Rs. 2000/- and above by ORDINARY POST. The format of the letter will be intimated by 16th January 2014 by that time the RPFC/OIC must ensure initiation and completion of process mentioned from clause (i) to clause (v) of this paragraph.

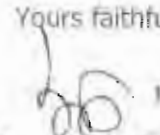
- vii) If the beneficiary is also currently under employment and is a member of EPF Scheme and therefore, has a UAN, he will be advised to activate his UAN so that a proper linking of the old inoperative account is made with the existing current account of the beneficiary.
- viii) If the person exists at the given address and confirms that he has same bank account to which initial withdrawal was credited, the amount shall be transferred to his account. The process of settlement will be identical to the modalities prescribed vide circular No. WSU/Inoperative Accounts/6184 date 28.07.2014 with only difference that no claim form is required to be submitted by the beneficiary.

11. Each RPFC/OIC after having generated a list of such cases of inoperative account as mentioned in para 9(i) will also send a report to FA&CAO indicating the number of cases pertaining to this category along with the amount which is currently being categorized as inoperative in following format:-

Sl. No.	Category	Number of Accounts	Amount
	Upto Rs. 500		
	501 to 1000		
	1001-2000		
	2001-5000		
	Above 5000		
	Total		

12. Utmost importance and priority must be given to this task. The progress in this area will be monitored on periodical basis.

Encl: As above

Yours faithfully,

(Sanjay Kumar)
FA&CAO