MEMORANDUM OF UNDERSTANDING
BETWEEN
GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
AND
THE EMPLOYEES' PROVIDENT FUND ORGANISATION

1. PARTIES

This document elaborates an understanding between the Employees' Provident Funds Organisation [hereinafter referred as "the Responsibility Centre"] and Government of India, Ministry of Labour & Employment [hereinafter referred as "the Ministry"] for implementation of the activities of the Responsibility Centre. The Responsibility Centre is Autonomous Body under the administrative control of the Ministry of Labour & Employment. The Responsibility Centre is located at Bhavishya Nidhi Bhawan, 14 Bhikaiji Cama Place, New Delhi – 110 066.

2. VISION

To reposition itself as a world class Social Security Organisation providing services of global standards through best business practices.

3. MISSION

To extend the reach and quality of publicly managed old-age income security programs through consistent and ever improving standards of compliance and benefit delivery in a manner that wins the approval and confidence of the stakeholders in our methods, fairness, honesty and integrity, thereby contributing to the economic and social well-being of all.

4. OBJECTIVES

To provide for institution of provident funds, pension fund and deposit linked insurance fund for employees in factories and establishments.

5. ACTIVITIES, PERFORMANCE INDICATORS, TARGETS, TIMELINES & OUTCOMES

Sl No.	Objective	Activity	Performance Indicator	Unit	Target	Timeline
1.	**Allotment of Universal Account Number (UAN) to EPF members**	To all active members	Generation of UAN.	% of active members allotted UAN	100%	15-10.2014
		To all non-active members	Generation of UAN.	% of non- active members allotted UAN	30%	31.03.2015
2.	**Cleaning and updating Member records.**	Filling in data gaps and correcting errors in member records.	Contributing members with updated records.	% of contributing members with updated records.	95%	30.09.2014
3.	**Cleaning and Updating establishment records.**	Filling in data gaps and correcting errors in establishment records.	Establishments with updated records.	% of actionable establishments with updated records	100%	30.06.2014
4.	**Facilitating on-line submission of**	Monitoring of exempted	Exempted establishment	% of establishments	100%	30.06.2014

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Central P. F. Commissioner

	statutory returns by exempted establishments.	establishments	s filing statutory returns on-line.	filing returns on-line		
5.	**Recovery of due interest and damages from defaulting establishments.**	**Issue of notices for levy of damages and penal interest.**	Notices issued in cases of reported defaults.	% of defaulting establishments to which notices have been issued.	100%	30.06.2014
6.	**Implementing electronic payment systems in EPFO**	**Payments of all benefits to members electronically.**	Remit member benefits electronically to all claimants.	% of members receiving payments electronically.	100%	30.09.2014

6. INNOVATIONS PROPOSED FOR IMPLEMETATION DURING THE PERIOD OF AGREEMENT

The innovation being undertaken in EPFO may broadly be classified in the following three categories as proposed by the Ministry.

a) Delivery of same goods & service:

I ***Improving Pension Delivery system:*** The pension delivery system is proposed to be improved by re-engineering of existing pension settlement process, wherein the number of dealing hands who are involved in the process of settlement of pension cases is to be reviewed and reduced. The movement of the physical documents from one dealing hand to another dealing hand often spanning more than one office is to be reviewed and if found suitable to be reduced. It is expected that reengineering of the pension settlement process will simplify the process of settlement of pensionary claims and thereby improve the level of service being provided by EPFO.

II ***Digitization Pension data:*** It is expected that digitization of pension data will simplify the process of reference to the Pension Payment Order (PPO) which, as of now, needs to be referred at the time of mutating pensionary benefits from surviving spouse to children and other beneficiaries.

b) Delivery of more goods & service:

I ***Recovery of due interest and damages from defaulting establishments:*** Due to computerization of receipt accounting, it is now possible to intimate the establishment in time about the likely interest and damages payable by them. Interest and damage is payable up to the date on which challan is subsequently deposited by the establishment. Therefore, in-time information to the establishment will reduce the likely interest and damage payable by them and therefore will reduce the cost of compliance on the employer.

II ***Implementing electronic payment system in EPFO:*** By introducing online electronic payment through payment gateway will enable the establishments maintaining their accounts with banks other than State Bank of India (SBI) to make payment without physically going to the counter of the SBI, which will reduce the cost of resources in terms of time and man power and therefore, shall reduce the cost of compliance to the establishments.

III ***Payment of all benefits to the members electronically:*** Electronic payment to all members even for those who have claim below ₹ one lac through CCPAP (Corporate Cheques Payable at Par) shall reduce the time taken for payment and will also improve accuracy of the payment. Further, it will pre-empt chances of pilferage of the cheques in transition, therefore, will be an additional benefit to the beneficiary.

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C Identification of new needs:

I *Allotment of Universal Account No. to EPF members:* The need for allotment of Universal Account No. (UAN) has been felt by all stake holders for long time. Not only the facility will introduce seamless portability in beneficiary account but will also enable the services related detail to be compiled centrally on a seamless basis. The service related details are crucial factors on which the pensionary benefit of an employee is determined. As on date, compilation of service data is the major bottlenecks in timely settlement of pension claims.

II *Facilitating online registration of the establishments with EPFO:* The employers have often raised the demand for allotment of EPF No. on real time basis which will facilitate them to comply the provisions of EPF & MP Act, 1952. Introducing online allotment of PF code to the establishment will fulfill their long standing demand.

7. CHALLENGES IDENTIFIED AND SOLUTIONS PROPOSED

Risk	Probable solutions	Timelines
Facilitating e-payment of contributions by establishments from any bank account into EPFO Accounts.	Option to establishments to e-pay statutory remittances from any bank account.	31.08.2014
Facilitating seamless transfer of member accounts on job/location change.	Facilitating e-transfer of funds and member service history on job/ location change.	31-08-2014
Improving Pension delivery systems	Re-engineering of Pension settlement process.	31.12.2014
	Digitization of pension data	30.11.2014
Strengthening ECR system	Launch of ECR version II. Digitizing statutory paper returns.	30.11.2014

8. PERIOD OF AGREEMENT

This MOU will be effective when signed by both parties, upto the end of the Financial Year 2014-15, i.e. upto 31/03/2015. This MOU may be amended at any time by the mutual written consent of the Parties, if there is a variation in the targets during the Financial Year.

IN WITNESS whereof, the Parties hereto have caused this MOU to be signed on (Date) between the Responsibility Centre and the Ministry at (Venue).

SIGNED FOR AND ON BEHALF OF EMPLOYEES' PROVIDENT FUNDS ORGANISATION

(K.K. JALAN)
CENTRAL PROVIDENT FUND COMMISSIONER

DATE 23rd May 2014

VENUE New Delhi

SIGNED FOR AND ON BEHALF OF THE GOVERNEMNT OF INDIA, MINISTRY OF LABOUR & EMPLOYMENT

(ARUN KUMAR SINHA)
ADDITIONAL SECRETARY

अरुण कुमार सिन्हा/ARUN KUMAR SINHA
अपर सचिव/Additional Secretary
श्रम एवं रोजगार मंत्रालय
Ministry of Labour & Employment
भारत सरकार, नई दिल्ली
Govt. of India, New Delhi

DATE 23 May 2014

VENUE New Delhi