

## Dr. Mansukh Mandaviya Chairs 238th meeting of Central Board of Trustees (CBT), EPF

**CBT Approves Simplified and Liberalized Partial Withdrawals to Enhance Member Convenience and Retirement Security**

**‘Vishwas Scheme’ Launched to Reduce Litigation through Rationalised Penal Damages**

**EPFO–IPPB to Partner to Provide Doorstep Digital Life Certificate (DLC) Services to EPS Pensioners**

**As part of EPFO 3.0, CBT Approves Comprehensive Member-Centric Digital Transformation Framework to Modernize Provident Fund Services**

**Dr. Mandaviya Launches Re-Engineered Return Filing Module, Re-Engineered User Management Module, Upgraded e-Office and SPARROW for APAR management**

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Union Minister for Labour & Employment and Youth Affairs & Sports, Dr. Mansukh Mandaviya chaired the 238<sup>th</sup> meeting of Central Board of Trustees (CBT), EPF in New Delhi today. The Vice-Chairman Sushri Shobha Karandlaje, Union Minister of State for Labour & Employment and [Micro, Small & Medium Enterprises](#), Co-Vice-Chairperson Ms. Vandana Gurnani, Secretary, Labour & Employment and Member Secretary Mr. Ramesh Krishnamurthi, Central Provident Fund Commissioner were also present during the meeting.

CBT under the chairmanship of Dr. Mandaviya, took a number of path-breaking decisions during the CBT meeting. The major decisions taken by the Board in the meeting include:

**Simplification and liberalization of EPF partial withdrawal provisions:**

- To enhance Ease of Living of EPF members, CBT decided to simplify the partial withdrawal provisions of EPF Scheme by merging 13 complex provisions into a single, streamlined rule categorized into three types namely, Essential Needs (illness, education, marriage), Housing Needs and Special Circumstances.
- Now, members will be able to withdraw upto 100% of the eligible balance in the Provident Fund including employee and employer share.
- Withdrawal limits have been liberalized—education withdrawals allowed up to 10 times and marriage up to 5 times (from existing limit of total of 3 partial withdrawals for marriage & education in all).
- Requirement of minimum service has been uniformly reduced to only 12 months for all partial withdrawals.
- Earlier, under ‘Special Circumstances,’ the member was required to clarify the reasons for partial withdrawals viz. natural calamity, lockouts/closure of establishments, continuous un-employment, outbreak of epidemic etc. This often led to rejection of claims and consequent grievances. Now, the member can apply without assigning any reasons under this category.
- A provision has been made for earmarking 25% of the contributions in the Members’ account as Minimum Balance to be maintained by the member at all times. This will enable the member to enjoy high rate of interest offered by EPFO (presently 8.25% pa) along with compounding benefits to accumulate a high value retirement corpus. This rationalization enhances ease of access while ensuring members maintain a sufficient retirement corpus.
- Scheme provision simplification along with greater flexibility and zero need for any documentation will pave the way for 100 % auto settlement of claims for partial withdrawal and ensure ease of living.
- Complementing the above, it is also decided to change the period for availing premature final settlement of EPF from the existing 2 months to 12 months and final pension withdrawal from 2 months to 36 months. The liberalization of partial withdrawals ensures members can meet immediate financial needs without compromising their retirement savings or pension entitlements.

**‘Vishwas Scheme’ launched to reduce litigation through rationalised penal damages:**

- One of the major reasons for litigations has been the imposition of damages for belated remittances of PF dues.
- As of May, 2025, outstanding penal damages stand at Rs. 2,406 crores, with over 6000 cases pending across forums including High Courts, CGITs and Supreme Court.
- Further, nearly 21000 potential litigation cases are pending under EPFO’s e-proceedings portal.
- The rate of penal damages prior to 2024 was ranging from 5% to 25% per annum whereas for delayed remittances prior to 2008 period, it varied from 17% per annum to 37% per annum. This high rate of penal damages led to large number of litigations.
- Under Vishwas Scheme, the rate of penal damages will be reduced to a flat rate of 1% per month, except for a graded rate of 0.25% for default up to 2 months and 0.50% for default up to 4 months.
- The scheme shall remain in operation for six months and is extendable by another six months.
- The scheme covers ongoing litigation cases under Section 14B (pending in CGIT, High Courts, or Supreme Court), Finalized but unpaid 14B orders, Pre-adjudication cases (where notice has been issued but final order is pending). All cases pending shall stand abated, in case of compliance under the ‘Vishwas Scheme.’
- In another significant development, the Central Board also amended earlier flat rate of 1% per month notified on 14.06.2024 for default up to four months on similar graded rate.
- This scheme will benefit both employers and EPFO members by reducing litigation and legal

costs, making penalties more predictable and simplifying compliance.

- Employers enjoy easier dispute resolution and lower administrative burdens, while members benefit from faster recovery of dues, quicker reinvestment of funds and improved returns. Overall, it promotes timely compliance and enhances trust in the EPF system.

#### **EPFO–IPPB partnership for doorstep digital life certificate services:**

- The Board has approved signing an MoU with India Post Payments Bank (IPPB) to provide doorstep Digital Life Certificate (DLC) services to EPS'95 pensioners at a cost of Rs 50 per certificate, fully borne by EPFO.
- This initiative will allow pensioners, especially in rural and remote areas, to submit their life certificates from home through IPPB's vast postal network, free of charge.
- The partnership aims to enhance ease of living for elderly pensioners, ensure timely pension continuity, enable quicker family pension initiation and improve accuracy under the Centralised Pension Payment System (CPPS).

#### **EPFO digital transformation framework:**

- As part of EPFO 3.0, CBT approved a comprehensive member-centric digital transformation framework to modernize provident fund services.
- The hybrid design integrates a proven Core Banking Solution with cloud-native, API-first, micro services-based modules for account management, ERP, compliance and a unified customer experience.
- Implementation will proceed in phases, ensuring secure, scalable and uninterrupted services.
- The initiative will enable faster, automated claims, instant withdrawals, multilingual self-service and seamless payroll-linked contributions, reaffirming EPFO's commitment to transparent, efficient and technology-driven service delivery for over 30 crore members.

#### **Selection of Four Portfolio Managers:**

- The Central Board has approved the selection of four Fund Managers for managing the debt portfolio of EPFO for a period of five years.
- The approval follows the recommendations of the Selection Committee and subsequent endorsement by the Investment Committee, comprising members of the Central Board, senior officers, and an external investment expert.
- This decision marks a significant step towards ensuring prudent management and diversification of EPFO's investment portfolio, aimed at safeguarding and enhancing returns on members' provident fund savings in line with the organisation's long-term investment objectives

During the meeting, Chairman (CBT), Dr Mansukh Mandviya inaugurated a series of key digital initiatives of EPFO, aimed at enhancing efficiency, transparency and user experience in service delivery, as under:

- 1. Re-engineered return filing module: This module is introduced under CITES (Centralised IT Enabled System) project for upgrading the EPFO's digital eco-system.** The revamped Electronic Challan-cum-Return (ECR) process streamlines employer contributions to EPFO through a simplified four-step workflow: upload ECR, validate/approve, generate challan and make payments. **This module is a major step towards simplification and automation of employer compliance processes.** This step will significantly reduce grievances for both members and employers by introducing automated validations, real-time checks and seamless data integration across EPFO systems. These enhancements ensure accurate crediting of PF and pension contributions, minimizing errors such as missing or mismatched entries and enabling timely reflection of contributions in members' passbooks. For employers, the simplified workflow and built-in correction mechanisms reduces data rejections, repetitive submissions and manual interventions, making compliance smoother and faster. Overall, the revamped system ensures error-free reporting, transparent record-keeping and quicker claim settlements leading to a substantial decline in grievances and promoting trust in EPFO.
- 2. Re-engineered user management module: This module is also introduced under CITES project.** The revamped module enhances system security and ease of access through improved authentication

mechanisms and a more intuitive user interface for EPFO's officers and staff. The module provides facility to create new EPFO offices through system, which was not there since 2017 in the legacy system and was being managed using workaround was provided to map establishments. Office formation at district office level, a huge enabler in service delivery, ensures hierarchy to be created and to deliver services efficiently

**3. Upgradation of e-Office from version 6 to version 7:** As part of EPFO's ongoing digital transformation, the upgraded e-Office platform brings enhanced workflow automation, better document management and improved tracking features, leading to faster file processing and decision-making contributing to efficient EPFO digital ecosystem. The e-office is used to process member services areas cases viz. pension on higher wages, Appendix-E, special VDR and demographic profile correction etc. Upgraded e-office platform will enable faster processing of service delivery related cases.

**4. Implementation of SPARROW (Smart Performance Appraisal Report Recording Online Window) for APAR management:** EPFO has adopted a more efficient, transparent and paperless system for managing Annual Performance Appraisal Reports (APARs) of its officers and staff. Further, the Board was informed about the progress in social security expansion, digital transformation and service delivery made by EPFO, as under:

- **Pradhan Mantri Viksit Bharat Rozgar Yojana (PM-VBRY):** The Board was informed about the launch of the Pradhan Mantri Viksit Bharat Rozgar Yojana (PMVBRY) by Hon'ble PM on 15<sup>th</sup> August. This scheme of MoL&E will be implemented by EPFO. It is a Rs. 99,446 crore initiative approved on July 1, 2025 to generate over 3.5 crore jobs from August 2025 to July 2027. For the month of August 2025, the scheme is expected to benefit 79,098 establishments under part B (for employers) and around 6 lakh first time employees under Part A (for employees). Further, over 16.78 lakh UANs (Universal Account Numbers) have been allotted using Face Authentication Technology (FAT) since 1st August 2025.
- **Global recognition for India in Social Security:** Labour and Employment Minister was awarded the outstanding achievements in Social Security 2025 at the World Social Security Forum in Kuala Lumpur, Malaysia. India received this accolade for expanding social security coverage to 64.3% of its population (940 million people), up from just 19% in 2015. This achievement strengthens India's position in the International Social Security Association (ISSA), granting maximum voting rights in its General Assembly, enabling the country to influence the global social security agenda and showcase its innovative digital platforms. India now holds the maximum possible vote share for any country in the ISSA General Assembly.
- EPFO became a member of the ISSA Bureau for the first time. This will enhance India's engagement with global social security best practices, enable knowledge sharing, improve policy frameworks and strengthen EPFO's capacity to deliver efficient and internationally-aligned social security services. Working Group on coverage extension in ISSA will be chaired by EPFO.
- **India-UK DCC agreement:** The Double Contribution Convention agreement enables employees on short-term deputation to contribute PF in their home country for up to 36 month which was hitherto collected by host country. This reduces costs for both the worker and their employer and improving the cost-competitiveness of Indian talent.
- **Digital reforms:** Launch of Passbook Lite on Member Portal for easy access of passbook, online Annexure K to provide transparent information regarding transfer of accounts and FAT-enabled UAN activation through UMANG App for faster and transparent services.
- **Operational efficiency:** Annual Credit of interest at 8.25% was credited to all Members by July 2025 — much earlier than previous years.
- **Infrastructure expansion:** New zonal and regional offices inaugurated; land acquired and approved for multiple new office buildings across major cities that will enable EPFO to give its services closer to the members.

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