

## **EPFO and Inclusive Social Security: Innovations, Achievements, and Future Prospects**

The Employees' Provident Fund Organisation (EPFO) is one of the world's largest social security institutions, operating under the Ministry of Labour and Employment, Government of India. Established in 1952 under the Employees' Provident Funds and Miscellaneous Provisions Act, the EPFO has consistently worked to ensure financial security and stability for employees across India. It primarily serves organised sector workers through schemes related to provident funds, pensions, and insurance, which are a crucial pillar of India's social protection framework.

At its core, the EPFO operates a mandatory savings scheme for employees earning below ₹15,000 per month in the formal sector. Both employers and employees contribute a fixed share of the salary to the fund, with a portion of the employer's contribution directed toward the Employees' Pension Scheme (EPS). This ensures monthly pension support after retirement, superannuation, or in cases of permanent disability. Additionally, under the Employees' Deposit Linked Insurance (EDLI) Scheme, EPFO offers life insurance benefits to members, thereby extending financial protection to their dependents in the event of untimely death.

Currently, the EPFO caters to over eight crore active members and 78 lakh pensioners. The organisation has undertaken extensive digital reforms to manage this vast user base and improve service efficiency. One of the most impactful changes has been the implementation of the Universal Account Number (UAN), which enables the portability of provident fund accounts across jobs. The UAN platform empowers members to monitor their contributions, download passbooks, update KYC details, and initiate withdrawals without employer intervention in UAN-linked cases. This reform has significantly reduced delays, with Aadhaar-based OTP authentication allowing users to update bank details and process requests faster. Over 14.95 lakh pending cases stand to benefit from this streamlined system (PIB, 2025a).

To further improve financial operations, EPFO has expanded its banking network by empanelling 15 additional banks, bringing the total to 32, thereby facilitating transactions worth over ₹12,000 crore. Members can now use online withdrawal of provident fund and pension amounts or claim advances for medical needs, housing, and education, a marked improvement from the earlier practice of using designated zonal banks.

These digital initiatives have led to record operational milestones. In the financial year 2024-25, EPFO settled over six crore claims, a 35% rise compared to 4.45 crore claims in 2023-24. Additionally, it collected over ₹3.41 lakh crore in contributions via 1.25 crore electronic challan cum returns (ECRs) (PIB, 2025b).

To ensure member support and transparency, EPFO has strengthened its grievance redressal mechanisms through platforms like EPFiGMS (Grievance Management System), where users can register complaints and receive timely updates. According to its 2022-23 Annual Report, more than 98% of grievances were resolved within seven days, halving the average response time from previous years. Moreover, the UMANG mobile app, along with SMS and missed call services, provides easy access to account information, especially benefiting members in rural or remote locations (EPFO, 2023).

Beyond providing social security, EPFO has played a pivotal role in employment generation and labour market formalisation. During 2016-2019, it implemented the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY), under which over 1.24 crore jobs were created (MoL&E, 2022). Similarly, during the COVID-19 pandemic, it facilitated job creation under the Aatmanirbhar Bharat Rojgar Yojana (ABRY), resulting in the creation of over 60 lakh jobs across more than 1.5 lakh establishments (PIB, 2023). All these jobs were formal in nature and their EPF was contributed and managed by EPFO and the Government of India.

As India moves toward a digital and inclusive growth model, EPFO continues to evolve. Its strategic focus includes expanding coverage, enhancing user experience, and deepening social protection. While the current scope primarily covers formal sector workers, efforts are underway to explore mechanisms for including informal sector and gig workers. Furthermore, the rollout of the new Labour Codes is expected to strengthen the EPFO's role in providing more uniform and efficient social security coverage.

In sum, the EPFO has not only delivered on its core mandate of ensuring social protection but has also emerged as a key institution supporting India's broader goals of formalisation, financial inclusion, and digital governance.

## References

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