

EPFO to review withdrawal norms

TNN | Mar 31, 2016, 06.21 AM IST

NEW DELHI: The Employees Provident Fund Organisation (EPFO) board will next month review a decision to restrict withdrawals amid widespread criticism. On Tuesday, union representatives flagged the concern at the meeting of the central board of trustees and suggested that the move should be rolled back, said two sources who attended the deliberations.

"The intent was different when the proposal was discussed. But what has been implemented is completely different and against the interests of subscribers," said a source who demanded a reversal.

Sources said with manpower restructuring consuming a bulk of the time, labour minister Bandaru Dattatreya suggested the issue be discussed threadbare at the next board meeting. "It is an executive decision, which can be easily reversed," said a trustee. Since early February, EPFO barred withdrawal of the employer's contribution to PF accounts till a subscriber turned 58 years. Earlier, the entire corpus could be withdrawn if someone was unemployed for two months.

With the implementation of Unique Account Number, which allowed portability in case of a subscriber switching jobs, EPFO decided to restrict withdrawals so that subscribers had a corpus at the time of retirement which they could use. "Why should EPFO or anyone else decide how and when I withdraw?" argued a trustee, making a case for reversal of the earlier order.