

PF norms may be eased on pressure from trade unions

- [Somesh Jha](#)

Subscribers could be allowed to withdraw entire savings in specific cases



Strong protest:Over 1.2 lakh people signed an online petition to oppose the restrictions on PF withdrawals

The Provident Fund office, following protest from trade unions, is considering to amend its new rules that restrict employees from taking out their entire PF balance till they turn 58, according to an official. A senior Employees' Provident Fund Organisation (EPFO) official said subscribers could be allowed to withdraw their entire savings in specific cases such as their own marriage, studying professional courses and illness.

"We will put in a few conditions so that under certain circumstances workers can take out even the employer's share of PF deposits," the EPFO official said on condition of anonymity.

According to a February notification, EPFO subscribers can withdraw only their own share of PF deposit and the balance, comprising the employer's contribution, only after the employee attains 58 years of age.

The employer's share will continue to earn interest as the EPFO had recently approved a plan to credit interest even on inoperative accounts (those with no deposits for three consecutive years).

The decision to place restrictions on withdrawing PF money was taken after it was found many workers took out all the money from the account immediately on quitting their jobs.

However, this was opposed by the trade unions and over 1.2 lakh people signed an online petition to oppose the restrictions on withdrawals before retirement.

"All the central trade unions, including a few employers, asked the ministry to make the rule optional. Those who want to withdraw the full money, they should be allowed to do so and others who think that benefits arise out of keeping a share with the PF department till retirement, then it should also be made possible," said Centre of Indian Trade Unions (CITU) President A.K. Padmanabhan.

The central trade unions had unanimously opposed the move at EPFO's Central Board of Trustees meeting held on March 29.

Sources said Labour Minister Bandaru Dattatreya assured the unions that more discussions will take place before implementing the rule.

Following the meeting, the EPFO issued a clarification on April 1 that the norms will kick in from May 1.

The notification, issued on February 10, had said that the norms will set in immediately.

"If a worker remains jobless after quitting his job at 30 years of age then he will have to wait and keep all his papers for the next 28 years before he can withdraw the PF deposits. We don't know what will happen to the worker or even his dependents may not know about the PF deposits. Workers should be given an option," said All India Trade Union Congress (AITUC) General Secretary D.L. Sachdev.

At present, EPF accounts are mandatory for firms hiring 20 employees or more and are funded by employees paying 12 per cent of their salary to the EPFO with employers making a similar contribution.

If a worker remains jobless after quitting his job at 30 years of age then he will have to wait and keep all his papers for the next 28 years before he can withdraw the PF deposits —

D.L. SachdevGeneral Secretary, AITUC

Subscribers could be allowed to withdraw their entire savings in specific cases

FROM AROUND THE WEB



Investing Rs.1000 per month can lead to Long Term Wealth Creation.
MyUniverse



Incredible! 15 Rich People Secrets
dailybananas.com



The most addictive game of the year!
Play with 15 million Players now!
Forge Of Empires



Get cheesy with these 3 grilled cheese sandwiches in Singapore
LifestyleAsia Singapore



5 Things Every Parent Should Do This Summer
AcadGild



Translating Passion Into Profession:
Dhoni, From Railway Station To Cricket World!!!
LiveInStyle.com



Want to See How Celebrities Really Live? See Inside These Homes That Are Currently on the Market
Mansion Global by Dow Jones



Where the World's Billionaires Live
Mansion Global by Dow Jones

MORE FROM THE HINDU



Sunny Leone slaps man posing as scribe in Surat
26/03/2016



Work that belly flat
26/03/2016



The city which triggered Prakash Padukone's downfall
04/04/2016



Keep off Uttarakhand, State party unit tells Congress top brass
16/04/2016

Recommended by

Printable version | Apr 18, 2016 3:29:59 PM | <http://www.thehindu.com/todays-paper/tp-business/pf-norms-may-be-eased-on-pressure-from-trade-unions/article8481412.ece>

© The Hindu