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**EMPLOYEES' PROVIDENT FUND ORGANISATION
MINISTRY OF LABOUR AND EMPLOYMENT, GOVERNMENT OF INDIA**

मुख्य कार्यालय/Head Office

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No. Conf. 1(1)217th CBT (EPF)

Dated: 05.06.2017

To

All Members,
Central Board (Employees' Provident Fund),
(As per list).

05 JUN 2017

**Sub: - Forwarding of minutes of 217th meeting of the Central Board (EPF) held on 12.04.2017
- reg.**

Sir/Madam,

I am directed to forward herewith the minutes of 217th meeting of the Central Board (EPF) held on 12.04.2017 at India Habitat Centre, Lodhi Road, Near Bal Bharti School, New Delhi, duly approved by the Chairman, Central Board (EPF) for kind perusal.

Kindly acknowledge receipt.

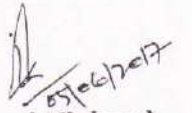
Yours faithfully,

Encl: As above.


(Amiya Kant)
Regional PF Commissioner (Conference)

Copy forwarded for information and necessary action to :

1. Internal Circulation: FA & CAO, ACC (HQ) MN, ACC (HQ) KLT, ACC (HQ) KVS, All Addl. CPFCs Headquarters, New Delhi.
2. Under Secretary to SS-II, Ministry of Labour & Employment, New Delhi.
3. PS to CPFC for information.
4. Deputy Director (OL) for Hindi Version.
5. Guard File.


(Kewal Kishan)
Section Officer (Conference)

EMPLOYEES' PROVIDENT FUND ORGANISATION
MINUTES OF THE 217th CBT MEETING
(INDIA HABITAT CENTRE, NEW DELHI: 12th April, 2017: 6.45 PM)

The 217th meeting of the Central Board (EPF) was held under the Chairmanship of Shri Bandaru Dattatreya, Chairman Central Board (EPF) and Union Minister of Labour & Employment. Following members attended the meeting:-

1.	Smt. M Sathiavathy, Secretary (L&E)	VICE CHAIRPERSON
2.	Shri Heeralal Samaria, A S (L&E)	CENTRAL GOVERNMENT REPRESENTATIVES
3.	Shri Arun Goel, AS & FA (L&E)	
4.	Sh R K Gupta, JS (SS) (L&E)	
5.	Sh.Rajit Punhani,JS & DGLW	
6.	Shri Suchindra Misra,JS, (Insurance & Pension)	
7.	Shri Balasubrahmanyam Kamarsu	
8.	Shri K.V. Sekhar Raju	EMPLOYERS' REPRESENTATIVES
9.	Shri Ashok Gupta (vice Dr U.D. Choubey)	
10.	Shri G P Srivastava	
11.	Shri Sushanta Sen	
12.	Dr. S S Patil	
13.	Shri Bhagirathi Dhal (vice Shri RS Maker)	
14.	Shri B. P. Pant	EMPLOYEES' REPRESENTATIVES
15.	Shri Virjesh Upadhyay	
16.	Shri M Jagadishwara Rao	
17.	Shri A.K. Padmanabhan	
18.	Shri Sankar Saha	
19.	Shri Raman Pandey	
20.	Shri D.L. Sachdev	
21.	Shri P.J. Banasure	
22.	Dr. G. Sanjeeva Reddy	
23.	Shri Ashok Singh	
24.	Shri T. Srinivasa, Karnataka	STATE REPRESENTATIVES
25.	Shri K R Verma, New Delhi	
26.	Shri Chand Tatarwar, Rajasthan	
27.	Shri Y.E. Kerure, Maharashtra	
28.	Dr VP Joy, Central PF Commissioner	MEMBER SECRETARY

Following members could not attend and were granted leave of absence:-

1.	Shri A.D. Nagpal	EMPLOYEES' REPRESENTATIVES
2.	Shri Ravi Wig	EMPLOYERS' REPRESENTATIVES
3.	Shri J.P. Chowdhary	
4.	Principal Secretary (Labour), Andhra Pradesh	STATE GOVERNMENT REPRESENTATIVES
5.	Principal Secretary (Labour), Chhattisgarh	
6.	Principal Secretary (Labour), Himachal Pradesh	
7.	Principal Secretary (Labour), Gujarat	
8.	Principal Secretary (Labour), Madhya Pradesh	
9.	Principal Secretary (Labour), Haryana	
10.	Principal Secretary (Labour), Punjab	
11.	Principal Secretary (Labour), Kerala	
12.	Principal Secretary (Labour), West Bengal	
13.	Principal Secretary (Labour), Uttar Pradesh	
14.	Principal Secretary (Labour), Tamilnadu	

The list of officers who attended the meeting is appended as Annexure A to the minutes.

CPFC welcomed the Chairman, Vice Chairperson and other Members to the 217th meeting of the Board.

Chairman welcomed the Vice Chairperson/Secretary, L & E, Members of CBT, Officers from the Ministry and EPFO and requested the CPFC to take up the items for discussion.

At the outset Shri P J Banasure, Member sought attention of the Chairman and requested that before the agenda was taken up, the long pending issue of clarifying the status of CBT Members may be addressed. Shri Jagadishwara Rao, Member stated that during the previous (215th) meeting of the CBT, Shri Virjesh Upadhyay, Member had raised the issue of inclusion of CBT Members' agenda items which are socially relevant and are related to extension of Social Security to workers, but no efforts were made to call for agenda items from CBT Members and no time has been given in special CBT to discuss Member's agenda items.

Addressing the Members of the Board, the Chairman stated that the present meeting has been convened to discuss the left over agenda items from the 216th meeting of CBT held on 30.03.2017. Regarding status of Members and Members' agenda items, the Chairman assured the Members that a separate meeting would be convened, preferably out of Delhi where these will be taken up and discussed at length. Chairman desired that the Board should first discuss the left over agenda items, and remaining issues would be discussed after deliberations on aforesaid agenda items.

Shri A K Padmanabhan, member drew attention of the Hon'ble Chairman to one of the important agenda items in the 216th Meeting regarding enhancement of wage ceiling from Rs15,000 to Rs 25,000 which is not included in the agenda. Vice Chairperson clarified that the

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matter needs to be referred to Ministry of Finance, as the Government has to contribute 1.16 percent of wages in pension fund. Shri Sachdeva, member expressed displeasure on the agenda item being deferred.

Thereafter, the agenda items were then taken up for deliberation:

Item No. 1: Information to be placed before the Central Board in accordance with para 23 of the EPF Scheme

The Board took note of the Information regarding appointment of ACC (HQ), ACC Gr.I, ACC Gr.II, RPFC Gr.I and RPFC Gr.II during the period from 10.02.2016 to 21.03.2017.

Item No. 2: Ratification of approval given by Chairman, CBT for creation of 361 supernumerary posts in the cadre of APFC in PB-3 (Rs.15600-39100/-) with Grade Pay of Rs.5400/-/Leve-10 in the Pay Matrix

Introducing the agenda, the CPFC stated that the Cadre Restructuring proposal has been approved by the CBT, EPF in the 213th meeting held on 8th July, 2016 which was subsequently approved and accepted by the Government vide order No.A-32022/10/2014-SS-1 dated 27.12.2016 with some modifications. Cadre Restructuring Report, considering the stagnation of EO/AOs appointed upto the year 1999 had recommended creation of supernumerary posts for promotion of EO/AO upto the batch of 1999 to the post of APFC, as a onetime measure. Accordingly, a proposal for creation of 361 supernumerary posts of APFCs was placed for approval of Chairman, CBT which was duly approved on 08.03.2017. The agenda note seeks ratification of the approval granted by the Chairman, CBT. Shri Jagadishwara Rao, member suggested that keeping in view the fact that promotional avenues needs to be provided to lower cadres, the supernumerary posts should be treated as permanent regular posts. It was clarified that definition of supernumerary post cannot be changed and, supernumerary post stands abolished as soon as the officer, for whom it was created, vacates it on account of retirement or confirmation to another permanent post or for any other reason.

After deliberation, the Board ratified the approval for creation of 361 supernumerary posts that had been accorded by Chairman, CBT.

Item No. 3: Ratification of the proposal for creation of post in Group-'A', 'B' & 'C' as per the recommendations of 76th Meeting of Executive Committee held on 25th February, 2013

Shri Jagadishwara Rao, member suggested that all such items which have been approved by the Executive Committee previously and are pending for ratification, should be placed together before Board for ratification.

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The Board ratified the creation of the posts as detailed in the agenda note, as per the approval accorded by the Executive Committee in its 76th meeting held on 25.02.2013.

Item No. 4: Action Taken Statement on Implementation of Organisational and Cadre Restructuring consequent to the approval of Central Board, EPF and Government

Apprising the CBT about the promotions that had been made and the future promotions, CPFC stated that 94 Group A, 1610 Group B and 458 Group C officials have been promoted in 2016-17. In 2017-18, 71 Group A, 1086 Group B and 1755 Group C officials are likely to be promoted. Shri G S Reddy, member advised that such information should be placed in the agenda book. Shri Jagadishwara Rao, member desired to know, what was the percentage of benefits given to Group B and Group C posts, out of total promotions given. Vice Chairperson advised that the information may be compiled and provided to the members through e-mail. Shri Jagadishwara Rao, member further expressed his concern about promotion avenues in the cadre of MTS. CPFC informed that benefits of MACP is available for MTS, apart from the fact that promotion under examination quota can be availed in the next grade. A notification of examination quota posts would be issued shortly.

After deliberation, the Board took note of the information as contained in the agenda.

Hon'ble Chairman assured that date of implementation of Restructuring will be where ever possible notionally from 09.12.2015 and with financial benefits from 27.12.2016 which has been decided in the Ministry file and will be communicated to EPFO for implementation.

Item No. 5: Request for extension of the duration of probation for Social Security Assistants and Data Entry Operators in Employees' Provident Fund Organisation – regarding

After deliberation, the Board approved the proposal as contained in the agenda note and also approved delegation of the powers to the CPFC to extend probation period for two more years, if required.

Item No. 6: Proposal for grant of relaxation in the provisions of Recruitments Rules of Lower Division clerk for providing more chances to the existing Lower Division Clerks having matriculation certificate and have not qualified the typing/computer skill test even after completion of two years period of probation

The Board approved the proposal as contained in the agenda.

Item No.7: Grant of Senior Time Scale of Rs.15600-39100/- + Grade pay of Rs.6600/- to regular Assistant Director (Information Service) after completion of 5 years regular service in the cadre of Assistant Director (Information Service) – Regarding.

Proposal as contained in the agenda was approved.

Item No.8: Agenda on “Status Note on investment in Exchange Traded Fund (ETF) by EPFO” – reg.

Shri P J Banasure, member expressed his concern that despite suggestions in previous meetings, ‘Exit Policy’ has not been formed. CPFC informed that IIM, Bangalore has been assigned consultancy to advise EPFO on ETF accounting and exit policies and their report is expected shortly. Once the report is received from IIM, the same would be finalised. Chairman desired that with 12.7 % return on equity, we may consider increasing the present allocation of ETF from 10% to 15%. Shri G S Reddy, member desired that the matter may first be discussed in FIAC, because the money being invested belongs to members, and their interest may be safeguarded. Chairman further said that the return on equity (ETF) is slowly increasing and our beneficiaries should get more benefits. However, members, particularly employees’ representatives desired that the matter may first be discussed in FIAC.

The information contained in the agenda was noted by the CBT.

Item No.9: Selection of External Concurrent Auditor (ECA) for the audit of EPFO’s investments.

Proposal as contained in the agenda was approved.

Item No.10: Guidelines and Standard Operating Procedure for investment in liquid mutual fund schemes for temporary deployment of funds by EPFO’s Portfolio Managers for liquidity management.

JS, MOL&E and FA &CAO informed that the return on liquid mutual funds is about one percent more than CBLO.

After deliberations, proposal as contained in the agenda was approved.

Item No.11: List of ineligible cases for waiver of damages rejected by Central Provident Fund Commissioner.

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CPFC introduced the agenda item and informed the Board that the list of ineligible cases for waiver of damages was placed for information of CBT. Shri G S Reddy, member suggested that the policy of Government is to encourage the sick industries to run/function properly. The cases, where request to waive damages has been received, are perhaps, being rejected in mechanical manner, whereas, paying capacity of the establishment must be considered before rejecting such proposals of waiver of damages, irrespective of the fact whether the establishment is registered with BIFR or not. CPFC informed the Board that as per existing provisions of the EPF & M P Act, 1952 and Schemes framed under it, only in respect of those cases, where establishments are registered under BIFR, the waiver of damages can be considered. None of the non- BIFR cases has been considered for waiver of damages. Vice Chairperson desired that reasons for rejection may also be recorded in future in the agenda note.

Information as contained in the agenda was noted by CBT.

Item No.12: Progress achieved in Members' Enrolment and Establishment Coverage Campaign, 2017

CPFC informed the Board that till 31st March, 2017 49.3 lacs members have been enrolled under the 'Employee Enrolment Campaign, 2017'. Shri G S Srivastava, member desired that the Scheme may further be extended. CPFC informed that the same has already been extended upto June, 2017. Shri Jagadishwara Rao, member informed that a number of infrastructure projects are being executed in various parts of the Country, and a considerable number of construction workers needs to be enrolled as members. Some Offices have performed well in enrolling construction workers as members, however, some other Offices need to improve their performance. Shri G S Reddy, member suggested that better performing Offices should be suitably rewarded. CPFC informed CBT that in the 88th meeting of the Executive Committee, an award scheme has been approved for rewarding the best offices of EPFO.

Information contained in the agenda was noted by the Board.

Item No.13: Amendments in EDLI Scheme, 1976 for introducing minimum assurance amount on death in service and loyalty cum life benefit to P F members on superannuation.

CPFC informed that the agenda item was discussed in Pension and EDLI implementation Committee (PEIC) meeting held on 12.04.2017 and recommendations of the Committee are placed on the table. CPFC, further informed that there is accumulated corpus of Rs 18,200 crores in EDLI Fund. Income to the fund during 2015-16 from contribution was Rs.1425 crore and Rs1363 from interest earned. Total annual income during 2015-16 comes out to Rs 2788 crores, whereas only Rs.232 crores is paid towards settlement of EDLI claims. The expected outgo after increase of limit of maximum benefits in EDLI to Rs6 lacs, in this financial year is approximately Rs432 crores. CPFC informed that a large number of establishments are seeking exemption from EDLI Scheme by providing better benefits. In order to make EDLI Scheme more attractive and

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acceptable, there is need to amend the Scheme as per recommendation of PEIC, and considering the surplus corpus already available in the Fund. Thereafter, he explained that in the proposed amended Scheme, minimum amount of insurance has been kept at Rs2,50,000/- and a loyalty-cum-life benefit has been proposed to those members retiring at 58/60 years and who have minimum 20 years of contributory service and for those members who retire from service on account of total and permanent disablement. This proposal is not merely in the form of return of the capital remitted by members, but is an incentive to discourage large scale premature closures and to encourage long term membership to provide Social Security. Accordingly, rates of loyalty-cum-life benefits proposed are - Rs30000, for those members whose monthly wages are upto Rs5000, Rs40000 for members drawing monthly wages between Rs5000 to Rs10000; and Rs 50000, for members drawing monthly wages above Rs10000.

Director General, Labour Welfare expressed his reservations towards long term viability of the Scheme and stated that after contributing a total amount of Rs6000/- in twenty years, a member would derive benefit of Rs30000/- . Additional Secretary and F A, MOL&E also desired to have detailed actuarial valuation as suggested by Internal Finance. After detailed deliberations, Chairman decided that the proposal may be implemented on Pilot basis for two years during which period, the Scheme may further be assessed for its viability.

The Proposal contained in the agenda was approved with the modification that the Scheme be implemented on pilot basis for two years during which period its further viability may be assessed.

Other issues discussed:

A status note on action taken on the allegations on the members of the Board that appeared in the section of the press, deliberated upon in 215th meeting of CBT vide item number 25, was placed on the table for information.

Members desired to know about the new Housing Scheme. Copies of the draft Gazette notification number S-35012/9/2016-SS-II was circulated in the meeting and CPFC briefly explained the provisions of the Scheme to the Board.

Chairman launched e-KYC Aadhaar Seeding Application of EPFO for seeding Aadhaar of members with their Universal Account Number (UAN).

Chairman appreciated the pro-worker initiatives taken by EPFO and suggested the Members to propagate such initiatives amongst the stakeholders.

The meeting ended with vote of thanks to the Chair.

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LIST OF OFFICERS OF EPFO WHO ATTENDED THE 217th MEETING OF CENTRAL BOARD (EPF)
ON 12-04-2017 AT INDIA HABITAT CENTRE, NEW DELHI

Sl No.	NAME	Designation	Organisation
1.	Shri Manish Gupta	FA & CAO	Employees' PF Organisation
2.	Shri S K Thakur	ACC (HQ)	Employees' PF Organisation
3.	Shri K V Sarveswaran	ACC (HQ)	Employees' PF Organisation
4.	Shri K L Goyal	ACC	Employees' PF Organisation
5.	Shri S C Goyal	ACC	Employees' PF Organisation
6.	Shri M S Kalia	ACC	Employees' PF Organisation
7.	Shri Chandramouli Chakraborti	ACC	Employees' PF Organisation
8.	Smt Udita Choudhary	ACC	Employees' PF Organisation
9.	Shri R S M Verma	ACC	Employees' PF Organisation
10.	Shri Mukesh Kumar	RPFC	Employees' PF Organisation
11.	Shri Sanjay Bisht	RPFC	Employees' PF Organisation
12.	Shri Rizwan Uddin	RPFC	Employees' PF Organisation
13.	Shri R K Pal	RPFC	Employees' PF Organisation
14.	Shri Prithi Chand	APFC	Employees' PF Organisation

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