



NATIONAL CONFEDERATION OF OFFICERS' ASSOCIATIONS

(National Forum of the Executives of Central Public Sector Enterprises)

Registered under the Trade Union Act 1926 Reg.No.DNE 707

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Ref- NCOA/ EPFO/pensioners dues

Dated -10-07-2023

To

Ms Neelam Shami Rao

Commissioner, Employees Provident Fund Organization HQ,
Bhavishya Nidhi Bhavan,14-Bikaji Cama Place
New Delhi 110066

Dear Madam,

Sub : Dues to EPFO from pensioners for Higher Pension.

We appreciate the efforts of EPFO in implementing the Supreme Court Order dt 4th Nov 2022 reg Higher Pension. It would indeed be of great benefit to all those in the Organised sector. As per the directions of EPFO many have submitted the Joint Option online for Higher Pension. The Employers have also shared the wage details with the EPFO for those who have exercised the Option. It is understood that EPFO would be shortly sending out letters indicating the amount to be deposited by the retirees towards 8.33% and 1.16% from Employers' Contribution.

2.0 It is requested that the following may please be given due consideration and included in the Demand Letter from EPFO.

1. Exact Pension amount.
2. Time frame for start of Pension
3. Total Pension Arrears to date from the start of Pension.
4. Statement as at D below.

3.0 We would also like to suggest the following so that the retirees are not burdened too much in organizing huge sums of money required to be paid to EPFO.

- A. Income Tax on the Arrears amount @20%/30% or as deemed fit by EPFO may be credited to Income Tax Dept. EPFO may suitably issue Form 16 to all.
- B. The remainder of the Arrears after crediting tax may be deducted from the total amount due to EPFO for Higher Pension. This would greatly help the retired community. EPFO would anyway get what is due to it and it would save EPFO, the hassle of paying the arrears to the employees,
- C. If the arrears is more than the total amount due to EPFO, which could be the case of very few employees, the EPFO may pay the difference only.
- D. A statement to the above effect (A,B,C) may please be furnished with the demand letter.
- E. The interest on whatever due to EPFO (8,33% + 1,16%) may please be charged on rates prescribed by EPFO from time to time during the service period of the employee. Some of the exempted

establishments give interest on PF subscriptions marginally more than what is given by EPFO.

- F. EPFO has stipulated a window of 3 months for retirees to remit their payments. Interest is levied for delays within the window. EPFO may please consider waiving interest for delays within the window. Interest can be levied after the window.
- G. Interest on dues to EPFO can be levied upto the point the employee reaches 58 and exits the EPS. Beyond that there shall be no interest liability on dues to EPFO and also on Pension arrears.
- H. Retirees may be given the option to withdraw from the Joint Option if the terms are not acceptable.
- I. Retirees have opted for Higher Pension on the basic promise that pension would be based on pensionable salary being the average of the last 60 months before exit from EPS. The viability of sustaining the Higher Pension during the lifetime of the retired employees may be ascertained properly. It is in the fairness of things that amount of Pension is maintained and not reduced later on.
- J. EPFO is requested not to insist on retirees to furnish their Pay slips / PF Statements for their entire service period. Very few or none may have preserved these after retirement. It is felt the wage details furnished by the employers is reliable and should be sufficient.

4.0 It may please be appreciated that; the retired employees need to make an informed economic decision before exiting their present investments to raise money for Higher Pension. It is pertinent that the money so diverted to EPFO would not be returned to the legal heirs of the employee after passing away of the employee and spouse. The longevity of the retired person and spouse is also not something that can be predicted for sure.

5.0 In view of the above EPFO may kindly consider suggestions at para 2 and 3 above and accordingly issue the Demand Letters to the retired employees seeking Higher Pension. It would be extremely critical for the retirees to know EPFO position on these issues before they decide to remit the dues to EPFO. Demand letter with all the necessary inputs would greatly avoid unnecessary communications and consequent loss of time.

6.0 Retirees may hesitate to proceed with the payments to EPFO in the absence of clarity on critical issues.

With warm regards



(V K Tomar)

Secretary General

CC: Ms Arti Ahuja, Secretary, Ministry of Labour & Employment
Govt of India, New Delhi

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