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To,

Rahul Bhagat, IPS
Director (SS) /
Member Secretary

Subject: Detailed memorandum of the EPF Officers' Association before the Committee constituted to examine grant of NFSG to Commissioner Cadre of EPFO - Regarding

Madam / Sir,

On behalf of the EPF officers, the EPF Officers' Association (EPFOA) expresses its sincere gratitude to the Committee for kindly consenting to allow us an opportunity to present our views on above subject and it is hoped that we may assist the Committee in reaching a just and valid conclusion at the earliest.
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EMPLEEYs’ PROVIDENT FUND OFFICERS’ ASSOCIATION
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Regional PF Commissioner -I

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Regional PF Commissioner -I

3. Saurabh Tripathi
Regional PF Commissioner -II

4. M.K. Sharma
Assistant PF Commissioner

5. Satendar Antil
Assistant PF Commissioner

6. J. Srinivas
Assistant PF Commissioner

February 6th, 2020

To,
Rahul Bhagat, IPS
Director (SS) / Member Secretary

Subject: Detailed memorandum of the EPF Officers’ Association before the Committee constituted to examine grant of NFSG to Commissioner Cadre of EPFO - Regarding

Madam / Sir,

On behalf of the EPF officers, the EPF Officers’ Association (EPFOA) expresses its sincere gratitude to the Committee for kindly consenting to allow us an opportunity to present our views on above subject and it is hoped that we may assist the Committee in reaching a just and valid conclusion at the earliest.

EPF Officers’ Association
2. As the Committee may have surmised the history of grant of NFSG in EPFO is quite meandering and unclear. Therefore, EPFOA has attempted through this memorandum to clarify the various misconceptions prevalent around this important issue and provide a clear chronological history of the entire issue to bring out our valid conclusions. We have also ensured that all the assertions and claims made in this memorandum are legally backed by valid documents, attached as suitable annexures.

3. As you are aware, EPFO being an autonomous statutory organisation, the CBT, EPF is the competent authority to decide service conditions of EPFO officers, and as per the EPF (Staff & Conditions of Service) Regulations (Copy attached as Annexure-1), posts in PB-3 GP 5400 (pre-revised) and above have been classified as Group 'A' vis-a-vis corresponding posts in Central Govt. The Govt. rules are not suo-motu applicable in EPFO and the CBT, EPF adopts various Govt. rules as and when required.

4. The Executive Committee (EC), CBT, EPF in its 24th meeting held on 22.10.1997 adopted 5th CPC recommendations, and constituted a Sub Committee to consider grievances, anomalies, etc. The above Sub Committee in its report to the EC had observed that Commissioner Cadre of EPFO meets the attributes of an Organised Group 'A' service of the Central Government, therefore recommended for parity with the same and accordingly, recommended grant of NFSG posts equal to 15% Senior Duty Posts (SDP) in EPFO.

5. The recommendations of the Sub Committee were examined in EPFO in consultation with the Finance Wing of EPFO, and later, accepted by the EC in its 31st meeting held on 13.08.1999 (Copy of EC Agenda & Minutes attached as Annexure-2).

6. Following protracted correspondence, the MOLE conveyed its approval for implementing NFSG to EPFO with effect from 30.01.2006, which was accordingly implemented (Copy attached as Annexure-3).

7. Subsequently, a case was filed by one Shri AK Chandok before Hon’ble CAT, Chandigarh on the NFSG implementation issue. The Hon’ble CAT ruled in favour of the applicant, and the order of CAT was challenged by the Government before Hon’ble Punjab & Haryana High Court. The Hon’ble High Court also upheld the order of CAT (Copy of CAT & High Court order attached as Annexure-4). The basic issue considered by Hon’ble Courts was Section 5-D (7) of the EPF & MP Act, 1952, which is reproduced below for kind reference,

"5-D. (7) (a) The method of recruitment, salary and allowances, discipline and other conditions of service of the Additional Central Provident Fund Commissioner, Deputy Provident Fund Commissioner, Regional Provident Fund Commissioner, Assistant Provident Fund Commissioner and other officers and employees of the Central Board shall be such as may be specified by the Central Board in accordance with the rules
and orders applicable to the officers and employees of the Central Government drawing corresponding scales of pay:

Provided that where the Central Board is of the opinion that it is necessary to make a departure from the said rules or orders in respect of any of the matters aforesaid, it shall obtain the prior approval of the Central Government.

(b) In determining the corresponding scales of pay of officers and employees under clause (a), the Central Board shall have regard to the educational qualifications, method of recruitment, duties and responsibilities of such officers and employees under the Central Government and in case of any doubt, the Central Board shall refer the matter to the Central Government whose decision thereon shall be final.”

8. The Ratio Decidendi of Hon’ble CAT, Chandigarh, upheld by Hon’ble Punjab & Haryana High Court was as submitted below:-

- An instance of departure from rules (as envisaged in the proviso to Sub Section (7) (a) of Section 5-D of EPF & MP Act) would be only if the CBT recommends a higher grade of pay to a category of employees whose counterparts in the Central Govt. are not enjoying the same.
- If the CBT was to implement the NFSG, it was not at all obliged to make reference to / obtain prior approval of Central Govt.
- However, prior approval of Central Govt. was compulsive in case the CBT were to refrain from Implementing NFSG while implementing 5th CPC recommendations.
- Even if the matter had been referred to Central Govt., it should have been circumspect enough to return it.

9. The MOLE referred the above judgment to the Legal Advisor (L&E) for his legal advice as to whether an SLP can be filed in this matter before Hon’ble Supreme Court. The LA (L&E) referred the matter to the Addl. Solicitor General (ASG) who opined that the approach of Hon’ble High Court is justified and reasonable, and it is not a fit case for filing SLP.

10. Therefore, the MOLE vide letter dated 29.08.2011 directed EPFO to implement the orders of Hon’ble High Court in following manner (Copy attached as Annexure-5):

- NFSG to the extent of 15% of Senior Duty Posts to be implemented w.e.f. 13-08-1999, i.e. the date of approval granted in 31st meeting of EC; and,
- NFSG to the extent of 30% of Senior Duty Posts to be implemented w.e.f. 14.07.2011, i.e. the date of approval granted in 72nd meeting of
EC (Copy of EC Agenda & Minutes attached as Annexure-6) (30% NFSG was being implemented in Central Govt. w.e.f. 2000).

11. In order to implement 6th CPC recommendations, the CBT, EPF constituted a pay anomaly Committee as per the norm discussed above. The said Committee submitted its report to the EC in 2010. The EC directed that a comprehensive proposal for restructuring of all cadres in EPFO be prepared.

12. Thus, a comprehensive Cadre Restructuring (CR) proposal was prepared and placed before the EC in its 72nd meeting held on 14.07.2011. The proposal inter alia included a comprehensive comparative analysis of EPFO vis-à-vis Income Tax Deptt. on the five criteria of the method of recruitment, salary, allowances, discipline & other conditions of service (as under Section 5-D (7) of EPF & MP Act). It held that it requires three attributes to be taken into account for draw of said parity between ranks, viz. educational qualifications, method of recruitment, duties & responsibilities. The EC accordingly duly considered and approved parity of EPFO officers with those of the Income Tax Department on basis of above (Copy of relevant extract of EC Agenda & Minutes attached as Annexure-7).

13. The above CR proposal (which included 30% NFSG in parity with that applicable in the I-T deptt.) was recommended to the Govt., and while approving the same, a decision was taken by MOLE on whether the NFSG matter specifically needs to be referred to the DOP&T or Law Ministry. The then Addl. Secretary (L&E) has noted on the MOLE file (Copy attached as Annexure-8),

"In case of NFSG we have no other option but to follow orders of Hon’ble CAT and Punjab and Haryana High Court in the case of AK Chandok. In this case the Courts have held that the matter relating to grant of NFSG lies within the competence of CBT under Section 5D of the Act and the same need not be referred to the Government for approval."

The above file noting has been duly approved by the then Hon’ble LEM in the said MOLE file on 29.08.2011. Thus, once again CR in EPFO along with NFSG was duly considered and agreed to by the Central Govt.

14. The DGACR, later on 04.06.2015, raised an audit para on implementation of NFSG in EPFO (Copy attached as Annexure-9). The audit objection was not on grant of NFSG in EPFO as such, but rather on a technical issue related to the same. The audit stated that as per DOP&T instructions both functional post (that of ACC) & non-functional post (that of RPFC-I (NFSG)) cannot co-exist at the pay scale of PB-4 GP Rs.8700 at the same time.

15. The above audit issue was referred by EPFO to MO.E for examination (Copy of relevant extract of 82nd EC Agenda & Minutes attached as Annexure-10), and pending such clarification, the grant of NFSG was continued for officers already availing it; however, it was not granted to further eligible officers in the cadre of RPFC-I.
16. During 2015-17, a fresh CR exercise was undertaken in EPFO. The CBT, EPF, constituted a Sub Committee on CR, headed by Shri Heeralal Samarthya, the then Addl. Secretary (L&E) with additional charge of CPFC. The Sub Committee, in order to address the above mentioned audit concerns regarding NFSG, in Chapter 2 of its detailed report (Copy attached as Annexure-11) suggested for up-gradation of the functional post of ACC to PB-4 GP Rs.8900, thus leaving the pay scale of PB-4 GP Rs.8700 vacant for grant of NFSG to eligible officers in RPFC-I cadre.

17. The report of the above Sub Committee was approved by the CBT, EPF in its 212th meeting held on 29.03.2016, and the CBT constituted an Anomaly Redressal cum Implementation Committee comprising of the CPFC, JS (SS) and FA&CAO, EPFO (charge being held by the FA, MOLE at that time). The said Anomaly Committee in para 25 of its report (Copy attached as Annexure-12) specified eligibility conditions for officers to be placed in NFSG.

18. The CBT, EPF approved the above report of Anomaly Committee in its 213th meeting held on 08.07.2016, and the complete CR proposal was referred to MOLE.

19. While examining the above CR proposal, MOLE raised a query to EPFO on NFSG, which was that, “There is no mention of NFSG grade (PB-4, GP-8700) to be accorded to RPFCs, as available now” [Pg. No.8 of F.No.A-32022/10/2014-SS-1(Pt.), copy attached as Annexure-13]. The reply of EPFO to the effect that the same was a part of Anomaly Committee Report, was duly accepted by the SS Division, MOLE, which thereafter, forwarded the complete CR proposal to IFD, MOLE for their concurrence. The above referred CR proposal included financial implication analysis of NFSG, which had been approved by IFD of EPFO, and was later approved by the IFD, MOLE. After approval of IFD, the CR proposal, with due approval of Hon’ble LEM, was sent to the Department of Expenditure (DoE) and the same was also duly approved by the DoE.

20. The MOLE conveyed the approval of CR to EPFO vide letter dated 27.12.2016 (Copy attached as Annexure-14), with certain modifications which did not include any remark or observation on the issue of NFSG. Thus, NFSG as part of CR was duly approved by the Govt. at that time.

21. After above approval of CR proposal by the Government, the functional post of ACC at Level-13 (pre-revised GP-8700) was upgraded to Level-13A (pre-revised GP-8900). Therefore, the above-mentioned audit objection on NFSG in EPFO are no longer valid post-CR.

22. Thereafter, MOLE on directions of Hon’ble LEM, communicated to EPFO vide letter dated 07.08.2017 (Copy attached as Annexure-15) that,

“...It was decided to delink the cases of NFSG granted prior to Cadre Restructuring from the cases due after cadre restructuring on 27.12.2016 due to audit objection. The cases of NFSG may

EPF Officers’ Association
kindly be processed accordingly as per sanctioned strength in cadre restructuring dated 27.12.2016."

23. Even the DGACR has consequently observed that CBT vide office order no. HRM-I/D-1(1)2017/CR/26417 dated 13.01.2017 has upgraded the functional posts of ACC, clearing the way for further grant of NFSG in EPFO (Copy attached as Annexure-16).

24. Therefore, now the way towards grant of NFSG for post-CR eligible cases was clear, and the MOLE, in order to address the above-mentioned audit objection, was required to only examine the pre-CR grant of NFSG in EPFO. However, as the MOLE file relating to grant of NFSG in EPFO (prior to CR) was missing, it was decided at a certain level to start examining the post-CR grant of NFSG instead, as that was the only file available in the Ministry. This was even though the issue of NFSG post-CR was already sorted out by the CR exercise itself. Thus, a part-file on NFSG was opened at MOLE and the same was referred to DOP&T for the first time. DOP&T stated that EPFO being an autonomous organisation, NFSG is not suo-motu applicable (Copy attached as Annexure-17). This is a valid statement as CBT needs to adopt all Govt. rules prior to their implementation in EPFO.

25. Subsequently, on 04.07.2018, EPFO sent a request to the MOLE to constitute a screening committee headed by Secretary (L&E) for grant of NFSG to eligible officers. The MOLE, in turn, referred the issue to DOP&T for the second time, in a manner as if NFSG was to be granted to EPFO officers afresh / de-novo. The facts regarding AK Chandok case or earlier grant of NFSG were not clearly brought out before the DOP&T while referring the matter by MOLE. And as a result, the DOP&T examined the matter afresh and opined that the benefit of NFSG for EPFO Commissioner cadre is not appropriate as NFSG is not uniformly applicable to all Central Govt. employees but is only for organised Group "A" services.

26. Aggrieved by above, some EPFO officers filed a case for grant of NFSG before Hon’ble CAT, Chandigarh. The Hon’ble CAT on 08.02.2019 directed the respondents to consider and decide the representation of the applicants taking into consideration the ratio laid down in AK Chandok case (Copy attached as Annexure-18).

27. Now, EPFO vide letter dated 08.04.2019 to MOLE has already clarified that the applicants (and approx. 160 more EPF officers) are similarly placed as the applicant in AK Chandok case and has stated that further action in the issue of NFSG lies with the MOLE. EPFO has also asked the MOLE to review its current stand on the matter in view of the AK Chandok case (Copy attached as Annexure-19).

28. However, the MOLE again referred the above orders of Hon’ble CAT to the DOP&T for the third time, which has replied (Copy attached as Annexure-20) as stated below:-

"4. It may be pertinent to mention that while conveying the comments of this Department on the last occasion, it was also observed that the orders of NFSG issued by Cadre Review

EPF Officers’ Association
Division are not uniformly applied to all the Central Govt. employees and also have certain pre-conditions for its applicability. Moreover, as per the EPF & MP Act, 1952 provides that the CBT is the competent authority in the matter of determinations of service conditions of its employees. This has also been observed by Hon’ble CAT while delivering aforesaid order dated 25.02.2011.”

The DOP&T also advised MOLE to consult Department of Legal Affairs (DoLA) on the CAT case.

29. Subsequently, the matter was referred by the MOLE to the Legal Advisor (L&E), who has opined that the applicants’ claim for NFSG is based on AK Chandok case which has attained finality. He advised the MOLE to comply with Hon’ble CAT’s order dated 08.02.2019 and dispose of the representation of the applicants immediately taking into consideration ratio laid down in AK Chandok case. [Page No.61-64 of F.No.A-12018/02/2018-55-I, Copy attached as Annexure-21].

30. Undeterred, the MOLE again referred the issue to DOP&T for the fourth time, and DOP&T has stated, “This department has no further comments to offer in the matter. As such, the file is hereby returned to MOLE”.

31. The MOLE thereafter decided to refer the matter to DoE through IFD, MOLE. The DOE stated inter alia that the DOP&T is the nodal department on the issue of NFSG and as such, the action advised by DOP&T in terms of para 4 (as mentioned in para 28 above) of their note on page 68/n may be taken (Copy attached as Annexure-22).

32. It is submitted that although the DOP&T has advised that NFSG is for Organised Group ‘A’ services, but it has also clearly stated in the very next line that the CBT is the competent authority to decide the service conditions of EPFO officers. This legal fact has already been upheld by Hon’ble Courts of law. Furthermore, the DOP&T has opined that further course of action may be taken in consultation with DoLA. The LA (L&E) has already clarified that the ratio of AK Chandok case is final and has advised to dispose of the representation of the applicants immediately strictly taking into consideration ratio laid down in AK Chandok case.

33. In fact, the EPFOA had also approached the concerned officer at DGACR regarding dropping the audit issue. He had stated that if the grant of NFSG in pre-CR era was with approval of IFD, MOLE, same may be placed before audit and shall be accepted for dropping of the audit para. Unfortunately, as stated above the relevant MOLE file is missing and therefore, it is not possible to obtain a copy of relevant IFD approval.
34. Therefore, it can be clearly seen from above submission that grant of NFSG to EPFO officers has been duly considered and approved repeatedly by following authorities:

- 1. Executive Committee, CBT
- 2. Central Board of Trustees, EPF
- 3. Chairman, CBT, EPF / Hon’ble LEM.
- 4. Courts of law (Hon’ble High Court & Hon’ble CAT).
- 5. Department of Legal Affairs.
- 6. IFD of EPFO & MOLE.
- 7. Department of Expenditure.
- 8. Even the DOP&T has stated that the CBT, EPF is the competent authority to decide the service conditions of EPF officers.

It may kindly be considered that wherever the issue of grant of NFSG was referred to by the MOLE, the concerned authority has replied that CBT, EPF is the ultimate authority to decide service conditions of EPF officers subject provisions contained in the EPF & MP Act, 1952. And as discussed above, the CBT, EPF has repeatedly taken a conscious decision to grant NFSG benefits at par with those available to Organised Group ‘A’ services to EPF officers. In fact, as per the updated list of Central Group ‘A’ Civil Services published by DOP&T, there are a total of 61 such Central Civil Services. Out of these 61 Central Civil Services, 58 have been classified as Organised Group ‘A’ services. The remaining 3 services are Defense Research & Development Services, Indian Meteorological Service and India Skill Development Service. The Recruitment Rules (RR) of these 3 so-called non-Organised services require entrants to possess specialist degree in technology, sciences, etc. And therefore, they are not comparable to EPFO as under Section 5-D (7)(b) in terms of “educational qualification”. What is to be noted that even the so-called non-organised India Skill Development Service has NFSG (although at PB-3 GP 7600), while remaining 2 non-organised services have functional posts at PB-4 GP 8700.

However, this decision of CBT, EPF is being thwarted and the just benefits denied to EPF officers. Therefore, it is the sincere plea of EPF officers to this Committee to duly consider the above submission for grant of NFSG on its own legal merit and submit a lawful & just report to the Hon’ble LEM.

Thanking you.

Encls: a/a

Yours sincerely,

[Signature]

[Saurabh Swami]
Secretary-General

EPF Officers’ Association
MINISTRY OF LABOUR AND EMPLOYMENT
EMPLOYEES' PROVIDENT FUNDS ORGANISATION

New Delhi, the 25th September 2008

No. HRD/4(3)2006/CBT, EPF/Pt.1 - In exercise of the powers conferred by Sub-section (7) of Section 5D of the Employees Provident Fund & Miscellaneous Provisions Act, 1952(19 of 1952) and in supersession of the Employees' Provident Fund (Staff and Conditions of Service) Regulations, 1962, except as respects things done or omitted to be done before such supersession, the Central Board hereby makes the following regulations for the conditions of service of the officers and employees of the Board, namely: -

1. Short title and commencement. - (1) These regulations may be called the Employees' Provident Fund (Officers and Employees' Conditions of Services) Regulations, 2008.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions. - In these regulations, unless the context otherwise requires,

(a) "Act" means the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952).

(b) "Board" means the Central Board of Trustees constituted under section 5A of the Act.

(c) "Commissioner" means the Central Provident Fund Commissioner, an Additional Central Provident Fund Commissioner or a Regional Provident Fund Commissioner appointed under sub-section (1) and (3) of Section 5D of the Act.

(d) "Committee" means the Executive Committee constituted under section 5AA of the Act.

(e) "employee" means a person appointed against a sanctioned post in the Organization and includes officers appointed under sub-sections (1) and (3) of section 5D of the Act.

(f) "Organisation" means the Employees' Provident Fund Organisation;

(g) "Post" means a post under the Organization:
Provided that any Senior Hindi Translator or Junior Hindi Translator may be transferred outside their own region on administrative exigencies and according to staffing pattern.

(3) Section officers and every Group C and Group D employee of Central Office of the Organisation shall be liable to serve in that office only.

(4) Notwithstanding anything contained in sub-regulations (1) to (3) above, any employee may be transferred from one region to another region or to Central Office of the Organisation or vice-versa, on administrative grounds or in the public interest.

12. Pay. - (1) The scales of pay attached to the post under the Organisation shall be as set out in the relevant recruitment rules or regulations prescribed for various posts.

(2) The fixation of pay, grant of increments, age of compulsory retirement and connected matters thereof shall, in the case of an employee, be governed by the relevant provisions contained in the Fundamental Rules and the Supplementary Rules as applicable to persons similarly appointed to corresponding categories of posts under the Central Government specified in Schedule III.

Provided that:

(a) the initial pay of an employee, permanent or temporary, on first appointment in the Organisation shall not be less than what would have been admissible to him if he had been appointed to a post in a similar scale of pay under the Central Government.

(b) the service, including the broken period of service, rendered by a temporary Government servant under the Central Government in the time scale of pay similar to that to which he is appointed in the Organisation shall be counted for purposes of increment to the extent that such service is counted for increment under the Central Government in such cases, provided that he is appointed in the Organisation without any break after the termination of his service under the Central Government.

(3) The employees shall be entitled to such allowances including traveling allowance and concessions as may be admissible to corresponding categories of Central Government employees specified in Schedule III.

13. Superannuation benefits. - All employees, other than a Government servant or an employee of a local authority or a statutory organization who is on deputation to the Organization, shall be entitled to such superannuation benefits as the Central Board may, from time to time, prescribe.
### SCHEDULE-I

(See Regulation 18)

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Central Civil Service (Leave) Rules, 1972</td>
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<tr>
<td>2</td>
<td>The Central Civil Service (Pension) Rules, 1972</td>
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<tr>
<td>3</td>
<td>The Central Civil Service (Temporary Service) Rules, 1965</td>
</tr>
<tr>
<td>4</td>
<td>The Central Civil Services (Conduct) Rules, 1964</td>
</tr>
<tr>
<td>5</td>
<td>Civil Pensions (Commutations) Rules</td>
</tr>
<tr>
<td>6</td>
<td>General Provident Fund (Central Services) Rules, 1960</td>
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<tr>
<td>7</td>
<td>Leave Travel Concession Rules</td>
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</tbody>
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### SCHEDULE-II

(See Regulation 22)

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<table>
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<tr>
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<tbody>
<tr>
<td>1</td>
<td>Fundamental Rules and Supplementary Rules</td>
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<td>2</td>
<td>General Financial Rules</td>
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<tr>
<td>3</td>
<td>Central Government Compilation of Treasury Rules (Volumes I and II)</td>
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<tr>
<td>4</td>
<td>Central Services (Medical Attendance) Rules, 1944</td>
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<tr>
<td>5</td>
<td>The Central Civil Services (Medical Examination) Rules, 1957</td>
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<tr>
<td>6</td>
<td>Union Public Service Commission (Exemption from Consultation) Regulations, 1958</td>
</tr>
<tr>
<td>7</td>
<td>Delegation of Financial Powers, 1958</td>
</tr>
<tr>
<td>8</td>
<td>Children Educational Allowance to Central Government Employees Rules</td>
</tr>
<tr>
<td>9</td>
<td>Rules regarding Reservations in Services for Scheduled Castes and Scheduled Tribes</td>
</tr>
<tr>
<td>10</td>
<td>Central Civil Services (Conduct) Rules, 1964</td>
</tr>
<tr>
<td>11</td>
<td>Reimbursement of Tuition fees in respect of children of Central Government employees</td>
</tr>
<tr>
<td>12</td>
<td>Scheme for providing relief to the families of non-gazetted government servants, who die while in service</td>
</tr>
</tbody>
</table>
SCHEDULE-III

(See Regulation 12)

The classification of the officers and employees of EPFO viz-a-viz of Central Government will be as follows.

<table>
<thead>
<tr>
<th>SL No</th>
<th>Description of Posts</th>
<th>Classification of Posts</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Post carrying a pay or a scale of pay with a maximum of not less than Rs. 13,500</td>
<td>Group 'A'</td>
</tr>
<tr>
<td>ii</td>
<td>Post carrying a pay or a scale of pay with maximum of not less than Rs. 9,000 but less than Rs. 13,500</td>
<td>Group 'B'</td>
</tr>
<tr>
<td>iii</td>
<td>Post carrying a pay or a scale of pay with a maximum of over Rs. 4,000 but less than Rs. 9,000</td>
<td>Group 'C'</td>
</tr>
<tr>
<td>iv</td>
<td>Post carrying a pay or a scale of pay the maximum of which is Rs. 4,000 or less.</td>
<td>Group 'D'</td>
</tr>
</tbody>
</table>

EXPLANATION :- For the purpose of this Schedule -

i. 'Pay' has the same meaning as assigned to it in Fundamental Rules 9 (21) (a) (1).

ii. 'Pay or scale of pay', in relation to a post, means the pay or the scale of pay of the post prescribed under the Central Civil Services (Revised Pay) Rules, 1997.
31st Executive Committee Meeting

Item No 3: Recommendations of the Sub Committee CBT, EPF constituted for examining representations of employees of EPFO regarding Grievances/Anomalies in the implementation of V Central Pay Commission scales.

The Executive Committee of the CBT, EPF in its 24th Meeting held on 22.10.1997 took the decision for implementation of revised pay scales of V Central Pay Commission as given in Part ‘A’ of the first schedule to the Central Civil Services (Revised Pay) Rules, 1997 notified vide Gazette notification GSR 569(E) dated 30th September 1997. It was also decided to constitute a Sub Committee to consider the grievances/anomalies/representations, if any, as a result of the implementation of the revised pay scales.

With the approval of the Chairman, Executive Committee CBT, EPF, the Sub Committee consisting of the following was constituted on 23.06.1998:

Shri Hasmukh Bhai Dave, Employees' Representative, CBT, EPF
Shri N. Kannan, Employers' Representative, CBT, EPF
Shri S.K. Ray, FA & CAO
Shri C. Bheemanna, Addl C.P.F.C. (P&T) Convenor

The Terms of Reference of the Committee were as follows

- To examine and consider the representations/anomalies/grievances received from the Officers’ Association and staff unions/Federations of employees of Employees’ Provident Fund Organisation on the implementation of the 5th Central Pay Commission.

- To examine and consider certain issues referred by Ministry of Labour and Employees’ Provident Fund Organisation to be put up before the Subcommittee.

- To make recommendations on each of the foregoing having regard among other relevant factors to the provisions of Sec 5D of Employees' Provident Fund & Miscellaneous Provisions Act, 1952.

The Committee was also advised to provide adequate opportunity to the recognised unions/staff federations/service associations of the staff and officers of the Employees’ Provident Fund Organisation to present their views before the Sub Committee.

The Committee was required to submit its report in December of 1998. However, the Executive Committee, CBT, EPF, in its 29th meeting held on 4.12.98 extended the term of the Committee and advised to submit its report by 28th February 1999.

The Sub Committee has submitted its report on 23rd February 1999 and a copy of the report was given to the Members of the Executive Committee in the 30th Meeting held on 05.03.1999.
The recommendations of the Sub Committee have been examined in Head Office EPFO in consultation with the Finance Wing. The comments/proposals of Head Office, EPFO on each of the recommendations are given in the Annexure.

The Sub-Committee has also recommended that cadre review may be carried out by constituting Cadre Review Committees for Group ‘A’ ‘B’ & ‘C’ posts. It is proposed that for a comprehensive study, a single Cadre Review Committee be constituted for all the three categories, which may be recommended/nominated by the Executive Committee.

Submitted for the consideration of the Executive Committee.
### Observations/Recommendations of the Sub-Committee

**Group 'A' Officers**

The cadre of Group 'A' officers of EPFO at present is as follows:

- Central Provident Fund Commissioner - 1
- Addl. C.F.P.C - 8
- R.P.F.C (Gr. I) - 27
- R.P.F.C (Gr. II) - 91
- A.P.F.C - 425
- (8,000 - 275 - 13,500)

1) Representatives of Employees Provident Fund Officers' Association in the written memoranda and oral submissions made before the Sub-Committee have demanded that keeping in view the provisions of section 5D (7) of EPF & MP: Act, 1952, the cadre of Group 'A' Officers in the Employees Provident Fund Organisation may be restructured and upgraded to one grade higher in each grade in the prescribed pay scales and they may be given revised pay scales as per 5th Central Pay Commission Recommendations. Detailed discussion took place regarding the interpretation of the Section 5(D) (7) and operation of the sub clauses a & b. The Sub Committee is of the view that Sub Clause (a) of Section 5(D) (7) requires to be operated/implemented in full and Sub Clause (b) only provides guidance in determining the proper pay scales in implementing the provisions of Clause (a) of Section 5D (7).

After detailed examination of the relevant portions of the Fifth Central Pay Commission Report regarding Group 'A' services and representations submitted by the EPF Officers Association, the Sub Committee is of the considered opinion that the Group 'A' Officers (Commissioners' Cadre) meets the attributes prescribed for recognising the cadre as a Group 'A' service. The attributes prescribed by the Department of Personnel & Training are as follows: (48.7 of the Fifth Central Pay Commission Report)

a) The highest cadre post is not below the level of Rs 5,900-6700.

b) It has all the standard grades, namely, Rs 2200-2400, Rs 3000-3500, Rs 3700-4500, Rs 4500-5700.

### Comments/Proposals of Head Office of EPFO

The Sub-Committee has not accepted for automatic upgradation of the following posts to one grade higher as demanded by the EPF Officers' Association and to provide replacement scales of 5th Central Pay Commission:

- Assistant Provident Fund Commissioner
- Regional Provident Fund Commissioner (Grade-I)
- Addl. C.F.P.C.

The Sub Committee also not agreed for upgradation of the post of Central Provident Fund Commissioner to the level of Secretary, Government of India.

The Sub-Committee has observed that the Commissioners' cadre (i.e. all the posts of APFC including the Central Provident Fund Commissioner) meets the attributes prescribed for an organized Group 'A' service of Central Government.

The observations of the Sub-Committee are based on the instructions of the Department of Personnel & Training which may be accepted.
and Rs. 5900-6700;
c) At least 50% of the vacancies in the Junior Time Scale (Rs. 2200-4000) are required to be filled by direct recruitment; and
d) All vacancies above the Junior Time Scale and up to the Senior Administrative Grade (Rs. 5900-6700)
are filled by promotion from the next lower grade.

| 2) At present the Commissioners' Cadre (Group 'A' Officers) of EPFO have not been provided the benefit of Non-functional Selection Grade available to Group 'A' services in the Central Government. As per the instructions of the Department of Personnel & Training, the selection grade posts for Group 'A' services need to be constituted to the extent of 15% of senior duty posts (i.e. all duty posts at the senior time scale and above in the cadre). At present in the EPFO, this benefit has not been provided to the cadre of Commissioners.

The Sub Committee recommends that consistent with the instructions of the Department of Personnel & Training, 15% of senior duty posts (i.e. RPFC Grade-II and above) be constituted into Selection Grade posts (pay scale Rs.14300-400-18300) and the appointment to these posts be done by promotion as per the procedure prescribed by the Department of Personnel & Training.

| As per the instructions of Department of Personnel & Training in Group 'A' Central Services, selection grade posts are to be created equal to 15% of the senior duty posts (all duty posts at the level senior time scale i.e. Rs.10000-15200 and above). In the cadre of Commissioners in Employees' Provident Fund Organisation, the number of senior duty posts sanctioned in the pay scale of Rs.10000-15200 and above are numbering 127. If the benefit of selection grade is to be given to the Commissioners' cadre, 19 selection grade posts have to be made available (15% of 127).

Acceptance of the recommendations of the Sub-Committee regarding creation of selection grade posts entails providing of non-functional selection grade pay scale (Rs.14300-18300) to 19 regular RPFC-Grade-I. There is no creation of additional posts. Granting of non-functional selection grades is personal to the officers who fulfill the criteria prescribed by Department of Personnel & Training. This has been implemented in all Group 'A' services of the Government of India. The recommendations of the Sub-Committee may be accepted in principle and this may be referred to the Cadre Review Committee for determining the number of posts to be earmarked for non-functional selection grade.

3) The Sub Committee observed that in Employees' Provident Fund Organisation, the pay scale of Rs.14300-400-18300 which is the pay scale of Non-functional selection grade, (to be made available to Officers of Junior Administrative Grade of the Group 'A' services, on promotion, without any change in functions), this scale (i.e. Non-functional Selection Grade) has been provided to be Functional Posts i.e. Addl. C.P.F.C.'s & FA & CAO. As the incumbents in the posts are to supervise the work of Officers in the grade of Junior Administrative Grade as well as Officers in the Non-functional Selection Grade, the anomaly need to be rectified by placing the posts of Addl. C.P.F.C. & FA & CAO in the appropriate pay

In order to remove anomalies pointed out by the Sub-Committee and for maintenance of an effective/functional hierarchy, the incumbents in the post of Addl. C.P.F.Cs and FA & CAO, who are to supervise the officers in the rank of Regional Provident Fund Commissioner Gr. I, are to be given the functional pay scales. At present, ten posts of Addl. C.P.F.Cs and equivalent have been sanctioned to EPFO including FA & CAO and Director- NATRSS.

The recommendations of the Sub-Committee may be accepted in principle.
scales recommended by the Fifth Central Pay Commission and implemented by the Central Government.

After careful consideration and keeping in view of the pay scale of Chief Executive of the Organisation i.e. Pay Scale of the Central Provident Fund Commissioner (Rs. 18400-500-22400), the Sub Committee recommends that the posts of Addl C.P.F.C.s and FA & CAO be placed in the pay scale of Rs. 16400-450-20000 which is the pay scale provided to the Functional posts in the Group ‘A’ services. The Central Police Organisations, Indian Police Service, Indian Forest Service have overcome the similar anomaly by adopting the above pay scale for Functional posts below the Senior Administrative Grade Posts.

In view of the above, the Sub Committee recommends cadre structure/revised scales for the EPFO Officers (Commissioners’ Cadre) and for the post of FA & CAO as under:

(i) C.P.F.C. - Rs. 18400-500-22400
(ii) FA & CAO - Rs. 16400-450-20000
(iii) Addl C.P.F.C. - Rs. 16400-450-20000
(iv) Non-Functional Selection Grade for RPFC’s - Rs. 14300-400-18300
(v) R.P.F.C. Grade-I (JAO Scale) - Rs. 12000-375-16500
(vi) R.P.F.C. Grade-II - Rs. 10000-325-13200
(vii) A.P.F.C. - Rs. 8000-275-13500

4) Certain other issues were raised by EPF Officers’ Association like upgradation of posts etc. The Sub Committee is of the opinion that these issues should be addressed by undertaking a proper cadre review which has been prescribed by the DOP&T for Group ‘A’ posts/services. The Fifth Central Pay Commission in their report have also made it mandatory for conducting the periodical cadre review of Group ‘A’ services. Accordingly, the Sub Committee recommends that the cadre review which is overdue in respect of Commissioners’ Cadre of Employees’ Provident Fund Organisation be undertaken immediately.

Cadre restructuring including the creation of the functional grade to remove the anomaly brought out by the Sub-Committee can be examined/rectified by the Cadre Review Committee.

The recommendations of the Sub Committee for undertaking cadre review according to the instructions of Department of Personnel & Training may be agreed to.
CONFIRMATION OF THE DRAT MINUTES OF THE 31ST MEETING

MEETING : EXECUTIVE COMMITTEE, CBT, EPF
DATE : 13.08.1999
VENUE : COMMITTEE ROOM, SHRAM SHAKTI BHAWAN, NEW DELHI

31st meeting of the Executive Committee of the Central Board of Trustees, Employees' Provident Fund was held under the Chairmanship of Dr. L. Mishra, Chairman, Executive Committee, Central Board of Trustees, Employees Provident Fund and Secretary, Ministry of Labour. Following members attended the meeting:

1. Sh.R.K. Saini,
   Joint Secretary
   Government of India,
   Ministry of Labour
   Central Government Representatives

2. Smt. Pravin Tripathi,
   Joint Secretary & Financial Advisor
   Government of India,
   Ministry of Labour

3. Shri G.A. Rajkumar
   State Government Representative

4. Shri N. Kannan

5. Shri A.S. Kasliwal

6. Shri V.P. Chopra

7. Shri Parduman Singh

8. Shri A Venkataram

9. Shri G. Sanjeeva Reddy

10. Shri S.K. Ray
    Central Provident Fund Commissioner

Shri O.P. Goyal, Director, LISD, National Informatic Centre also attended the meeting.

List of Officers of the Ministry of Labour and Employees' Provident Fund Organisation who were in attendance is at Annexure-1.

In his opening remarks Chairman, Executive Committee, CBT, EPF condoled the sad and sudden demise of Shri R.S. Kaushik, Central Provident Fund Commissioner as under.
2.11 Status of Computerisation of Employees' Provident Fund Organisation.

(i) to (ix)

The status of Action taken noted by the Executive Committee.

(x)

Shri Kasliwal suggested that in future such proposals might be put up as a separate agenda item.

Chairman, Executive Committee suggested that a system should be developed at the Head Office level for centralised monitoring of the working of computer/EDP cells of all the ROs/SROs/SAOs.

The proposal as contained in the Action Taken Statement for approval of purchase of 10 line matrix printers for Rs. 25.82 lakhs was approved.

(ix) to (xiv)

The status of Action taken was noted by the Executive Committee.

Item No. 3: Recommendations of the Sub Committee CBT, EPFO constituted for examining representations of employees of EPFO regarding Grievances/Anomalies in the implementation of 7th Central Pay Commission scales.

The item was taken up for discussion and in course of discussion the following observations were made:

Shri Parduman Singh:
- The recommendation of the Sub-Committee should have been discussed with the staff federation
- Employees' Provident Fund Organisation Staff Federation was not satisfied with the recommendations of the Sub-Committee

Shri G.S. Reddy:
- Extra payment of 10% HRA may be continued.

Shri A.S. Kasliwal:
- Central Provident Fund Commissioner may discuss the issue of payment of 10% HRA in the ensuing meeting with the staff federation on 16.8.1999
Central Provident Fund Commissioner clarified that 3 to 4 rounds of discussions were held with the Federation. The Federation desired implementation of the best of pay packages available to staff of Audit and Accounts department without fulfilling certain other vital service conditions.

Executive Committee after detailed discussion decided the following:

(i) The recommendations of the Sub-Committee as given in its report, except on the subject of House Rent Allowance be accepted for the implementation.

(ii) On the subject of House Rent Allowance, Central Provident Fund Commissioner may hold discussion with the All India EPF Staff Federation and resubmit the proposal for consideration of the Executive Committee.

Item No. 4: Amendment to Recruitment Rules for the post of Hindi Translator (Gr-I) and redesignation of the post as Senior Hindi Translator.

The proposal as contained in the Memorandum was approved.

Item No. 5: Proposal for upgradation of the posts of Officer-in-charge of SROs (now headed by APFCs) to the grade of Regional Provident Fund Commissioner (Grade-II).

Shri Kannan pointed out that criteria of 1.25 lakh subscribers which was laid down in the year 1989 may be revised upwardly, considering the fact that working of the organisation has been computerised to a large extent.

Chairman, Executive Committee decided that norms of 1.25 lakh subscribers should be reviewed separately taking into account the increased workload of enforcement and pension.

Finally, the proposal as contained in the Memorandum was approved.

Item No. 6: Upgradation of the posts of Vigilance Officer in Head Office and Zonal Offices.

Shri Parduman Singh desired that a report on the working of vigilance section in Employees' Provident Fund Organisation might be placed before the Executive Committee.

Shri Kannan stated that the need for manning the vigilance wing by persons of good character and calibre was imperative.

The Financial Advisor, Ministry of Labour pointed out that such a proposal in future may make mention of the difficulties faced by the organisation in getting the suitable persons.

The proposal as contained in the Memorandum was approved with the following decision:

A paper on working of vigilance section may be put up in the next Executive Committee meeting covering among others the following:

- Number of complaints handled
No. A-11013/1/2004-S3.I
Government of India/Bharat Sarkar:
Ministry of Labour & Employment

New Delhi, dated the 30th January 2006

To

The Central Provident Fund Commissioner,
EPF Organisation,
Bhavishya Nidhi Bhawan,
New Delhi.

Subject: Grant of Non-functional Selection Grade (NFSG) in the Commissioners cadre of the EPFO - regarding.

Sir,

I am directed to refer to your office letter No.HRD/4(4)2001/1443 dated 23rd November, 2005 on the above subject and to convey that the scheme of grant of Non-functional Selection Grade (NFSG) shall be operated in the Commissioner's cadre of the EPFO. Further, it has been decided with the approval of Hon'ble LEM / Chairman, CBT (EPF) that 29 posts of RPFC Gr. I in EPFO shall be operated in the Non-functional Selection Grade of Rs.14,300-18,300 with immediate effect.

It is requested that necessary action in this regard may be taken immediately under intimation to this Ministry.

Yours faithfully,

(K.C. Jani)
DIRECTOR

D.O. 30 JAN 2006
30/01/06

-21-
CENTRAL ADMINISTRATIVE TRIBUNAL
CHANDIGARH BENCH

ORIGINAL APPLICATION NO. 400-HR of 2010
Chandigarh, this the 25th day of February, 2011

CORAM: HON'BLE MR. JUSTICE S.D. ANAND, MEMBER(I)
HON'BLE MR. KHUSHI RAM, MEMBER(A)

A.K. Chandok son of Jai Gopal Chandok, resident of Flat No. 135, Kendriya Vihar-II, Sector 23,
Panchkula.

APPLICANT

BY ADVOCATE: SHRI R.K. SHARMA.

VERSUS

1. Union of India through the Secretary, Ministry of Labour, Government of India, Shram Shakti
   Bhawan Rafi Marg, New Delhi.

2. Central Provident Fund Commissioner, Bhavishya Nidhi Bhawan, 14, Bhikaraj Gama Place, New
   Delhi 66.

3. Central Board of Trustees, through its Chairman.

RESPONDENTS

BY ADVOCATE: SHRI DEEPAK AGNIHOTRI.

ORDER

HON'BLE MR. JUSTICE S.D. ANAND, MEMBER(I):

Facts, apparent from a conjunctive perusal of the pleadings of the parties and conceded as well in the course of the presentation, are as under:

2. The recommendations made by the Fifth Central Pay Commission (hereinafter referred to as
   the 5th CPC) were accepted by the Central Government, in respect of the relevant categories of
   employees, and made applicable with effect from 1.1.1996. These recommendations included the
   non-functional selection grade as well which was made available to all Group II A/All officers of
   different allied cadres.
3. The respondent, Employees Provident Fund Organization (EPFO), for short) also implemented the recommendations made by the 5th CPC. In line with the exception that the matter pertaining to the grant of non-functional selection grade came to be decided by the Board of Trustees of the Organization at its meeting held on 13.8.1999. The decision taken by the Board of Trustees was that the non-functional selection grade shall be made available to the relevant category of employees w.e.f. 13.8.1999. The decision taken by the Board of Trustees was referred to the Government of India, in the Ministry of Labour & Employment, which agreed to the grant of non-functional selection grade in principle, but did not agree with the implementation thereof with effect from 13.8.1999. It ordered that it shall be implemented with immediate effect.

4. The pure and simple plea, raised on behalf of the applicant, is that the Board of Trustees being the final authority in the matter of determination of the service conditions of the relevant categories of employees of the EPFO, the forwarding of the matter to the Government of India was a mere surplusage and, in that view of things, the determination of the date with effect from which that decision was ordered to be implemented (i.e. with immediate effect) by the Government of India is also mere surplusage. Reliance, in support of the above averment was placed upon Section 5D(7) of The Employees Provident Funds and Miscellaneous Provisions Act, 1952 which is extracted hereunder:

5D(7)(a) The method of recruitment, salary and allowances, discipline and other conditions of service of the Additional Central Provident Fund Commissioner, Deputy Provident Fund Commissioner, Regional Provident Fund Commissioner, Assistant Provident Fund Commissioner and other officers and employees of the Central Board shall be such as may be specified by the Central Board in accordance with the rules and orders applicable to the officers and employees of the Central Govt. drawing corresponding scales of pay:

Provided that where the Central Board is of the opinion that it is necessary to make a departure from the said rules or orders in respect of any of the matters aforesaid, it shall obtain the prior approval of the Central Govt.

(b) In determining the corresponding scales of pay of officers and employees under clause (a), the Central Board shall have regard to the educational qualifications, method of recruitment, duties and responsibilities of such officers and employees under the Central Govt. and in case of any doubt, the Central Board shall refer the matter to the Central Govt. whose decision therein shall be final.

5. The learned counsel, appearing on behalf of the respondents, was not in a position to dispute the correctness of the averment that it is the Central Board of Trustees which is the competent authority to take a decision in the relevant behalf. However, it was argued that since there was a departure from the rules, the matter did call for approval by the Central Government.

6. We have not been able to persuade ourselves to agree with the learned counsel for respondents. The reasons therefor are as under:

7. A perusal of the above quoted provision of Section 5D(7) of The Employees Provident Funds and Miscellaneous Provisions Act, 1952 leaves no manner of doubt that it is the Board of Trustees which is the final authority qua the determination of the service conditions of the Provident Fund Commissioners (be it the Additional Central Provident Fund Commissioner, Deputy Provident Fund Commissioner, Regional Provident Fund Commissioner, Assistant Provident Fund Commissioner or any other officers and employees of the Central Board). The Central Government would necessarily come in only where the Central Board is of the opinion that it is necessary to make a departure from the said rules or orders in respect of any of the matters aforesaid. The above-quoted provision also provides that the conditions of service of the above-indicated categories of officers and other officers and employees of the Central Board shall be such as may be specified by the Central Board in accordance with the rules and orders applicable to the officers and employees of the Central Govt. drawing corresponding scales of pay. Thus, it is only when a departure from the
rules aforementioned is envisaged that the Board would be obliged to obtain the prior approval of the Central Government.

8. In the facts and circumstances of this case, an instance of departure from the rules could be envisioned only when the Central Board of Trustees recommends a higher grade of pay or special pay etc. to a category of employees whose counterparts in the Central Government are not enjoying the same. In this case, it is common ground that a non-functional selection grade had been allowed to Group I All officers of the Government of India. It is further apparent, from the pleadings raised by the parties, that the Central Board of Trustees agreed to the implementation of the 5th CPC recommendations to the employees of the respondent Organization in toto. The only exception was the non-functional selection grade, the grant thereof was not decided upon by the Central Board of Trustees at a point of time when the decision was taken to implement the recommendations made by the 5th CPC. In common parlance, a decision had to be taken by the Central Board of Trustees about the grant or otherwise of the non-functional selection grade to the categories of employees of the respondent organization, corresponding to their counterparts in the Central Government. If the Board were to agree to implement the non-functional selection grade, it was not at all obliged to make a reference to the Central Government or to obtain prior approval therefor. At the same time, the prior approval of the Central Government was compulsive in case the Central Board of Trustees were to refrain from implementing the recommendations of the 5th CPC qua the grant of non-functional selection grade to the relevant categories of employees.

9. In view of the fact that the Central Board of Trustees agreed to implement the recommendations made by the 5th CPC qua the grant of non-functional selection grade to Group I All officers in toto, no reference at all was required to be made to the Central Government. If any reference came to be made inadvertently, it would not authorize the Central Government to decline concurrence to the decision taken by the Central Board of Trustees to implement the relevant Pay Commission recommendations with effect from 13.8.1999. Even at the cost of repetition, we may notice that the reference made to the Central Government is as much a surplusage as was the decision taken by the Central Government for the implementation of the decision aforementioned (taken by the Central Board of Trustees) with immediate effect and not with effect from 13.8.1999, in terms of the recommendations made by the Central Board of Trustees qua the date of implementation thereof.

10. We have, thus, no hesitation in holding that the 5th C.P.C. recommendations regarding the grant of non-functional selection grade to the relevant categories of employees of EPFO were to be implemented with effect from 13.8.1999.

11. Faced with the predicament aforementioned, the learned counsel appearing on behalf of the respondents argued that the O.A. is time-barred insomuch as the relevant decision by the Central Government came to be taken in the year 2006; whereas, this O.A. came to be filed in the year 2010.

12. In this connection, the learned counsel for the applicant argued that the rejection of the representation in the relevant behalf having been communicated to the Central Provident Fund Commissioner vide letter dated 24.11.2009 (Annexure A-3), the plea regarding bar of limitation stands adequately negated.

13. We find ourselves in agreement with the plea raised by the applicant on the point of limitation. Even otherwise, the denial of a pecuniary benefit at the hands of an authority competent in the relevant behalf, cannot be requested by raising a plea of limitation. It further requires to be noticed in particular that the Central Government did not disagree with the decision taken by the Central Board of Trustees in principle. That the Central Govt. did not agree with the recommendation that the implementation had to come about with effect from the date the decision was taken, does not wish away the acceptance of the decision in principle and does not bar the relevant remedy available for a continuing cause of action.
14. In the light of the aforementioned discussion, the O.A. shall stand allowed. While invalidating the fixture of the cut-off date by the Government of India for implementation of the non-functional selection grade with immediate effect, we would order that the respondents shall make the relevant grade available to the entitled categories of employees with effect from 13.3.1999 i.e. the date from which the Central Board of Trustees had recommended the grant thereof.

15. Before concluding, we may observe that though the Courts/Tribunals would advisedly refrain from interfering in the matter of grant or otherwise of the pay scales by the Government to its employees and there would also be noticeable reluctance on the part of the Courts/ Tribunals to interfere in the matter of fixture of a cut-off date by the Government, we are equally clear in our mind that the fixture of a cut-off date must be announced to have a noticeable rationale to the relevant grant. In this particular case, the relevant Act does provide that the Central Board of Trustees is the competent authority in the matter of determination of the service conditions of its employees at different hierarchical levels. It is equally clear that the scales available to the Central Government employees would be applicable to the corresponding categories of employees of the Commissionerate. The prior approval of the Central Government is envisaged only when the Board recommends a departure from the general principle of parallel applicability. The present is not a case of that category. The matter did not, thus, have to be referred to the Central Government. Even if it had been referred, the competent authority in the Central Government ought to have been circumspect enough to decline the grant of concurrence and/or approval by communicating want of jurisdiction in the relevant behalf.

16. The O.A. shall stand disposed of accordingly.

17. There shall be no order as to the costs of the cause in the facts and circumstances of the case.

(JUSTICE S.D. ANAND)
MEMBER(I)

(KHUSHI RAM)
MEMBER(A)

Dated: February 25, 2011

(O.A. No. 400-HR of 2010)
C.W.P. No. 8433 of 2011

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

C.W.P. No. 8433 of 2011
Date of Decision 12.05.2011

Union of India and another

Versus

-----Petitioners

Central Administrative Tribunal,
Chandigarh and another

--Respondents

CORAM: HON'BLE MR. JUSTICE M.M. KUMAR
HON'BLE MR. JUSTICE GURDEV SINGH

Present: Mr. O.S. Batalvi, Advocate
for petitioner.

1. To be referred to the Reporters or not? yes
2. Whether the judgment should be reported in the Digest?

M.M. KUMAR, J.

1. The instant petition under Article 226 of the Constitution is directed against order dated 25.02.2011 (P-3) passed by Chandigarh Bench of the Central Administrative Tribunal (for brevity 'the Tribunal') holding that the original applicant-respondent A.K. Chandok was entitled to grant of non functional selection grade (for brevity 'the NFSG') being Employees Provident Fund Organisation (for brevity 'EPFO'). According to the Tribunal, the Board of Trustees is the final authority in the matter of determination of service condition of various categories of employees of EPFO. In that regard, the Tribunal has placed reliance on Section 5D(7) of Employees Provident Funds and Miscellaneous Provisions Act, 1952
applicable to the officers and employee of the Central Government drawing corresponding scales of pay.” Thus, it is only when a departure from the rules aforementioned is envisaged that the Board would be obliged to obtain the prior approval of the Central Government.

8. In the facts and circumstances of this case, an instance of departure from the rules could be envisioned only when the Central Board of Trustees recommends a higher grade of pay or special pay etc. to a category of employees whose counterparts in the Central Government are not enjoying the same. In this case it is common ground that a non functional selection grade had been allowed to Group A Officers of the Government of India. It is further apparent, from the pleadings raised by the parties, that the Central Board of Trustees agreed to the implementation of the 5th CPC recommendations to the employees of the respondent organization in toto. The only exception was the non functional selection grade, the grant thereof was not decided upon by the Central Board of Trustees at a point of time when the decision was taken to implement the recommendations made by the 5th CPC. In common parlance, a decision had to be taken by the Central Board of Trustees about the grant or otherwise of the non functional selection grade to the categories of employees of the respondent organization, corresponding to their counterparts in the Central Government. If the Board were to agree to implement the non functional selection grade, it was not at all obliged to make a reference to the Central Government or to obtain prior approval therefor.
To,
The Central Provident Fund Commissioner

[By Name Shri S.R. Joshi, ACC (HR)]
EPFO,
New Delhi.

New Delhi dated the 29 August 2011.

Subject: OA No. 400/HR of 2010 filed by Shri A.K. Chandok, RPFC (Retd.).
EPFO before Hon'ble CAT Chandigarh Vs. UOI & Others - reg.

Sir,

I am directed to refer to EPFO's letter No. HRD 1/4/2010/CAT Cases/416 dated the 13/06/2011 on the subject mentioned above and to say that in view of the dismissal of the appeal before Hon'ble High Court of Punjab & Haryana, the matter was referred to LA (L&E) for his advice whether a SLP can be filed before Hon'ble Supreme Court of India or not. Thereafter, LA (L&E) referred the matter to Addl. Solicitor General of India who has opined that the approach of the High Court is justified and reasonable. Therefore, it is not a fit case for filing Special Leave Petition. Accordingly, EPFO is requested to implement the order dated 25/02/2011 passed by the Hon'ble CAT, Chandigarh bench i.e. NFSG to the extent of 15% of the number of Senior Duty Posts may be granted w.e.f. 13/08/1999 i.e. the date of approval of the same by the Executive Committee, CBT, EPF. Further, the NFSG to the extent of 30% of the number of Senior Duty Posts has been approved by the EC, CBT as per Government of India instruction EPFO is therefore requested to implement the same w.e.f. the date of approval by the Executive Committee, CBT, EPF within the powers of CBT as directed in CAT order dated 25/02/2011.

Yours faithfully,

[Signature]

Under Secretary to the Government of India.
EMPLOYEES' PROVIDENT FUND ORGANISATION

DECISIONS AND FINAL PROCEEDINGS OF THE

71st MEETING OF EXECUTIVE COMMITTEE, CBT (EPF)

Meeting : Executive Committee, Central Board of Trustees (EPF)

Date : 06.07.2011 (Wednesday)

Venue : Employees' Provident Fund Organisation,
Conference Hall, 3rd Floor,
Bhavishya Nidhi Bhawan,
Bhilaiji Cama Place, New Delhi-110 066.

The 71st Meeting of the Executive Committee, CBT (EPF) was presided over by Shri Prabhat Chandra Chaturvedi, Chairman, Executive Committee, CBT (EPF) and Secretary to the Govt. of India, Ministry of Labour and Employment. The following members attended the meeting:

<table>
<thead>
<tr>
<th>Member Secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri S. Chatterjee</td>
</tr>
<tr>
<td>Central Provident Fund Commissioner</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Central Government Representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Ravi Mathur, Addl. Secretary, Ministry of Labour &amp; Employment, Government of India, New Delhi.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees' Representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Chaman Kumar, Addl. Secretary &amp; FA, Ministry of Labour &amp; Employment, Government of India, New Delhi.</td>
</tr>
<tr>
<td>Shri Girish Awasthi</td>
</tr>
<tr>
<td>Shri D.L. Sachdev</td>
</tr>
</tbody>
</table>
Item No. 3: Cadre restructuring consequent upon rapid expansion of EPFO.
Decision: The agenda item was deferred by the Committee for the next meeting.

Item No. 4: Updation of grant of Non-Functional Selection Grade (NFSG) benefit to Group 'A' Officers of EPFO according to DOPT guidelines.
Decision: The agenda item was deferred by the Committee for the next meeting.

Item No. 5: Providing of minimum essential Staff/Officers on opening of Sub-Regional Offices/Regional Offices and upgrading of Sub-Regional Office to the level of Regional Office – Prescribing of Norms.
Decision: The agenda item was deferred by the Committee for the next meeting.

Item No. 6: Purchase of land for construction of Office Building and Staff Quarters for SRO, Chikmagalur - Ratification.
Decision: The proposal contained in para 9 was ratified by the Executive Committee.

Item No. 7: Hiring of additional accommodation for housing Regional Office, Bangalore.
Decision: The proposal contained in para 9 was approved by the Executive Committee.

Item No. 8: Hiring of office accommodation for Regional Office, Ranchi.
Decision: The agenda item was deferred by the Committee for the next meeting.

Item No. 9: Hiring of accommodation for SRO, Shivamogga (Karnataka).
Decision: The agenda item was deferred by the Committee for the next meeting.
71st EC Meeting

Item No. 4: Update of grant of Non-Functional Selection Grade (NFSG) benefit to Group 'A' Officers of EPFO according to DOPT guidelines.

Based on the recommendations of the IV Central Pay Revision Commission, a Group A officer in the pay scale of Rs.15600-39100 (Grade pay 7600) having 14 years of regular Group A service is entitled to grant of non-functional selection grade (NFSG) in the Pay Band 4 with Grade Pay 8700. The number of posts earmarked for NFSG was equal to 15% of the senior duty posts (OM No. 19/1/86-PP dated 14.08.1987 of the Department of Personnel & Training (DOPT), Govt. of India - Annexure 'I'). Subsequently, the ceiling of 15% was enhanced to 30% vide OM No. 22/1/2000-CRD dated 06.06.2000 of the DOPT (Annexure 'II').

2. The Executive Committee, CBT in its 31st meeting held on 13.08.1999 accepted the report of the Sub-Committee of CBT, EPFO to adopt the recommendations of V CPC, including the grant of NFSG benefit to Group 'A' officers of the EPFO. The matter was then referred to the Ministry of Labour, Government of India, for implementing the scheme of NFSG. The approval for grant of NFSG in EPFO was conveyed by the Ministry vide their letter dated 30.01.2006, and the benefits were accordingly extended to the officers of EPFO w.e.f. 30.01.2006, i.e. the date of approval of the Ministry.

3. In the meantime, the ceiling was enhanced to 30% vide OM dated 06.06.2000. In view of the fact that it was decided to grant NFSG in EPFO, the benefit was to be governed by the terms and conditions applicable to NFSG in accordance with the updated DOPT instructions on the subject. However, the approval of the Ministry was conveyed vide letter dated 30.01.2006 for operating 29 posts for NFSG. This does not amount to 30% of the senior duty posts in the Organisation as per the applicable DOPT instructions dated 05.06.2000. Presently, the total number of senior duty posts for the purpose of arriving at 30% is as follows:

<table>
<thead>
<tr>
<th>Additional CFCP</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPFC-I</td>
<td>58</td>
</tr>
<tr>
<td>RPFC-II</td>
<td>204</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>277</strong></td>
</tr>
</tbody>
</table>

- 9s -

- 33 -
Though the number of posts for NFSG could be 83 (30% of 277), but the present sanctioned strength in the cadre of RPFC-I is only 58.

4. In order to rectify the existing anomaly, it is proposed to align the grant of the benefit of NFSG in EPFO with the existing guidelines of DOPT as amended from time to time, in keeping with the recommendations of the EC, CBT in its 31st meeting held on 13.08.1999. The Executive Committee, CBT may therefore approve the grant of benefit of NFSG to Group ‘A’ officers of EPFO at 30% of the senior duty posts by applying the updated DOPT instructions of 06.06.2000. This enhanced strength of 30% will be applicable from the date of approval of the Executive Committee.

Proposal: Executive Committee is requested to consider and approve the proposal made in Para 4 above.
An item was placed before the Executive Committee in its 70th meeting held on 14.02.2011 for cadre restructuring of the EPFO upon its rapid expansion. A copy of item No. 11 placed before the EC is attached as Annexure-I.

2. After detailed deliberations in the 70th meeting of the Executive Committee held on 14.02.2011, it was decided that the proposal may be re-examined and discussed with the Secretary (Labour & Employment) and other senior officers of the Ministry of Labour & Employment before placing it in the next Executive Committee meeting for approval. If required special meeting of the Executive Committee may also be convened only to discuss the Item as this proposal has been pending for long.

3. The matter has been re-examined and also discussed with the Secretary (Labour & Employment) in a meeting held on 19.04.2011 by the CPFC where senior officers of the Ministry and officers of the EPFO were also present.

4. The Employees' Provident Fund Officers Association had submitted a proposal for cadre review and had a meeting with the Secretary (Labour & Employment) on 13-12-2010 where CPFC and other officers from the Ministry as well as from the EPFO were also present. The EPFOA also met the Chairman, CBT, EPF and Hon'ble Union Minister for Labour & Employment on 23.06.2011 and requested him to consider the Cadre Restructuring of the EPFO at the earliest possible. The representatives of the EPFOA also met the CPFC and Addl.CPFC (HR) and had a discussion in detail on the proposal of Cadre Restructuring.

5. Hon'ble Chairman, CBT, EPF after hearing the EPFOA on 23.6.2011 advised the Secretary (Labour & Employment) and the CPFC to prepare a proposal keeping in view the need of the Organisation as well as the career advancement aspiration of the Staff & Officers of the EPFO as per the policy guidelines issued by the DOP & T from time to time.
70th EC Meeting

Item No. 11: Cadre restructuring consequent upon rapid expansion of EPFO.

1.1 Sixth Central Pay Commission had submitted its Report to the Govt. In order to extend the benefits of 6th CPC to the employees of EPFO, the recommendation of 6th CPC were placed before the CBT, EPF in pursuance of the provisions of Section 5D of the EPF & MP Act, 1952. The Central Board of Trustees, Employees' Provident Fund, in its special meeting held on 18th Sept 2008 accepted the recommendations of the Sixth Central Pay Commission.

1.2 In EPFO, a pay anomaly Committee was constituted, and all the recognized Unions/Associations/Federation of EPF officers and staff were given fair chance to put forth their views on the matter. The Committee submitted its report and it was put up before the Executive Committee, CBT on 6th Aug 2010. The Executive Committee decided that a comprehensive proposal for restructuring of all cadres of EPFO be prepared and sent to the government for consideration.

1.3 Further, as per the directions of the Government which were circulated by the Cabinet Secretary vide his DO letter No: I-11019/6/2008-CRD Dtd. 29th April 2008, every Department has to constitute a Cadre Review Committee for the purpose of restructuring of various cadres.

1.4 In view of the above, it is submitted as under:

2.1 The officers of EPFO are being recruited as per the statutory provisions which had been laid down U/S 5D of the EPF & MP ACT 1952. Section 5D of the Act is as follows:

"5D. Appointment of officers. — (1) The Central Government shall appoint a Central Provident Fund Commissioner who shall be the chief executive officer of the Central Board and shall be subject to the general control and superintendence of that Board.

(2) The Central Government may also appoint a Financial Adviser and Chief Accounts Officer to assist the Central Provident Fund Commissioner in the discharge of his duties.

(3) The Central Board may appoint, subject to the maximum scale of pay, as may be specified in the Scheme, as many Additional Central Provident Fund Commissioners, Deputy Provident Fund Commissioners, Regional Provident Fund Commissioners, Assistant Provident Fund Commissioners and such other officers and employees as it may consider necessary for the efficient administration of the Scheme, the Pension Scheme and the Insurance Scheme."
• Compliance, recovery and legal functions - resemble to that of functions of Income Tax Department
• Maintenance of Accounts (individual as well as that of establishment), Cash Functions – resemblance can be drawn with the functions of a nationalised bank.
• Disbursement of Pension, Provident Fund and EDLI Benefits – these functions resemble with those of LIC, Pay and Accounts offices etc.

2.2.2 Keeping in view, the nature of activities of EPFO, and the types of duties, responsibilities and functions being performed by EPFO Officers and staff, closest analogy can be drawn with the Income tax department since the nature of activity and functions performed by offices of IT department are quite similar to EPFO. Further, the powers which an EPFO officer draws from the EPF & MP Act to carry out its duties are similar as the IT Act confers on the IT officers.

2.2.3 The statutory mandate 'u2018s 5D (7) (a) is to draw parity between the officers and employees of the Central Government and those of the Central Board of Trustees, EPF, in respect of the following five items viz:

1. The method of recruitment,
2. Salary
3. Allowances,
4. Discipline
5. Other conditions of service.

2.2.4 A comparative analysis of EPFO vis-à-vis Income Tax Department on the above mentioned five criteria is as under:
2.2.4. The comparison in these aspects with the Income Tax Department is as under:

<table>
<thead>
<tr>
<th>ATTRIBUTES</th>
<th>CRITERIA</th>
<th>EPFO</th>
<th>IT Deptt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Educational qualification for recruitment/promotion</td>
<td>All post/fellowship</td>
<td>Graduation</td>
<td>Graduation</td>
</tr>
<tr>
<td>2. Method of recruitment</td>
<td>Open recruitment through UPSC</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Duties &amp; Responsibility</td>
<td>Broad nature of duties &amp; Responsibility</td>
<td>Administration of Social Security schemes.</td>
<td>Collection of Revenue</td>
</tr>
<tr>
<td></td>
<td>Country head of each functional area</td>
<td>Grade Pay of ₹8700</td>
<td>HAG</td>
</tr>
<tr>
<td></td>
<td>Functional head of Zones</td>
<td>Grade Pay of ₹8700</td>
<td>Grade Pay of ₹12000</td>
</tr>
<tr>
<td></td>
<td>Functional head of Region</td>
<td>Grade Pay of ₹8700, 7600</td>
<td>Grade Pay of ₹10000</td>
</tr>
<tr>
<td></td>
<td>Functional head of Sub-Regional</td>
<td>Grade Pay of ₹5600</td>
<td>Grade Pay of ₹8700/7600</td>
</tr>
</tbody>
</table>

3. EXISTING CADRE & ORGANISATIONAL STRUCTURE

Group 'A' Officer Cadres:

3.1 The hierarchy that exists in the officer cadres in EPFO is as under:

<table>
<thead>
<tr>
<th>Main Stream</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sl. No.</strong></td>
</tr>
<tr>
<td>1</td>
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<tr>
<td>2</td>
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<tr>
<td>3</td>
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<td>4</td>
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<tr>
<td>5</td>
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<tr>
<td>6</td>
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</table>
EMPLOYEES' PROVIDENT FUND ORGANISATION

FINAL MINUTES OF THE

72nd MEETING OF EXECUTIVE COMMITTEE, CBT (EPF)

Meeting : Executive Committee, Central Board of Trustees (EPF)

Data : 14.07.2011 (Thursday)

Venue : Employees' Provident Fund Organisation,
Conference Hall, 3rd Floor,
Bhavishya Nidhi Bhavan,
Bhikaji Cama Place, New Delhi-110 066.

The 72nd Meeting of the Executive Committee, CBT (EPF) was presided over by
Shri Prabhat Chandra Chaturvedi, Chairman, Executive Committee, CBT (EPF) and Secretary
to the Govt. of India, Ministry of Labour and Employment. The following members attended
the meeting:

<table>
<thead>
<tr>
<th>Shri S. Chatterjee</th>
<th>Member Secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Provident Fund Commissioner</td>
<td></td>
</tr>
</tbody>
</table>

| Shri Ravi Mathur,             | Central Government Representatives |
| Addl. Secretary,             |                                 |
| Ministry of Labour & Employment, |                                |
| Government of India, New Delhi |                                |

| Shri Chaman Kumar,            |                                 |
| Addl. Secretary & FA,        |                                 |
| Ministry of Labour & Employment, |                             |
| Government of India, New Delhi |                              |

| Shri Dhanraj                 | State Government Representatives |
| Addl. Labour Commissioner,   |                                 |
| Representing Principal Secretary, |                           |
| Department of Labour & Employment, |                     |
| Govt. of Rajasthan            |                                |
Item No. 3: Cadre restructuring consequent upon rapid expansion of EPFO.

Decision: The proposal contained in the agenda was approved with the recommendations that the proposal may be sent to the Ministry of Labour & Employment for consideration.

Item No. 4: Updation of grant of Non-Functional Selection Grade (NFSG) benefit to Group 'A' Officers of EPFO according to DOPT guidelines.

Decision: The Committee approved the proposal contained in the agenda to implement the enhanced ceiling of NFSG to Group “A” officers to the extent of 30 % of the senior duty posts in accordance with the DOP & F O.M. dated 06.06.2000 to be effective from the date of approval of the EC.

Item No. 5: Providing of minimum essential Staff/Officers on opening of Sub-Regional Offices/Regional Offices and upgradation of Sub-Regional Office to the level of Regional Office – Prescribing of Norms.

Decision: The agenda item was deferred by the Committee to be placed again at appropriate time before the Executive Committee with the recommendations regarding new norms for Regional and Sub-Regional Offices.

Item No. 8: Hiring of office accommodation for Regional Office, Ranchi.

Decision: The proposal contained in para 10 of the agenda item was approved by the Committee.
Reference notes on pre - page.

Department of Personnel and Training vide their Office Memorandum dated 24-04-2009 have issued the followings orders consequent upon the acceptance of the recommendations of the Sixth Central Pay Commission on Non-Functional upgradation for Officers of Organised Group 'A' Services.

(i) Whenever an Indian Administrative Services Officer of the State of Joint Cadre is posted at the Centre to a particular grade carrying a specific grade pay in Pay band 3 or Pay band 4, the officers belong to batches of Organised Group A Services that are senior by two years or more and have not so far been promoted to that particular grade would be granted the same grade on non-functional basis from the date of posting of the Indian Administrative Service Officers in that particular grade at the Centre.

(ii) Grant of higher scale would be governed by the terms and conditions given in Annex-1.

(iii) Appropriate amendments in the Service Rules may also be carried out.

(iv) Grant of higher scale (i.e. pay band and/ or grace –pay) under these instructions would be w.e.f. 1.1.2006, wherever due and admissible.

2. Out of the terms and conditions given in Annexure-1 of the above mentioned Office Memorandum for grant of higher pay scale on Non-functional basis to Officers of Organised Group 'A' services, one of the important conditions is that Non-functional up-gradation to the next higher grade pay granted under the scheme is a fall back option only, to be applied in cases where officers of a particular Service have not been granted promotion to a particular grade in normal course according to the due procedure.

3. IFD of the Ministry has advised us to consult DOPT in the file of NFSG. However, we have taken a decision to implement the orders of the Hon'ble CAT and High Court of Punjab & Haryana relating to grant of NFSG as the Law Ministry did not agree to go in for filing an SLP before the Hon'ble Supreme Court of India.
- 45 -

- 20 -

...
कार्यवाह मुहानिवेशक लेखा परीक्षा,
कर्मचारी यथा, नई दिल्ली -110022

भ.के AIMC-IV/IR/3-52/EPFO/2015-16/

ञा: आमुक,
कर्मचारी भविष्य निधि संयंत्र,
हृदयो दिशालय, 14-भीमानी जी कामा प्लेस,
नई दिल्ली-110066
विषय: वर 2013-14 की आवेदन के लिए कर्मचारी भविष्य निधि संघटन के संदर्भ में उपलब्ध पत्र हेतु प्रतिष्ठित।

परिचय:
उपलब्ध उपस्थिति निवेदन/प्रतिष्ठित आवेदन कार्यालय हेतु अनुरोध के साथ नवीकरण हेतु अनुरोध के साथ नवीकरण प्रतिष्ठित कर सकते हैं।
हेतु प्रवेश वर 2013-14 के आवेदन के लिए II (A) के 1 से 4 एवं II (B) के 1 से 12 पत्ते में हेतु अनुरोध की तर्क और आवेदन यथा निर्देश प्रमाण हेतु आवश्यक किया जाता है।

दिनांक: 04 जून 2015

विनिमय:
भर्ती सेवा परीक्षा अधिकारी.
(डू.एम.जी.IV)

पत्र से: AIMC-IV/IR/3-52/EPFO/2015-16/ नवीकरण।

इस प्रतिष्ठित की प्रति मुख्य सेवा अधिकारी, कर्मचारी भविष्य निधि संयंत्र, हृदयो दिशालय, 14-भीमानी जी कामा प्लेस नई दिल्ली-56 को सुनिश्चित निवेदन आवेदन कार्यालय हेतु अनुरोध किया जाता है।

विनिमय सेवा परीक्षा अधिकारी.
(डू.एम.जी.IV)
posts, the pay scale of Rs. 12000-16300 being extended to Rs. 18300 under certain conditions.

c) The Pay Commission stipulated that the officers to be placed in the Selection Grade should have reached the maximum of the Junior Administrative Grade and remained there for two years.

d) Further, the Selection Grade posts were to be carved out of JAG posts. The number of posts in NFSG shall be equal to 30% of the Senior Duty Posts (i.e. all duty posts at the level of Senior Time Scale and above in the cadre).

In the EPFO, the various posts of Group 'A' Non-Ministerial cadre as on 31.3.2014 are as follows:

<table>
<thead>
<tr>
<th>Srl No</th>
<th>Name of the post</th>
<th>Pay Scale (PB + GP) (Amount in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Central Provident Fund Commissioner (CPFC)</td>
<td>37400-67000+10000</td>
</tr>
<tr>
<td>2</td>
<td>Addl. Central Provident Fund Commissioner (Hqrs.)</td>
<td>37400-67000+8700</td>
</tr>
<tr>
<td>3</td>
<td>Financial Adviser and Chief Accounts Officer (FA &amp; CAO)</td>
<td>37400-67000+8700</td>
</tr>
<tr>
<td>4</td>
<td>Addl. Central Provident Fund Commissioner-II</td>
<td>37400-67000+8700</td>
</tr>
<tr>
<td>5</td>
<td>Chief Engineer</td>
<td>37400-67000+8700</td>
</tr>
<tr>
<td>6</td>
<td>Chief Vigilance Officer</td>
<td>37400-67000+8700</td>
</tr>
<tr>
<td>7</td>
<td>Director (Vigilance)</td>
<td>37400-67000+8700</td>
</tr>
<tr>
<td>8</td>
<td>Director (IS)</td>
<td>15600-39100+7600</td>
</tr>
<tr>
<td>9</td>
<td>Director (OL)</td>
<td>15600-39100+7600</td>
</tr>
<tr>
<td>10</td>
<td>Regional Provident Fund Commissioner (RPFC Gr. I/</td>
<td>15600-39100+7600</td>
</tr>
<tr>
<td></td>
<td>Director (Recover/)]/Director (Audit)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Regional Provident Fund Commissioner (RPFC Gr. II/Dy.</td>
<td>15600-39100+6600</td>
</tr>
<tr>
<td></td>
<td>Director (Recover/]/Dy. Director (Audit)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Dy. Director (Vigilance)</td>
<td>15600-39100+6600</td>
</tr>
<tr>
<td>13</td>
<td>Law Officer</td>
<td>15600-39100+6600</td>
</tr>
<tr>
<td>14</td>
<td>Dy. Director (IS)</td>
<td>15600-39100+6600</td>
</tr>
<tr>
<td>15</td>
<td>Executive Engineer</td>
<td>15600-39100+6600</td>
</tr>
<tr>
<td>16</td>
<td>Dy. Director (OL)</td>
<td>15600-39100+6600</td>
</tr>
<tr>
<td>17</td>
<td>Assistant Provident Fund Commissioner (APFC)</td>
<td>15600-39100+5400</td>
</tr>
</tbody>
</table>

*EPFO vide its letter dated 1.1.2004, requested Ministry of Labour (Ministry) to approve grant of NFSG of Rs. 14300-18300 in the cadre of Commissioner in EPFO. The EPFO further vide its letter dated 22.11.2005 clarified certain points raised by the Ministry. Subsequently, Ministry vide its letter dated 30.1.2006 conveyed its approval to grant of NFSG in Commissioner's cadre in EPFO. Further, 29 posts were to be operated in the NFSG of Rs. 14300-18,300/ with immediate effect. Subsequent to approval of Ministry, EPFO granted NFSG in the pay scale of Rs. 14300-18300/- to 25 RPFC Gr. 1 officers.


As per para (7)(a) of the Employee Provident Fund and Miscellaneous Provisions Act, 1952, the method of recruitment, salary and allowances, discipline and other conditions of
Item No. 10: CAG Audit query regarding:-

i) Intimation about payment of NFSG.
ii) Appointment of officers on ad-hoc basis.
iii) Ad-hoc promotion of APFC to RPFC-II.
iv) Payment of Fixed Medical Allowance.
v) Hiring of staff cars.

i). Grant of Non-Functional Selection Grade to Group A officers in EPFO and Audit disputes thereof.

The issue is regarding payment of NFSG to RPFC-I cadre officers in EPFO. Copies of complaints received in this regard are enclosed as Annexure - A. Further, the CAG Audit vide note dated 04.06.2015 raised following observations:-

"The grant of NFSG (Rs. 37400-67000+Rs. 8700 GP) to RPFC Gr. I officers is irregular in view of the following facts:

i. Central Service Group 'A' where the scale of Rs. 14300-18300/- exists as part of the cadre structure on functional basis will not be eligible to have non-functional Selection Grade unless the Cadre Controlling Authorities decide to do away with the functional Selection Grade. In EPFO, five functional post of FA & CAO, ADDL. CPFC-II, Chief Engineer, Chief Vigilance Officer, Director (Vigilance) exist which have a total sanctioned strength of nine.

ii. The Pay Commission stipulated that the officers to be placed in the Selection Grade should have reached the maximum of the Junior Administrative Grade and remained there for two years. However, in EPFO, the eligibility to NFSG is being granted to RPFC (Gr.I) in the corresponding JAG pay scale of Rs. 15600-39100+GP Rs. 7600/- irrespective of their period of service in RPFC (Gr.I). Out of 22 officers who had been granted NFSG during the period 13.08.1999 to 01.08.2013, it was noticed that six officers were granted NFSG w.e.f. the date of their promotion as RPFC-I. In respect of 11 officers, NFSG were granted between period ranging from 2.5 months to nearly 3 years after their promotion to the post of RPFC-I. Data in respect of five officers was not furnished.

iii. Due to irregular grant of NFSG to 22 officers in EPFO Headquarters, an amount of Rs. 1.31 crore was paid from the date of grant of NFSG till December 2014/date of retirement/promotion to the post of ACC (Annexure-I) in excess of the admissible pay and allowances to them. EPFO may take action to stop this irregular practice of granting NFSG henceforth. The information relating to field officers has been called from and is awaited. EPFO may issue instructions to their branch officers to review similar cases and points out the excess payment under intimation to Audit."

2. Earlier, the ministry has sought a clarification from the EPFO on this issue vide their letter dated 18.12.2014 (Copy enclosed as Annexure-C). The reply had already been sent to the Ministry vide EPFO’s letter dated 09.02.2015 (Copy enclosed as Annexure D).
3. In the meantime, there is also a proposal to grant the benefit of Non-Functional upgradation (NFU) to the officers of EPFO. The audit paragraph and complaints received (Annexure A) are being brought to the notice of Executive Committee.

4. It is requested that the Executive Committee may decide to forward this case to Government for in-depth examination as the EPFO group “A” officers are now looking for NFU in addition to the facility of NFSG.

ii) Audit observations regarding appointment of officers on adhoc basis and its continuation after one year.

The issue of promotion to officers on adhoc basis and its continuation beyond the period of one year came to the notice when an FIR was lodged against various officers of EPFO including the CPFC by Shri M.P. Srivastava, Retired E.O. Before that the said issue was not brought to notice clearly on the file. Since then, the adhoc appointments after this FIR have been stopped. Though, we have received representations from Union (copy enclosed as Annexure-A) whereby they are agitating not to stop such adhoc promotions.

2. A party of Comptroller & Auditor General and the Inter Audit Party have recently audited the accounts of Head Office of the EPFO and has raised the following audit regarding appointment of officers on adhoc basis.

(i) Para 3 Part II B regarding irregular promotion of APFC to RPFC-II on adhoc basis (Year of IR 2008-09) - an audit Paragraph raised by Internal Audit

The copy of the paragraph is enclosed as Annexure B.

The main observation of the Internal Audit Party is reproduced below:-

(ii) "As per OM dated 30.03.1988 DOPT, in case there are compulsion to extending any adhoc appointment / promotion beyond one year, the approval of extending the adhoc promotion should be sought two months before the expiry of the one year period. If the approval is not granted before the expiry of the one year period the adhoc appointment / promotion shall automatically cease on the expiry of one year term.

During the scrutiny of records made available by EPFO relating to promotion from the post of APFC (8000-275-13500) to RPFC-II (10000-325-15200), it was noticed that EPFO, after due ACR grading, vigilance clearance and approval from the Ministry of Labour & Employment, had promoted 109(15+72+22) APFCs to RPFC-II only on purely temporary and adhoc basis or till regular appointment which ever earlier in July 2008, March 2009 and July 2009.

(ii) Audit observed that EPFO had neither got the approval of adhoc promotion from DOPT nor the appointment has been regularized till date. Hence the adhoc promotions were irregular."
Chapter 2

PROPOSED RESTRUCTURING

The Sub-Committee looked at the stake holders needs with regard to EPFO and EPFO's vision for future. The Sub-Committee also considered the two earlier committee reports and the proposals therein.

The Committee notes that EPFO has made significant improvement in Service and Grievance Redressal (pertaining to services). A number of processes have been computerised making the service delivery easy. The Committee recommends more staff in compliance area than the service area which has become computerised to a great extent.

The Committee gave an opportunity to Officers Association as well as Staff Federation to present their case. Both the Association and Federation gave presentation on their requirements before the Committee.

It has been brought to the notice of the Sub-Committee that the present structure of the organisation requires drastic changes at every level. Though the organisation has grown multi-fold, the cadre structure has not improved correspondingly. Taking into account the growth of the organisation in terms of membership, coverage etc a drastic restructuring of EPFO is required to be done.

The Sub-Committee after detailed deliberations decided to propose 10 posts of ACC in the grade pay of Rs.10000/-; in addition to FA & CAD and CVO. Out of the 12 posts in Rs.10000/- grade pay, 4 will be on deputation in Head Office to bring in more expertise in policy making. Head Office will have 6 officers in grade pay of Rs.10000/-; Director, NATRSS will also be in the grade pay of Rs.10000/-. 5 major zones will also be headed by ACCs in the grade pay of Rs.10000/-. The officers will be eligible for promotion in the 24th year of service.

It is also pointed out that there is a structural anomaly in continuing with ACC-I and ACC-II level posts. Hence, it is proposed to merge ACC-I and ACC-II which at present has a strength of 25 which will remain the same in the proposed structure also. In the proposed structure there will be 14 ACCs in the grade pay of Rs.8900/- in zones, one ACC in the grade pay of Rs.8900/- at NATRSS, 10 ACCs in Head Office. The ACCs will be eligible for promotion in 20th year of their service by seniority-cum-fitness.

The committee proposes for merger of present posts of RPFC-II (in the grade pay of Rs.6600/-) with the present posts of RPFC-I (in the grade pay of Rs.7300/-) and the new post will be designated as RPFC only. After merging RPFC-I & RPFC-II posts there will be sanction of 255 posts in RPFC grade. In the proposed structure all the field offices will be independent units and will be headed by RPFC and they will report to zonal offices. The administrative functions in relation to the state will be handled by zonal office. 30% of proposed sanctioned of RPFCs and Dy PFCC will be entitled for NSFSG upgradation to the grade pay Rs.8700/- in the 14th year of service.

It is proposed to increase the strength of APFC cadre to 700 and a new post of Deputy PF Commissioner is proposed to be created and will be filled by Seniority cum Fitness from the APFC cadre. 60% of the strength of APFC shall be promoted to Deputy PF Commissioner after 4 years of service.

The committee proposes that the sanctioned strength of EO/AO may be enhanced to 3000 from the existing strength of 2333. It is also informed that there is a lot of stagnation at this level. The committee proposes that grade pay of EO/AO may be enhanced to Rs.4800/- from the existing grade pay of Rs.4600/-.
EXPLANATORY NOTES:

22. Zonal ACCs shall be handling the Regional Administration, overall supervision as also the Vigilance and Audit functions at Zonal level. Adequate manpower is accordingly recommended for Zonal offices.

23. Claims processing ratio is taken as 20 per SSA per day as six offices viz. Noida, Gurgaon, Rchtak, Bommasandra, KR Puram, Delhi (South), Dehradun and Bellary have claims processing ratio of 19 or more during the period April 2015 to January 2016 and the same is taken as a benchmark. At this rate 2,849 SSAs would be required for claims processing. The number is worked out on the basis of claims processed during the period April 2015 to March 2016.

24. For handling the Compliance work, SSA requirement is worked out @ one SSA for every 75 contributing establishments. Further, for every 130 establishments which are marked as Working but not contributing, one SSA is assigned. Thus 7,098 SSAs would be required for compliance work. Approximately another 25% SSAs (2544) over and above this number (2,849 + 7,097 = 9947) is required for handling other work areas. Total SSA requirement is accordingly worked out to 12,503.

25. Cadre rule for placement of existing cadres in new cadres may be as below:-

<table>
<thead>
<tr>
<th>Existing cadre</th>
<th>New Cadre</th>
<th>Change over cadre rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>EO/AO (GP Rs 4600)</td>
<td>EO/AO (GP Rs 4800)</td>
<td>No Change. All existing SS and Sr. SSA with six years' service in Grade Pay Rs. 4200 be placed in this grade subject to fitness and availability of positions.</td>
</tr>
<tr>
<td>APFC (GP Rs 5400)</td>
<td>APFC (GP Rs 5400)</td>
<td>No change.</td>
</tr>
<tr>
<td>APFC (ST) (GP Rs 6600)</td>
<td>DFFC (GP Rs 6600)</td>
<td>Only re-designation, subject to fitness and availability of positions.</td>
</tr>
<tr>
<td>RPFC-I (GP Rs 6600)</td>
<td>RPFC (GP Rs 7600)</td>
<td>Officers with five years' service in Grade Pay Rs 6600/- or a total of nine years' service in Group A subject to fitness and availability of positions.</td>
</tr>
<tr>
<td>RPFC-I (NFSG) (GP Rs 8700)</td>
<td>RPFC(NFSG) (GP Rs 8700)</td>
<td>No change. Officers in Group A with fourteen years' service in Group A to be placed in this grade subject to fitness and availability of positions.</td>
</tr>
<tr>
<td>ACC-I (GP Rs 8900)</td>
<td>ACC (GP Rs 8900)</td>
<td>Officers in Group A with three years' service in GP Rs 8700/-; or with six years' service in GP Rs 7600 and completion of 18 years' service in Group A subject to fitness and availability of positions.</td>
</tr>
<tr>
<td>ACC-II (GP Rs 8700)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACCHQ (GP Rs 10,000)</td>
<td>ACC(HQ) (GP Rs 10,000)</td>
<td>Officers in Group A with two years' service in GP Rs 8900/-; or three years' service in GP Rs 8700/- or eight years' service in GP Rs 7600 and completion of 20 years' service in Group A subject to fitness and availability of positions.</td>
</tr>
</tbody>
</table>

26. The Committee recommends that to ensure proper HR management, henceforth, HR Division of EPF Headquarters shall ensure that vacancies in all cadres for the next recruitment year are identified by December of the year preceding the recruitment year. Requisite action for ensuring appointment through UPSC, Staff Selection Commission and other identified recruitment agencies be initiated well in time. Similarly DPCs be held for all cadres as per model DPC calendar in accordance with extant rules as
F.No.A-32022/10/2014-SS-1 (Part-I)
Government of India
Ministry of Labour & Employment

Sub-Organizational restructuring in EPFO-regarding.


PUC may please be seen.

2. EPFO has informed that the CBT, in their 213th meeting held at New Delhi, approved the Organizational Restructuring in EPFO and authorized CFFC to take immediate action for implementation of the Report of the Sub-Committee of the CBT and the Report of the Anomaly Redressal cum Implementation Committee.

3. Accordingly, approval of the Government has been sought for implementation of the Organizational Restructuring with reference their letter dated 15.6.2016 (p.2/Cor.) and 6.7.2016 (p.3-8/Cor.).

4. The Sub Committee of the CBT, EPF (p.p.1-94/Cor.) has been gone through. It has been observed that proposal of Cadre restructuring is scattered in various parts of the report. Therefore, it would perhaps be appropriate, if EPFO is requested to submit a consolidated proposal of Organizational Restructuring along with approval of FA & CAO in the following tabular format to enable this Ministry to examine the same.

| (i) | Name of Post |
| (ii) | Existing Grade Pay and Pay Band |
| (iii) | Existing sanctioned strength |
| (iv) | Proposed sanctioned strength |
| (v) | Proposed Grade Pay & Pay Band |
| (vi) | Detail justification for proposed change |
| (vii) | Financial implication |
| (viii) | Whether there is any deviation from the existing instructions issued by the Government on the proposed restructuring |

5. Accordingly, DPA please.

6. Submitted please

[Signature]

[Date: 13/11/2011]
Sub-Organization and Cadre Restructuring in EPFO-regarding.

In this file we are considering a proposal received from EPFO on organizational and cadre restructuring in EPFO.

BACKGROUND:
Hon’ble Chairman, CBT had issued a direction last year for a comprehensive restructuring of EPFO within the powers of Central Board of Trustees. Accordingly, a Committee comprising of Addl. Secretary (L&E), CPFC, Director(SS), Shri V. Vijaya Kumar Addl. CPFC was constituted to deliberate the issue of Cadre Restructuring. Based on deliberations on restructuring of EPFO during the course of its meeting with EPFO Officer’s Association, Staff Federation etc. and after considering various representations received from other associations/unions on the issue, the Committee had submitted its reports.

2. The Report of the Committee on restructuring of EPFO was considered by the CBT in its 210th (Spl.) meeting held on 9.12.2015 and it was decided to appoint a Sub-Committee of the CBT to look into the report submitted by the Restructuring Committee and make the final recommendations to the Board. Accordingly, the Sub-Committee of the CBT, EPF met on 4.1.2016, 20.1.2016 and finally on 9.2.2016 to discuss the issue of Restructuring in EPFO. After going through the representations of the Officers Association, Technical Officers Association, Section Officer Association, Staff, Staff Federation, Staff Union etc. and after in depth deliberation submitted its report which may is placed at S/X.

3. The said Report was placed before the CBT in their 212th meeting and the CBT has approved the report of the Sub-Committee in principle and also announced formation of Anomaly redressal cum Implementation Committee consisting of CPFC, JS(SS) and FA & CAO (EPFO) to complete the gaps in month.

4. Accordingly, Anomaly Redressal cum Implementation Committee has submitted its report(S/Y) on 26.5.2016 and the same was placed before the CBT, EPFO in their 213th meeting on 8th July, 2016 who approved the report of the Anomaly Redressal cum Implementation Committee on Organizational Restructuring in EPFO.

PROPOSAL:
5. The Sub-Committee and Anomaly redressal cum Implementation Committee has submitted the proposal streamlining the cadre right from ACC(HQ) to MTS including Technical Staff and Stenographical cadre. In addition, as per minutes of the 213th meeting of the CBT, following course of action has also been approved:-
   a) Report of the Sub-Committee placed before the CBT on 16.02.2016 and 20.3.2016 and the report of the Anomaly Redressal cum Implementation Committee dated 26.5.2016 placed before the CBT on 8.7.2016 on Cadre Restructuring have been approved;
   b) EO’s/AOs of 1999, direct recruitment batch will be appointed on promotion to Assistant PF Commissioners as a one time measure;
   c) CPFC was authorized to implement the report within 15 days;
   d) Deviation from Government of India instructions, if any, in the proposal may only be sent to Government;
6. The main recommendations approved by the CBT with regard to organizational restructuring are as under:-
   i. Offices with less than 1 lac contributing members to be headed by UPFC(35) and with more than 1 lac be headed by RPFC(100)
   ii. Re-structuring to 21 Zones based on workload out of which 16 zones would be headed by ACCs and 5 to be headed by ACC(HQ)
   iii. 4 Zonal Training Institutes to be headed by ACC.
   iv. IT/Technical cadre to be strengthened

Further, as a consequence to organizational restructuring, the cadre restructuring has also been proposed as per details at S/Z. Detailed justifications for organizational/cadre restructuring is available in the report of the Sub-Committee of CBT and Report of the Anomaly Redressal Cum Implementation Committee(S/X&Y).

RULE POSITION
7. As per provision contained under EPF&MP Act, 1952, the Central Board has powers to appoint Officers/staff in EPFO upto the Grade Pay of Rs.8700/- only. The Department of Expenditure vide its I.D.No.230/E.III Desk/2011 dated 9.10.2012 has clarified that under the EPF&MP Act, 1952, CBT has powers to create posts upto the Grade Pay of Rs.8700/- and the posts exceeding grade pay of Rs.8700/- are required to be referred to Department of Expenditure for their consideration.

8. As per G.I.M.F. O.M.F.1(18)E-II(A)/64 dated 17.9.1964, where the implementation of the proposal as a whole depends upon the concurrence of the Finance Ministry in regard to some of its parts, the correct procedure would be for the Administrative Ministry to hold over the entire proposal and implement it only after getting the concurrence of the Finance Ministry. Since, the proposal of Cadre Restructuring of EPFO depends upon creation of posts in the Grade Pay of Rs.10,000/- and Rs.8900/- the proposal for restructuring of lower category posts can be implemented only after receiving the approval of Department of Expenditure for the posts relating to GP of Rs.10,000/- and Rs.8900/-. Financial Implication:

9. The EPFO has stated that annual financial implication for the proposal would be Rs.35.69 crores annually, though no details have been furnished.

10. With proposal has been examined. Prima-facie, observations of SS Division are as under:-

Observations:-

1. Details of financial implication not only for creation of additional posts[implication after including 7th pay commission] but also for creation of additional infrastructure along with budget provisions.
2. CPFPC had proposed to bifurcate the post of FA&CAO to FA & CAO. The proposal is silent of this issue
3. The EPFO has proposed creation of 9 new posts of in GP-10000 whereas Sub-committee report read with Anomaly committee report mentions only 08
4. There is no mention of NFSG grade (P3.4, GP-8700) to be accorded to RPFCs, as available now.
5. Anomaly committee has recommended to merge the posts of Sr. HT and Jr. HT with combined strength of 200. However, the EPFO has proposed to create additional 70 posts of Sr. HT in GP-4600. The EPFO proposal is silent in the matter of Jr. HT.
6. A court case by Section Officers Association is also stated to be pending with stay on cadre restructuring. What is the latest status?

8. Therefore, before the proposal from EPFO for Organizational/Cadre Restructuring is placed before the Hon’ble LEM, it is proposed to obtain clarity on above points from EPFO.

US/JAM) ACC(HQ)-Shri Udgata alongwith GMSA may be called for discussion with JS(MY) JS(CMY) may be indicate date/time convenient to him. 3/8/16

JS(CMY) to pl. fix. Above issues be communicated to ACC(HQ) in advance. 3/8/16

Ref. as above

DFA PI

08/01/16 (S.O. 551)

email issued on 4/8/2016

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(c) CPFC was authorized to implement the report within 15 days;

(d) Deviation from Government of India instructions, if any, in the proposal may only be sent to Government;

(e) The Anomaly Redressal cum Implementation Committee is authorized to continue to function;

6. The main recommendations approved by the CBT with regard to organizational restructuring are as under:-

i. Offices with less than 1 lac contributing members to be headed by DPFC(35) and with more than 1 lac be headed by RPFC(100)

ii. Re-structuring to 21 Zones based on workload, out of which 16 zones would be headed by ACCs and 5 to be headed by ACC(HQ)

iii. 4 Zonal Training Institutes to be headed by ACC.

iv. IT/Technical cadre to be strengthened

Further, as a consequence to organizational restructuring, the cadre restructuring has also been proposed as per details at S/Z. Detailed justifications for organizational/cadre restructuring is available in the report of the Sub-Committee of CBT and Report of the Anomaly Redressal Cum Implementation Committee(S/X&Y).

RULE POSITION

7. As per provision contained under EPF&MP Act, 1952, the Central Board has powers to appoint Officers/staff in EPFO upto the Grade Pay of Rs.8700/- only. The Department of Expenditure vide its L.D.No.230/E.III Desk/2011 dated 9.10.2012 has clarified that under the EPF&MP Act, 1952, CBT has powers to create posts upto the Grade Pay of Rs.8700/- and the posts exceeding grade pay of Rs.8700/- are required to be referred to Department of Expenditure for their consideration.

8. As per G.I M.F. O.M.F.1((18)E-II(A)/54 dated 17.9.1964, where the implementation of the proposal as a whole depends upon the concurrence of the Finance Ministry in regard to some of its parts, the correct procedure would be for the Administrative Ministry to hold over the entire proposal and implement it only after getting the concurrence of the Finance Ministry. Since, the proposal of Cadre Restructuring of EPFO depends upon creation of posts in the Grade Pay of Rs.10,000/- and Rs.8900/- the proposal for restructuring of lower category posts can be implemented only after receiving the approval of Department of Expenditure for the posts relating to GP of Rs.10,000/- and Rs.8900/-.

Financial Implication:

9. The EPFO has stated that annual financial implication for the proposal would be Rs.35.69 Crores annually though no details have been furnished.

10. The proposal has been examined. Prima-facie, observations of SS Division was as under-
From pre-pages:-

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2. CPFC had proposed to bifurcate the post of FA & CAO to FA & CAO. The proposal is silent of this issue.

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4. There is no mention of NFSG grade (PB-4, GP-8700) to be accorded to RPFCs, as available now.

5. Anomaly committee has recommended to merge the posts of Sr.HT and Jr.HT with combined strength of 200. However, the EPFO has proposed to create additional 70 posts of Sr.HT in GP-4600. The EPFO proposal is silent in the matter of Jr.HT.

6. A court case by Section Officers Association is also stated to be pending with stay on cadre restructuring. What is the latest status?

11. Above issue were considered in the meeting held on 12.8.2016 in the chamber of the then JS(MG) and EPFO was requested to furnish the reply of above observations to this Ministry. Now EPFO has submitted the reply on the above observation vide their letter dated 26.8.2016 (p.p.227-229/Cor.).

The reply on above points has been detailed below:

a) The financial implication for the cadre restructuring has been stated to be approx. Rs.40 Crores taking into account recommendations of the Seventh Central Pay Commission. As regards to cost involved for infrastructure, it has been informed that initially existing resources would be utilized. Subsequently as and when need arises appropriate expenditure would be incurred as per rules. Internal Finance of EPFO has confirmed that adequate budget is available for implementing the approved restructuring proposal.

b) As regards to point No.2 above, it has been informed that this is a dated proposal of CPFC way back in 2015. The proposal is not part of the report of Anomaly Committee report and Central Board has also not approved any such bifurcation. The position of Financial Advisor and Chief Accounts Officer is mentioned in Section 5D(2) of EPF & MP Act, 1952. Unless the Act is amended, the position cannot be bifurcated.

c) Sub Committee had recommended 12 posts of ACC (JS level (including existing 04 posts of ACC) but Anomaly Committee deliberated upon the gaps in the report and recommended a post of ACC (JS level) for handling IS Division. Hence, total 13 posts of ACC (JS level) have been recommended by the Anomaly curr Re-dressal Committee instead of 12 posts recommended by the Sub Committee. This was approved by the Central Board on 8.7.2016 in its 213th meeting.

d) As per Para 25 (page 6) of the Anomaly Redressal-cum Implementation Committee report as approved by the Cent Board (EPF) recommended placement of Group A officers with fourteen years' service in the Grade Pay of Rs.8700 (NFSG) subject to fitness and availability of positions.
Reference note at overleaf:

A meeting on point of doubt on Cadre Restructuring proposal of EPFO as mentioned at p.p.3-4/ante was held on 12.8.2016 with Shri Udgata, ACC(HQ) and other concerned officers of EPFC in the chamber of JS(MG).

2. The ACC(HQ.) was requested to furnish the requisite clarification at the earliest but the same has not received so far. It is therefore proposed to issue a d.o. reminder from JS(RKG) to ACC(HQ) as per draft D.O. please.

3. Submitted please.

USAMI

[Signature]

[Date]

EPFO informed that requisite inf-

JSC(RKG) has been sent & check draft

[Signature]

[Date]

VS (AU)

11/11

Read yesth,
P/C Vivek

AEY

11/15

To me

17
Sub-Organization and Cadre Restructuring in EPFO-regarding.

In this file we are considering a proposal received from EPFO on organizational and cadre restructuring in EPFO.

BACKGROUND:

Hon'ble Chairman, CBT had issued a direction last year for a comprehensive restructuring of EPFC within the powers of Central Board of Trustees. Accordingly, a Committee comprising of Addl. Secretar, (L&I), CPFC, Director(SS), Shri V. Vijaya Kumar Addl. CPFC was constituted to deliberate the issue of Cadre Restructuring. Based on deliberations on restructuring of EPFO during the course of its meeting with EPFO Officer’s Association, Staff Federation etc. and after considering various representations received from other associations/unions on the issue, the Committee had submitted its reports.

2. The Report of the Committee on restructuring of EPFO was considered by the CBT in its 210th (Spl) meeting held on 9.12.2015 and it was decided to appoint a Sub-Committee of the CBT to look into the report submitted by the Restructuring Committee and make the final recommendations to the Board. Accordingly, the Sub-Committee of the CBT, EPF met on 4.1.2016, 20.1.2016 and finally on 9.2.2016 to discuss the issue of Restructuring in EPFO. After going through the representations of the Officers Association, Technical Officers Association, Section Officer Association, Staff, Staff Federation, Staff Union etc. and after in depth deliberation submitted its report which may be placed at S/X.

3. The said Report was placed before the CBT in their 212th meeting and the CBT has approved the report of the Sub-Committee in principle and also announced formation of Anomaly redressal cum Implementation Committee consisting of CPFC, JS(SS) and FA & CAO (EPFO) to complete the gaps in month.

4. Accordingly, Anomaly Redressal cum Implementation Committee has submitted its report(S/Y) on 25.5.2016 and the same was placed before the CBT, EPFO in their 213th meeting on 8th July, 2016 who approved the report of the Anomaly Redressal cum Implementation Committee on Organizational Restructuring in EPFO.

PROPOSAL:

5. The Sub-Committee and Anomaly redressal cum Implementation Committee has submitted the proposal streamlining the cadre right from ACC(HQ) to MTS including Technical Staff and Stenographical cadre. In addition, as per minutes of the 213th meeting of the CBT, following course of action has also been approved:

a) Report of the Sub-Committee placed before the CBT on 16.02.2016 and 20.3.2016 and the report of the Anomaly Redressal cum Implementation Committee dated 25.5.2016 placed before the CBT on 8.7.2016 on Cadre Restructuring have been approved;

(b) EOs/AOs of 1999 direct recruitment batch will be appointed promotion to Assistant PF Commissioners as a one time measure;
c) As per para 13 of the Report of the Anomaly Committee, it has been recommended that the existing cadre of Senior and Junior Hindi Translators be merged and the corresponding scales be allowed as a running time scale. A total combined strength of 200 (97 Senior Hindi Translators and 103 Junior Hindi Translators) is recommended for the Hindi Translator grade. But EPFO had proposed continuance of posts of Junior (103) and Senior (97) Hindi Translator. In this connection it is submitted that there is no post of Hindi Translator in the Government of India. Therefore proposal of EPFO for continuance of posts of Junior and Senior Hindi Translator appears in order.

d) It has been informed that stay on Cadre Restructuring Proposal on a petition filed by the Section Officer Association has been vacated by the Hon’ble CAT on 23.7.2016.

e) So far as complaint lodged by the Section Officer Association, it has been submitted that the said complaint has no merit.

f) EPFO has stated that due to stagnation in the cadre of EO/AO, pay up-gradation for the post of EO/AO from GP:4600 to GP:4800 has been recommended. It is felt that stagnation has no relevancy with the pay up-gradation. EPFO should have adopted a procedure for improvement of promotional avenues of the EO/AO. Further, MACP Scheme is also available for granting financial up-gradation to an stagnating officers.

12. As per rule position discussed in para 7 & 8 at pre-pages, the approval of Ministry of Finance (Department of Expenditure) will require for Cadre Restructuring in EPFO. However, prior to placement of above proposal before the Hon’ble MOS(IC) for referring the same to Department of Expenditure, it is proposed to refer the above proposal of Cadre restructuring to IFD for their concurrence.

May please see.
Ministry of Finance  
Deptt. of Expenditure  
(E.III Desk)  

Subject: Cadre Restructuring of Employees' Provident Fund Organisation, Chandigarh under M/o. Labour & Employment.  


2. Since the Employees' Provident Fund Organisation (EPFO), under Ministry of Labour & Employment, is a Central Autonomous Body, the Ministry of Labour & Employment is requested to carry out the restructuring with the approval of the Governing Body of the Employees' Provident Fund Organisation (EPFO) and the Minister-in-charge, subject to:

(i) The proposal remains within the stipulated parameters of the cadre review (copy of instructions issued in 1999 is enclosed).

(ii) The Employees' Provident Fund Organisation (EPFO), Chandigarh has finances to absorb the extra expenditure/the proposal is financially neutral.


(Ravi Katyal)  
Deputy Secretary (E.III Desk)  
Tele: 23093290

Ministry of Labour & Employment [Smt. Meenakshi Gupta, OS&FA(L&E)] L., Shram Shakti Bhawan, New Delhi  
MoF/DoEID No. 2(30)/E.III Desk/2011 dated 4.11.2015

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