

PF Alert: EPFO launches e-nomination facility for its members

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Summary

The Employees' Provident Fund Organisation (EPFO) has recently launched an e-nomination facility for its members. Members will now be able to e-nominate their family members to receive the pension balance upon the members' demise. The facility is available to those members who have their Aadhaar linked and verified with their Universal Account Number (UAN) on the EPFO member's portal.

Background

- The EPFO provides a facility for members to enrol any of the specified family members as a nominee. This process required submitting the prescribed form mentioning the nomination(s) with the employer, who then shared it with EPFO for authorisation.
 - In order to do away with the cumbersome paper-filing process through the employer, EPFO has recently¹ launched an e-nomination facility for its members under which a member can now enrol a nominee by logging in to his or her account on the EPFO's member e-sewa portal².
 - All employees who had previously submitted the physical nomination forms with their employers are also required to file the e-nomination so that it is documented in the EPFO's records.
- member account on the e-sewa portal. A step-by-step procedure³ to be followed for e-nomination has been provided by EPFO on the portal.
 - For the purpose of e-nomination, a member should ensure that the following details are updated on the member e-sewa portal:
 - UAN
 - Member's photograph
 - Member's Aadhaar number which is linked and verified with the UAN
 - According to EPFO rules, a member can only nominate one or more of his or her family members. The member is required to provide the following details of the nominee(s):
 - Aadhaar number
 - Name, date of birth and gender
 - Relationship with member and nominee's address

Process for e-nomination

- A message to file the e-nomination will pop up when a member logs in to his or her EPFO

¹ Circular No. NDC/2017/ UAN/ Pt /361 dated 12 September 2019

² <https://unifiedportal-mem.epfindia.gov.in/memberinterface/>

³ https://www.epfindia.gov.in/site_docs/PDFs/UAN_PDFs/UAN_ForMembers/ProcessFlow_FilingOnlineNominationForm.pdf

- Bank account details and photograph of the nominee
- A member can add more than one family member as a nominee. However, in such a case, an appropriate percentage of share against each nominee needs to be mentioned.
- If a member does not have a family, then a nomination of any other person may be made. However, nomination of a person other than family member stands invalidated in case the member acquires a family and still wishes to nominate someone else.
- After filing the nomination details, the member has to digitally sign the form through the Aadhaar virtual ID and submit the self-attested copy of the digitally signed form to his or her employer.

‘Family’ for the purpose of e-nomination

- **In the case of a male member:** Spouse, children (married or unmarried), dependent parents, deceased son's widow and children
- **In the case of a female member:** Spouse, children (married or unmarried), dependent parents, spouse's dependent parents, deceased son's widow and children

Other aspects related to the e-nomination facility

- Employers would be able to view the list of employees who have not filed their e-nomination.

- Employers have been advised to bring this development to the attention of the employees and encourage filing of e-nomination since the claim settlement modules are also being designed to check this feature for compliance.
- EPFO has stated that the filing of online pension claim shall be dependent on the availability of nomination by the member.

Our comments

The launch of e-nomination facility is a welcome step towards bringing in transparency in the settlement of pension claims for the EPFO members. It is important that employers bring this to the employees' attention for necessary compliance. Interestingly, the facility is available to international workers as well. However, there would be practical challenges for international workers to avail the e-nomination facility as the conditions related to nominees holding Aadhaar and an Indian bank account are unlikely to be met in most cases. A clarification from the EPFO on this matter would help extend the benefit of this facility to all members, including international workers.

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