

Q2) The Employee's Provident Fund Organisation (EPFO) is undergoing a major digital transformation through the Central IT Enabled System (CITES) known as EPFO 3.0. Discuss the key feature, significance and challenges of EPFO 3.0 in strengthening India's social security Architecture.

Employee Provident Fund Organisation is established to managing mandatory Pensions, Insurances, fund for Salarized Person in organized sector.

Features

- ① Unified IT system for Smart tracking for Fund, Check balances.
- ② Withdrawal of Money when it is necessary by UPI / ATM within 2-5 days
- ③ Post Retirement Savings for senior citizens

④ 8.25% → Annual savings for employees

⑤ Services

↳ KMC updates, Aadhaar link, PF Funds balances accessibility

⑥ Unique Identification Number (UAN) for one Nation.

② Significance

→ Transparency

↳ Real time Monitoring of Provident Funds.

→ Insurance Scheme

↳ Helps in emergency through EPFO

→ Long term savings.

→ Not to source of any kind of deductions

→ Emergency claims for withdrawal.

Challenges of EPFO 2.0

- ① Cyber security Frauds
↳ like Bank theft
- ② Digital Illiteracy in Rural Areas (village people do not know to use this Portals)
- ③ Depletion of savings.
- ④ Remote Areas server Problems to Access
- ⑤ Improper charge of Aadhaar PAN details acceptance that delays some times.

EPFO is beneficial to citizens though it has challenges and Ministry of Labour and employment should create a statutory body to overcome the challenges of EPFO 2.0