

## EPFO allows settlement of Death claims without Aadhaar seeding

Recently, EPFO has issued a new circular regarding the settlement of death cases where Aadhaar details are either incomplete or inaccurate. As you may be aware, settlement of PF claims for deceased employees is a complex process, often requiring various proofs and documentation to verify the identity of the claimants and the veracity of their claims.

In the backdrop of the COVID-19 pandemic, we saw a very high number of such claims being filed with the PF Offices across the country. Due to the lack of any central guidelines regarding the requirements of proof, many such claims have been pending for a long time for want of proper proof and supporting documentation. Matters get further complicated when the details of the deceased member as per EPFO records do not match with the Aadhaar details. In such cases, since the member can no longer get the details amended, many such claims would remain pending or get rejected.

Consequently, it became extremely difficult for the bereaved families to claim the funds. As a relief, EPFO has issued new guidelines to streamline the settlement process in such cases.

As per the circular, Regional offices had highlighted the challenges faced by them to EPFO headquarters in seeding/ updating Aadhaar details in settlement of death claims preferred by beneficiaries, including:

- Inaccurate or incomplete details mentioned in Aadhaar; or
- Unavailability of Aadhaar in cases wherein death occurred pre-Aadhaar; or
- Deactivated Aadhaar; or
- Technical errors in validating Aadhaar through the UIDAI database, etc.

To mitigate these challenges, the EPFO has decided, as a “*temporary measure*”, to allow the processing of physical death claims where seeding of Aadhaar is not possible. This measure will apply only in cases where the details of the members are correct in UAN but incomplete or inaccurate in Aadhaar and not vice versa. However, the EPFO has clarified that this temporary measure may be “*allowed only on due approval of the Officer-in-Charge (OIC) duly recording the details of verification done to confirm the membership of the deceased and the genuineness of the claimants.*” The circular states that “*this measure would be carried out among other actions of due diligence, as deemed fit by the OIC, to avoid any fraudulent withdrawals.*” Therefore, the facility of physical death claims without Aadhaar seeding will only be available :

1. After complete due diligence and verification is made by the Regional offices to confirm the membership of deceased members and the genuineness of claimants; and
2. Approval is given by OIC recording the details of verification; and
3. Other due diligence measures as directed by OIC have been undertaken to mitigate the risk of fraudulent withdrawals.

In cases where the member details are correctly mentioned in Aadhaar but not in UAN, the nominee may be allowed to submit their Aadhaar and submit the request with the RO for correction of information in UAN using Joint Declaration (“JD”).

### **How can Peoplescient help?**

EPFO's new guidelines aim to ensure that the death claims are processed expeditiously. However, it is imperative that all necessary documents are provided at the time of submission in order to avoid any delays in processing the claim. **Our team at Peoplescient is well-versed in handling such cases and will provide full support in expediting the process of death claims or any other claims pending with EPFO. Please let us know if you require any assistance in this regard.**

# Who We Are

Peoplescient is an HR consulting firm specializing in Provident Funds, Pensions, Social Security, Labour and Employment laws, and employee benefits.

With a vision to be a leading HR consulting firm in India, we aim to empower businesses to navigate the complexities of Indian labour laws and ensure compliance while maximizing employee benefits.

We provide Advisory, Compliance, and Representation services to leading Indian and Multinational enterprises on the whole gamut of labour laws in India.

With a robust team of advisors, lawyers, and consultants, Peoplescient is dedicated to providing sustainable, proactive, and pragmatic solutions to its clients.

# Our Services

- Advisory, Compliance and Litigation support on Employees' Provident Fund matters
- Exemption/Surrender of Exemption under EPF Act
- Assistance on employee grievances/claim settlement on EPF
- Advisory and representation services on Employee/Industrial Relations
- Monthly retainership for advisory services related Labour and Employment Laws in India
- Due diligence review on applicable Labour Laws
- Advisory and impact assessment on New Labour Codes
- Monthly/periodic compliance services on Labour Laws

# Contact Us

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