

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA
UNSTARRED QUESTION NO. 1305
TO BE ANSWERED ON 28.07.2025**

EPFO CLAIM REJECTIONS

**1305. SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:
SHRI MANICKAM TAGORE B:
SHRI SURESH KUMAR SHETKAR:**

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) the details of the rationale behind the EPFO's decision to allow employees to self-declare reasons for partial withdrawals from their provident fund accounts, and the manner in which the impact the authenticity of claims;**
- (b) the details of the number of claim rejections due to poor-quality document uploads before and after the introduction of the new claim settlement process in the form of Statistics;**
- (c) the manner in which the EPFO ensure that the new system of self-declaration for provident fund withdrawals does not lead to misuse or fraudulent claims;**
- (d) the details of the measures that have been taken by the EPFO to address the issue of claim rejections without clear explanations as highlighted by the EPFO grievance cell;**
- (e) the details of the process of digitizing the joint declaration process for updating member details, and the manner in which this impacted the efficiency of claim settlements; and**
- (f) the details of claim settlement timelines to achieve its target of 100 per cent claim resolution in the near future?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SUSHRI SHOBHA KARANDLAJE)**

(a): The Composite Claim Form introduced in 2017 aims to rationalize the process of claiming advances/partial & final withdrawals by relying on 'self-certification' for this purpose reposing trust in the member. Accordingly, no document substantiating the claim is required to be submitted to the EPFO offices.

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(b): In the new simplified settlement process the requirement of uploading the image of the cheque leaf/pass book was removed on 03.04.2025. The claims rejected due to poor quality document uploads for ensuring KYC/identity with regard to bank account has significantly reduced as tabulated below:-

Year	Total No.
2024-25	27,66,328
2025-26	3,29,084

Over 1.9 Crore members have benefited from the simplified process since 22.07.2025.

(c): All claims are filed only after member account is activated using Aadhaar OTP or Face Authentication. All payments pursuant to claim settlement are sent to bank accounts directly verified with the concerned bank to ensure credit to member account only. A system of Concurrent Audit is being undertaken followed by Internal Audit as well as Statutory Audit to monitor any process violation.

(d): Process simplification has been done to increase auto-settlement of advance claims. The reasons for claim return/rejections have been rationalized reducing the existing 44 reasons to 18 reasons. A remarks column to facilitate entering of description of any other reason has also been provided

(e): Under the revised procedure, the members whose Universal Account Number (UAN) has already been validated through Aadhaar can update their profile online like name, date of birth, gender, father/mother's name, marital status, spouse name etc. without any approval from employer or EPFO. This has resulted in facilitating the member to carry out self -corrections and removing errors in profile data which leads to easier claim settlement.

(f): The auto settlement of claims processing limit under Paragraph 68J (Illness) of the EPF Scheme was enhanced from ₹50,000/- to ₹1 Lakh in April 2024. Subsequently, advances/withdrawals for Housing and Marriage have also been included under the auto-settlement of claim facility and the limit all such advances/withdrawals has been increased from ₹1 lakh to ₹5 lakh with a view to facilitate more members availing speedy settlements. Claims under auto settlement process are settled within 3 days of receipt.