

SEMINAR ON
E-GOVERNANCE IN SOCIAL SECURITY IN INDIA

23rd September,2013,New Delhi

--Report of Secretary General, SSAI

Social Security Association of India (SSAI) had organised a seminar title “E-governance in Social Security in India” on 23rd September 2013 at SCOPE Convention Center, Lodi Road, New Delhi. The seminar was supported by PetronetLNG, Employees’ State Insurance Corporation and BSE IPF. Dr. U.D. Choubey, D.G. SCOPE was the Chief Guest on the occasion and Dr. A.K. Balyan, Working President, SSAI, presided over the function. It was attended by as many as eighty five HR specialists from the corporate world – public sector as well as private sector and a host of social security administrators and social security activists.

2.The theme of the seminar was elaborated by Secretary General, SSAI, stating that the management of social security funds calls for high grade funding expertise and use of modern technology to garner maximum benefit out of these funds. The principal

objective of the social security institutions being spread of coverage of the respective schemes to all eligible workers and to provide benefits to the workers by running a hassle free and seamless delivery system it casts heavy responsibility on the employers for compliance and on the social security institutions for delivery of the fruits of the social security schemes. For accomplishing the aforesaid objectives the two premier social security institutions in the country, viz., Employees' State Insurance Corporation and Employees' Provident Fund Organisation have created huge network of offices to offer service at the door step of the beneficiaries. Because of the big number of clientele -1.84 crore under ESIC Scheme and 6.3 crore under EPF Scheme, there are grievances regarding extent of service, quality of service and so on, both from the employers and from the employees as also from the trade unions. Both these organizations have sought to meet this challenge by slowly transforming their working processes from manual to electronics.They have been spreading IT platform in their respective organizations to cover all the facets of their activities.

3. The objective of the seminar was to hear from the policy makers of these two organizations on their recent initiatives in

furthering the reach of information technology in their respective organisation. A special presentation was also made by Bombay Stock Exchange IPF (BSE) on this occasion to showcase how social security funds could secure greater benefit in fund management by adopting information technology for this purpose. A panel discussion was also held on one of the important issues concerning liability of the principal employers for extending social security benefit to the contractor employees.

4. Dr. Choubey, Director General, SCOPE, in his inaugural address appreciated the initiative taken by Social Security Association for arranging a seminar on an issue which was not only contemporaneous but also was designed to serve the interest of the workers. He highlighted the importance accorded by his organization in furthering the cause of social security and announced that SCOPE was bringing out a special issue on social security to create awareness about the need of social security for the working people. He called upon Social Security Association also to make appropriate contribution to the issue.

5. Dr. A.K. Balyan in his presidential speech emphasized on the efforts made by Social Security Association in furthering the

cause of social security by initiating dialogues and debates on important issues concerning the provisions of various labour laws, social security schemes and in approaching the Government for policy initiatives. In this regard, he highlighted the study carried out by the Association for evaluating the functioning of Employees' Pension Scheme, 1995 in collaboration with Indian Institute of Science (IISc), Bangalore, and funded by ONGC, Friedrich Ebert Stiftung and ILO, over and above using its own fund for this purpose. The report has made right impact on the policy makers in the Government. On invitation of the Ministry of Labour and Employment, Government of India, the report was presented to the Union Labour Minister for implementation of its recommendations. It has also appeared before the Committee on Petitions, Rajya Sabha which has accepted many of its recommendations and included the same in its 147th report, dated 3rd September, 2013. Several Central Board of Trustees(CBT) members have also taken up the matter with the Union Labour Minister for discussion of the report in the Central Board of Trustees' meeting.

6. Shri B.K. Sahu, Insurance Commissioner, ESIC made a presentation on the present status of e-governance in ESIC for the

benefit of the insured persons. He stated that the organization had gone for a total switch from manual working process to electronics method and in that way it had been able to fulfill the motto of its health care of 'at any time, at any place' to the insured persons. Every insured person has been given a smart card for the purpose of health care of himself and for the dependent members of his family both at the work place and at the place where the members of his family are located. Under the new dispensation, the employers are not required to commute from office to office for submission of challans/reports and the IPs can receive financial benefits directly into their bank accounts. It is in this way the organization has been able to spread its maxim of "chinta se mukti" with the help of its health care system. He observed that efforts were continuing to improve the system further to offer cent percent hassle free delivery of services.

7. He further elaborated the salient features of the project, called, "Project Panchdeep' for ushering in e-governance in the organization as follows:

- Online registration and allotment of code number.

- Online generation of temporary identification certificate(TIC).
- Issue of Pahachan Card (Identity Card) acceptable at all offices of ESIC.
- Access to insured person's contribution and entitlement status online.
- Registration of patients in ESIC hospitals and dispensaries on the strength of smart card/Pehachan card as entitlement status is available online.
- Central depository system of medical records available online in respect of patients for facility of treatment by the doctors in the hospitals and dispensaries.

7.1 Following the presentation of Shri Sahu, the participants raised several queries on the management of e-governance tools. Shri Sahu responded to all these queries which were as follows:-

- a) IS THERE AN ACTIVE PROPOSAL TO HIKE THE ESI CEILING TO 25000? WHEN IS THIS EXPECTED
 REPLY.: IT HAS BEEN APPROVED BY THE ESI BOARD, NOTIFICATION EXPECTED

b) MORE THAN ONE IP/TIC GOT CREATED FOR A SINGLE MEMBER & THE MEMBER IS UNABLE TO AVAIL MEDICAL TREATMENT. HOW TO SORT OUT THIS ISSUE?

REPLY.: GENERATE ANNEXURES A&B ONLINE AND SUBMIT TO THE REGIONAL ESI OFFICE FOR IP'S RECORD CORRECTION

c) A MEMBER'S NAME GOT MISTYPED IN THE PORTAL WHILE CREATING TIC..HOW TO RECTIFY THIS ERROR AS WE ARE UNABLE TO EDIT NAME FROM PORTAL?

REPLY.: MEET CONCERNED EDP OFFICER IN REGIONAL ESI OFFICE & GET IT AMENDED.

d) WHEN ONE ORGANISATION IS TAKING OVER ANOTHER ORGANISATION. HOW TO CHANGE & IMPLEMENT THE NEW NAME & ADDRESS?

REPLY..: MEET CONCERNED EDP OFFICER IN REGIONAL ESI OFFICE & GET IT AMENDED.

e) AFTER AN INSPECTION WHEN IT IS ORDERED TO PAY DAMAGE & INTEREST CHARGE UNDER SEC-C-18,45-A AND ETC WE ARE UNABLE TO PAY IT FROM THE OPTION AVAILABLE IN THE PORTAL. WE ARE PAYING UNDER OMMITED WAGES CHALLAN. NEED TO KNOW HOW TO PAY UNDER THE MENTIONED SECTIONS

REPLY.: SOME SECTIONS OF THE ONLINE PORTAL ARE STILL UNDER REVIEW. WILL LOOK INTO THIS.

f) SELF CERTIFICATION/RC WHETHER TO BE SUBMITTED FOR ALL ON ORGANISATION OR ONLY FOR ORGANISATION HAVING MORE THAN 40 EMPLOYEES.

REPLY.: SELF CERTIFICATION TO BE SUBMITTED ONLINE BY ALL ORGANIZATIONS. CA CERTIFICATION REQUIRED BY ESTABLISHMENTS HAVING 40 OR MORE EMPLOYEES.

g) PLEASE COMMENT IN HOW MANY STATES ESI CODE MUST BE

OBTAINED BY AN ESTABLISHMENT HAVING 10 EMPLOYEES

EVETHOUGH THERE ARE NO COVERABLE EMPLOYEES

REPLY.: WILL ARRANGE TO PUBLISH LIST ON ESI WEB PORTAL

h). IS IT MANDATORY FOR AN ESTABLISHMENT HAVING 10 EMPLOYEES TO
STEP FORWARD & OBTAIN ESI CODE EVEN THOUGH THERE ARE NO
COVERABLE EMPLOYEES

REPLY.: WILL DEPEND ON THE STATE NOTIFICATION.

i) WHETHER AN ORGANIZATION HAVING ESIC CODE BUT ALL EMPLOYEES
ARE OUT OF COVERAGE THEN WHETHER TO SUBMITT NIL RETURN.?

REPLY.: YES

j). KINDLY COMMENT ON CLAIM PROCEDURFORANEMPLOYEEWHENHEIS ON
SICK LEAVE

REPLY.: REFER TO FREE ESI BOOKLET; CONTACT REGIONAL ESI OFFICE.

k). IF A MEMBER HAVING A PECHAN CARD AND LIVING IN ONE STAT
AND HIS FAMILY MEMBERS ARE RESIDING IN ANOTHER STATE
THEN HOW THE FAMILY MEMBERS SHOULD A VAIL MEDICAL FACILITIES

REPLY.: SEPARATE SMART CARDS WILL BE ISSUED TO OUTSTATION FAMILY
MEMBER.

8. The question-answer session was very educative and
illuminating with clear and lucid clarifications from the ESIC
authorities.

9. Experience of e-governance in ESIC was followed by a panel of discussion on the problems faced by the establishments in respect of contractors' employees in complying with scheme provisions both under ESIC and EPFO. The problem is faced mostly by principal employers. With the change in the staffing pattern and business policy of the corporates, most of the big establishments are increasingly outsourcing their activities which are leading to multidimensional problems affecting social security benefits to the workers. The role and responsibility of the principal employers are undergoing major changes in the quick changing market scenario. Industrial discord is also arising because of these changes posing difficulties in compliance of labour laws. The issues faced by the principal employers in this regard and the way out were brought out in a presentation articulated by Ms. Nandini Sarkar, Director, C- Quel Management Services.

10. Ms. Sarkar in her erudite presentation highlighted the problems faced by the principal employers in the matter of complying with labour laws concerning contract labour. She pointed out that contract labourers are engaged for the carrying out all or any of the following activities in an establishment:-

- repairs and maintenance
- housekeeping and security
- loading and unloading
- canteen
- manufacturing
- transporting and logistics

Contract labourers support business of the establishment directly or indirectly and are deployed both inside the factory premises or outside.

11. Explaining the consequence of non-compliance with its repercussion on the principal employer involving litigation and direct financial penalties, she pointed out that this function of compliance cannot now be run by managing the inspecting officials. With the advent of e-governance it has become difficult to ignore compliance issues. For example, online quarterly income tax return for contractors in Form 26Q has become basis for current ESI inspections. She cited the example of fall of companies like, Satyam, Enron, and WorldCom due to their failure in contractor's compliance. Similarly, foreign investors in India are averse to invest in Indian companies without doing a due diligence on its

compliance status. She pointed out that lack of empathy, lack of dedicated compliance monitoring system, lack of regular compliance audit by specialist audit teams and lack of compliance committee supervised by senior management lead to problems in contractor's compliance. She further observed that it is the responsibility of the principal employers to ensure that all the social security benefits actually percolate to the bottom of the pyramid as also to ensure that statutory dues are paid by the contractors. Parliament has approved the Companies Bill 2013 making it mandatory for profit making companies to spent 2% of average net profit on corporate social responsibility. Hence, companies can now allocate budget for contractor's compliance. The need is to create a provision for compliance budget to ensure that the contractor's employees receive statutory benefits and for this she suggested twin approach of on-site audit and off-site audit. She was of the view that e-portal and e-tools now built up by ESIC and EPF provide great support in compliance monitoring. Displaying several sites from the ESIC portal and EPF portal, she demonstrated how contractors activities could be monitored online by the principal employers and thereby complying with the scheme provision made

in this regard. She recommended in her presentation implementation of the concept of compliance audit. Quoting from the writings of management guru, C.K.Prahlad, she stated that if companies are to be viable in business they must ensure that both sides of the economic direction prosper. E-governance now introduced in ESIC and EPFO provide a great opportunity for ensuring compliance of the contractors for social security of the unorganised sector workers ensuring that they got the P.F. and ESI benefits like direct /regular employees.

12. Shri K.K. Jalan, Central Provident Fund Commissioner, addressed the seminar on present status of e-governance in EPFO and its impact on the exempted and un-exempted establishments. He observed that his organization had adopted computerized functioning for over a decade and half ago. Gradually more and more of its work processes have been brought on line and that major breakthrough had been achieved in e-governance in the following areas of work:-

- Ledger accounts of the individual members have been put online enabling them to view their accounts on line as and when required.
- Digital signatures of the authorized signatories of the establishments are being captured for total on line functioning.
- Auguring online transfer of account, on request, from one office to another soon (Pilot project is in operation).
- Grievance redressal system has been put online for settlement within a week's time.
- Payment of monthly pension is being made directly into the bank account of the pension holder.
- Policy decision has been taken to allot contractor's code/sub code number online.
- Introduction of alert system about settlement of claims/withdrawals.
- Introduction of ECS payment system.

13. Shri Jalan emphasised that the objective of the e-governance was to bring about maximum transparency in the working of the organisation. He called upon the civil society

organizations, like Social Security Association India, to act as pressure groups on his organization to hasten the process of change through e-governance for the maximum benefit of the members and for bringing about reforms in the system of administration of the EPF Scheme to serve its purpose better in sync with the changed socio-economic trends in our country.

14. Shri. Jalan's address evoked keen interest amongst participants and the following questions were raised from the floor for answer. These are catalogued as follows:-

1. IF CONTRIBUTION IS FILLED UNDER ARREAR HEADS, THE SPECIFIC MONTH FOR WHICH THE ARREAR CONTRIBUTION IS BEING PAID IS NOT REFLECTED.

REPLY : AWARE OF THIS ISSUE LOOKING INTO IT

2. PROCESS OF UPDATION OF E-PASS BOOK IS SLOW AND NOT TIME BOUND.

REPLY : AWARE OF THIS ISSUE LOOKING INTO IT

3. PF BALANCE AVAILABLE IN : " KNOW YOUR EPF BALANCE" IS NOT UPDATED REGULARLY. IT ONLY PROVIDES BALANCE AS PER LAST F-23 ISSUED.

REPLY : AWARE OF THIS ISSUE LOOKING INTO IT

4. WHILE LOGIN FOR GENERATING ONLINE CHALLAN,SOMETIMES WE FACE PROBLEMS, WHERE A MESSAGE DISPLAYS "LOGIN RESTRICTATED DUE TO TEMPORARY HIGH USER LOAD" WHICH CONTINUES EVEN FOR AN ENTIRE DAY.

REPLY : AWARE OF THIS ISSUE. LOOKING INTO IT

5. AFTER UPLOADING TEXT FILE FOR GENERATING ONLINE CHALLAN, IT TAKES A LONG TIME EVEN SOMETIMES FOR A DAY TO GET THE APPROVED PDF FILE & CHALLAN.

REPLY : AWARE OF THIS ISSUE LOOKING INTO IT

6. ONCE INFORMATION GETS UPLAODED FOR A MEMBER THROUGH 'ANNEXURE II', IT'S NOT POSSIBLE TO EDIT ANY WRONG INFORMATION UPLOADED

REPLY : THERE ARE CHANCES OF FRAUD IN CASE THIS AMENDMENT IS ALLOWED. HENCE EDIT OPTION WILL NOT BE PROVIDED AS OF NOW

7. WHEN WE ARE UPLOADING THE TEXT FILE THERE IS NO INBUILT CHECK SYSTEM TO SEE IF THE NAMES MATCH WITH THE DATABASE; IF BY MISTAKE WE UPLOAD SOME NON-MEMBERS' DETAILS, SYSTEM ACCEPTS THE SAME.

REPLY : WILL LOOK INTO IT AFTER 2 MONTHS ONCE CURRENT TARGETS ARE MET

8. REPATED LETTERS FROM ESTABLISHMENTS TO EPF OFFICES FOR FEEDBACK ON TRANSFER-IN CASES GOES UNANSWERED. WHEN AUTHORIZED RESENTATIVES VISIT EPF WITH AUTHORIZATION FOR A FEEDBACK THEY ARE TURNED AWAY AND ARE REFUSED REPLY.. THEY ARE TOLD THAT REPLY. WILL BE POSTED TO THE ESTBALISHMENT BUT THAT NEVER HAPPENS. HOW WE CAN WE SEEK GREVANCE REDRESSAL IN SUCH CASES ?

REPLY: PLEASE EMAIL CPFC WITH CONCRETE INSTANCES.CPFC IS SERIOUS ABOUT GRIEVANCE AND WILL LOOK INTO THIS PERSONALLY

15. Ms. Hetal Kotak, Assistant General Manager, BSE made a presentation on the electronic system developed by BSE/Indian

Clearing Corporation Limited to assist provident fund organisations.

The system broadly incorporates following functionalities :

- ❖ Trustees and Management : Like basic details of trust , trustee details etc.

- ❑ CAMS (Compliance and Audit Monitoring Services): Like Audit reports, returns etc.

- ❑ MOPIF (Monitoring of Portfolio and Investment Fund): Portfolio details, investment summary etc.

- ❑ Infrastructure / Software: Hassle free software and no server maintenance.

16. She spoke at length on the user-friendly nature of the It system developed by BSE IPF and offered help to all who would be interested to adopt this system.

17. The seminar ended with a vote of thanks proposed by Shri N. Vyas, Treasurer, SSAI, to all the collaborating organizations, the participants and all those social security organizations which had extended their helping hands to make it a success. It was

resolved to distribute the proceedings of the seminar to all concerned.
