

EPFO 3.0 - Towards a Citizen-Centric, Tech-Enabled Social Security Architecture

January 25, 2026 • vajiramandravi.com



EPFO 3.0 Latest News

- The Employees' Provident Fund Organisation (EPFO), India's premier retirement fund body, is undertaking a new phase of **digital and institutional reforms**—EPFO 3.0.
- These reforms aim to simplify access, enhance portability, prepare for expanded social security coverage under the **Labour Codes**, and build upon earlier changes under EPFO 2.0, aimed at easing withdrawals and claim settlements.
- EPFO is in the final stages of floating a tender for IT platform implementation and has shortlisted firms like Wipro, Infosys, TCS. EPFO 2.0 nearing completion, and only pension, claim, and annual accounts modules pending.

EPFO

- **Nature of body:** It is a premier Indian **statutory** body under the Ministry of Labour and Employment, established in **1952** to provide social security to the organized workforce.

- **Functions:** It manages compulsory, contributory provident fund, pension, and insurance schemes—specifically EPF 1952, EPS 1995, and EDLI 1976—ensuring **retirement savings and financial security** for employees.
- **Active members and corpus:** It currently has nearly 8 crore active members and maintains a corpus of around Rs 28 lakh crore.
- **Coverage:** EPFO coverage is mandatory for establishments with 20 or more employees, with coverage now extending to all establishments having 20 or more employees, regardless of the industry, under the new Social Security Code.

EPFO 3.0 - Key Reforms Proposed

- **Centralised core banking solution:**
 - Introduction of a nationwide, centralised system akin to banking operations.
 - Members can access accounts and resolve issues at any EPFO office across India.
 - It seeks to enhance portability for migrant and inter-state workers.
- **New user-friendly portal:**
 - Revamped EPFO website with improved navigation. Integration of AI-backed language translation tools using **BHASHINI** (MeitY initiative).
 - It will facilitate access in vernacular languages, improving inclusivity
- **Preparation for labour codes implementation:**
 - EPFO is likely to administer social security funds for unorganised workers. Separate fund envisaged for gig and platform workers.
 - It addresses expansion in scale and scope of EPFO operations.

EPFO 2.0 - Ongoing and Completed Reforms

- **Liberalising withdrawal norms:**
 - It will streamline the withdrawal categories from 13 to 3 – essential needs (illness, education, marriage); housing needs; and special circumstances.
 - Minimum unemployment period for premature final settlement increased from 2 months to 12 months.
- **UPI-linked withdrawal facility:**
 - Under the UPI facility, members can withdraw funds using the BHIM app.
 - They will also be able to separately view their available balance, the balance eligible for withdrawal and the minimum 25% balance.
 - The withdrawal amount could be initially capped at Rs 25,000 per transaction.
- **Self-correction of personal details:**
 - Members are allowed to correct personal details without employer/EPFO approval.
 - Applicable to name, date of birth, gender, marital status, dates of joining/leaving, etc.
 - For UANs issued before 1 October 2017, employers can make corrections without EPFO approval.
 - **Impact:** About 32.23 lakh profile corrections completed till December 2025.

Challenges and Way Forward

- **Managing scale expansion:** With inclusion of unorganised workers. Leveraging Digital Public Infrastructure (DPI) like UPI and BHASHINI.
- **Ensuring data security and cyber resilience:** In centralised systems. Phased implementation of EPFO 3.0 with strong IT governance.
- **Digital literacy gaps:** Among workers. Capacity building of EPFO staff and awareness among beneficiaries.
- **Smooth transition from legacy systems:** Coordination with States for effective rollout of Labour Codes.

Conclusion

- EPFO 3.0 marks a significant shift towards a portable, inclusive, and technology-driven social security ecosystem.
- By adopting centralised banking solutions, AI-enabled multilingual access, and simplified rules, EPFO is aligning itself with the goals of ease of living, labour mobility, and universal social security.
- It makes it a critical reform from the perspective of governance, digitalisation, and labour welfare.

Source: IE

Source: <https://vajiramandravi.com/current-affairs/epfo-3-0-towards-a-citizen-centric-tech-enabled-social-security-architecture/>

© Vajiram & Ravi. For personal use only.