Payroll data: EPFO adds 10.06 lakh net subscribers in Aug 2020

By TIOL News Service:

NEW DELHI, OCT 21, 2020: THE provisional payroll data published by EPFO on 20th October 2020 reveals that the subscriber base of EPFO increased by around 20 lakh during the first five months of FY21. Covid-19 pandemic and subsequent lockdown across the country had adversely affected the enrolments during the first quarter of the current financial year. However, the provisional payroll figures for the month of July and August 2020 are indicative of the slow dissipation of the negative impact of the COVID-19 pandemic outbreak and gradual recovery to pre-Covid levels.

During July 2020 around 7.49 lakh net new subscribers were added which is approximately 64% of the net additions made during the corresponding month of previous year ie. July 2019. The enrolment recovery pattern has further improved in August 2020 where net new additions are roughly 93% of the net growth in membership recorded in August 2019. This is suggestive of return to normalcy regarding subscriber base growth for EPFO.

In terms of month-on-month growth, August 2020 recorded a remarkable 34% jump over July 2020 in terms of net new subscribers added. The higher subscriber base growth seen in the month of August 2020 is on account of increased number of new subscribers and lower exits by members. The new subscriber joining has increased from 6.48 lakh in July 2020 to 6.70 lakh in August 2020. In addition, the exits from EPFO subscriber base declined by more than 50%, from 5.08 lakh in July to 2.46 lakh in August 2020.

Around 5.81 lakh members had exited and then rejoined EPFO during August 2020.These subscribers have switched jobs within the establishments covered by EPFO and choose to retain their membership by transferring funds rather than opting for final settlement. The data published comprises of all the new members who have joined during the month and whose contribution has been received.

Age-wise analysis indicates that during August 2020, the maximum numbers of new additions were from the 22-25 years age bracket followed by 18-21 age bracket. The 18-25 age-group members can be considered as first time employees in the work force and have shown strong revival by contributing almost 51% of the new subscribers.

Across the States, comparison of payroll figures reveals that the States of Maharashtra, Tamil Nadu, Gujarat, Karnataka and Haryana remain at the forefront of the enrollment recovery cycle adding approximately 57% of the total 21.40 lakh net new subscribers added during the months of June, July and August 2020 combined.

Category-wise analysis of industry indicates â€˜expert services' category (which primarily includes manpower agencies, private security agencies and small contractors) has been the most resilient as far as recovery is concerned, contributing a combined net payroll figure of 11.20 lakh for the month of June, July and August 2020, which is approximately 63% of the total net payroll for these three months for the top ten industry categories.

EPFO is country's principal organization responsible for offering social security benefits to the organized/ semi-organized sector workforce and thereby touching millions of lives. It offers its members a myriad number of services, including provident fund, insurance and pension not only to its members but also to their families. The payroll data is provisional since updating of employee records is a continuous process and accordingly gets updated on a month on month basis.