

Soon, your PF will be e-transferred when you switch jobs

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Soon, transferring your provident fund money from one employer to another could be as easy as switching jobs itself. The country's largest retirement fund manager, the Employees' Provident Fund Organisation, is set to start electronic transfers of PF accounts, which will drastically cut the time and paperwork currently required.

"We are working on a new software wherein a person on starting a new job can transfer her or his funds from the PF account in just about 15 days. It would work on the same lines as the online settlement of claims through the National Electronic Fund Transfer system," Central PF Commissioner Samirendra Chatterjee said.

Transferring a PF account should currently take about 30 days, but in practice takes at least double that time as a tedious 47-step process starting from the employee is gone through. All that subscribers can do in this time is wait — though the EPFO does allow them to check the status of the transfer online.

Currently, employees in a new job fill an application form for a new PF account, along with a copy of 'Form 13' to transfer their PF money from their previous account to the new one. The employer submits this form to the regional PF office, which contacts the previous PF office and transfers the funds.

The new software — expected to be rolled out by December-end or early January — will allow regional PF offices to communicate electronically to transfer details of employees' accounts and funds. "We will soon start real-time testing of the software in our offices," Chatterjee said.

The Central Board of Trustees of the EPFO has decided to stop paying interest on inoperative accounts from April 2011. The EPFO expects about half of these accounts to be closed as a consequence, with subscribers either withdrawing their PF money or transferring it to new accounts.

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