

EPFO payroll data: enrolment rates increase; 3.18 lakh net new subscribers registered in May 2020 against about 1 lakh in April

New establishments registered with EPFO grow by around 72% with 8367 new establishments registering in May as compared to April

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The provisional payroll data published by EPFO on 20th July, 2020 reveals that net new enrolments has started to make headway for most industry classifications in May 2020. The subscriber base has grown by 3.18 lakh new net members during May 2020, registered a whopping 218% month on month growth. Despite the lockdown, around 1 lakh net new subscribers were added to social security schemes of EPFO in April 2020. The data published comprises of all the new members who have joined during the month and whose contribution is received.

The subscriber base growth is on account of increased number of new subscribers, lower exits and higher rejoining by exited members. The new subscriber joining has increased roughly by 66 % from 1.67 lakh in April to 2.79 lakh in May 2020. In addition, the exits from EPFO subscriber base declined by nearly 20% from 2.97 lakh in April to 2.36 lakh in May 2020.

The number of members who exited and then rejoined, indicates switching of jobs by subscribers within the establishments covered by EPFO. This has also increased by approximately 19% for the month of May 2020 over April 2020, with more subscribers choosing to retain membership by transferring funds rather than opting for final settlement.

Category wise analysis of industry indicates that building & construction sector, hotels, transport; electrical, mechanical or general engineering products; education and textiles were adversely impacted by the COVID-19 pandemic in the month of April 2020. Most of these sectors had registered negative enrolment for April 2020. Expert services industry classification that added almost 4 lakh members every month during pre-Covid-19 period, had added only around eighty thousand members during April 2020. Expert services predominantly consist of man power agencies, private security agencies and small contractors.

All these sectors, except education sector which is still affected due to lockdown continuing in schools and colleges, have shown positive growth for month of May 2020. Expert services have recorded a 125% month on month growth by adding around 1.8 lakh net new subscribers in May 2020.

New establishments registered with EPFO also witnessed a growth of around 72% with 8367 new establishments registering in May compared to 4853 establishments in April 2020. Similarly, in terms of establishments filing first ECR, the payroll data registered a growth of around 98% for the month

of May as compared with April 2020.

EPFO manages social security funds of workers in the organised/semi organised sector in India and has more than 6 crore active members. The payroll data is provisional as updation of employee records is a continuous process and it gets updated in subsequent months.
