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EPFO Social Security & Insurance Edge

UPSC EPFO — APFC & EO/AO Examination

Assistant Provident Fund Commissioner • Enforcement / Accounts Officer

Concepts · Facts · Definitions + Solved PYQs (2015–2025)

27 solved PYQs • APFC 2015/2023/2025 • EO/AO 2017/2020/2023/2025 • Concept notes + options + answers + explanations

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Chapter-wise PYQ Frequency

#	Chapter	PYQs	Priority
1	Social Security — Concepts & Framework	7	HIGH
2	Protective Statutes — SS & Labour Legislation	10	VERY HIGH
3	Social Security Schemes	6	VERY HIGH
4	Insurance — Basics, History & Evolution	—	MEDIUM
5	Insurance — Principles & Types	2	HIGH
6	Insurance Regulation & Reinsurance	—	MEDIUM
7	Insurance-Linked Accounting	2	MEDIUM
	TOTAL (mapped PYQs)	27	—

QUICK RECALL — How to use this document

- Read each chapter's **concept notes first** (definitions, tables and callout boxes) — they carry the scheme numbers and statutory facts EPFO tests; then work that chapter's **solved PYQs** at the end.
- **Social Security Schemes & Statutes is the heaviest cluster** (APY/PMSBY/PMJJBY, ESI, EPF/EDLI, gratuity, Employees' Compensation) — master the numbers and the 'who-decides-what' first.
- **Legacy vs current figures:** some answers depend on the paper's year (e.g. gratuity ₹10 lakh vs ₹20 lakh; maternity 12 vs 26 weeks) — fix the era before answering.
- **Negative marking:** −⅓ per wrong answer — attempt only when you can eliminate at least two options.

PART I · SOCIAL SECURITY

CHAPTER 1 · SOCIAL SECURITY — CONCEPTS & FRAMEWORK

About this chapter

The conceptual base of social security — its meaning, contingencies, instruments, the Beveridge and UDHR foundations, and the comparison of the major protective statutes. A VERY-HIGH-return area.

1.1 Meaning & Contingencies

Social security = protection provided by society to its members against economic and social distress caused by contingencies such as **sickness, maternity, employment injury, invalidity, old age, unemployment and death of the breadwinner**.

It works through **social insurance** (contributory — e.g. ESI, EPF) and **social assistance** (non-contributory, tax-funded).

FACT — What social security does / does NOT cover

- Social security provides cash benefits for **sickness & disability, unemployment, and loss of the breadwinner (marital partner)**.
- **Crop failure is NOT a social-security cash-benefit contingency** — a classic trap.
- **Instruments of social security in India:** EPF, LIC, NPS and Postal Provident Fund. **Taxes (Income Tax, Sales Tax) are NOT social-security instruments.**

1.2 Foundations — Beveridge & UDHR

VALUE ADDITION — The intellectual anchors

- **William Beveridge's 'five giants'** to be slain by social security: **Want, Disease, Ignorance, Squalor and Idleness.**
- **UDHR Article 22** — 'Everyone, as a member of society, has the right to social security… realized through national effort and international co-operation.'
- The **ILO** treats social security as a basic human right; the **Directive Principles** (Arts. 41, 42, 43) direct the Indian State toward it.

1.3 Provident Fund — Merits & Critique

A **Provident Fund** is a **contributory, lump-sum** savings mechanism.

Its recognised **disadvantages**: it may provide **insufficient funds for early-life risks**, and **inflation erodes the real value** of the accumulated savings. That it generates **forced saving usable for national development is an ADVANTAGE**, not a disadvantage — a tested distinction.

1.4 The Major Protective Statutes

Statute	Core protection
Workmen's/Employees' Compensation Act, 1923	• Compensation for injury/death arising out of & in the course of employment
Employees' State Insurance Act, 1948	• Comprehensive social insurance — sickness, maternity, disablement, death
EPF & Miscellaneous Provisions Act, 1952	• Provident fund, pension (EPS) and deposit-linked insurance (EDLI)
Maternity Benefit Act, 1961	• Paid maternity leave and related benefits
Payment of Gratuity Act, 1972	• Lump-sum gratuity on exit after qualifying service

FACT — Comprehensive SS legislation & maternity

- The **Employees' State Insurance Act, 1948** is regarded as the most **comprehensive** social-security legislation — it covers sickness, maternity, disablement and death.
- The **Maternity Benefit Act, 1961** originally provided **12 weeks'** wages during the maternity period; the **2017 amendment raised this to 26 weeks** (answer depends on the era the question quotes).

1.5 Constitutional & Institutional Basis

India's social-security architecture rests on the **Directive Principles**:

- **Article 41** (public assistance in old age, sickness, disablement and unemployment)
- **Article 42** (just & humane conditions of work and maternity relief)
- **Article 43** (living wage and a decent standard of life).

Internationally, the **ILO** frames social security as a basic human right and its **Convention No. 102 (1952)** lays down the minimum-standards benchmark that guides national schemes.

VALUE ADDITION — Two techniques of social security

Social security is delivered through two techniques.

- **Social insurance** is contributory — the worker (and usually the employer) pays, and benefits flow on a defined contingency (e.g. **ESI, EPF, EDLI**).
- **Social assistance** is non-contributory and tax-funded, targeted at the needy (e.g. old-age/widow pensions under NSAP). Knowing which scheme is which is a recurring EPFO discriminator.

1.6 Code on Social Security, 2020

The **Code on Social Security, 2020** consolidates **nine** central labour laws — including the EPF & MP Act 1952, ESI Act 1948, Payment of Gratuity Act 1972, Maternity Benefit Act 1961, Employees' Compensation Act 1923 and the Unorganised Workers' Act 2008 — into a single framework.

It widens coverage to **gig and platform workers**, provides for a **National Social Security Board**, and enables Aadhaar-based registration. It is one of the four Labour Codes and is high-value current-affairs material for EPFO.

Solved PYQs — Social Security — Concepts & Framework

Q 1 · 2012 EPFO · Q81 · Comprehensive SS legislation

Which of the following legislations is comprehensive social-security legislation?

(a) Maternity Benefits Act (b) Employees' State Insurance Act (c) Employees' Compensation Act (d) EPF & MP Act

Answer: (b) Employees' State Insurance Act — Employees' State Insurance Act — ESI covers sickness, maternity, disablement and death — the most comprehensive social-insurance cover.

Q 2 · 2015 EPFO · Q79 · Maternity Benefit Act

The Maternity Benefit Act, 1961 (as tested then) provides how many weeks' wages during the maternity period?

(a) 11 weeks (b) 12 weeks (c) 13 weeks (d) 14 weeks

Answer: (b) 12 weeks — 12 weeks — Pre-2017 the entitlement was 12 weeks; the 2017 amendment raised it to 26 weeks.

Q 3 · 2015 EPFO · Q80 · Provident Fund scheme — critique

What are the disadvantages of the Provident Fund scheme?

(1) insufficient funds for early-life risks

(2) inflation erodes real value of savings

(3) it generates forced saving for national development.

(a) 1 and 2 only (b) 1 and 3 only (c) 2 and 3 only (d) 1, 2 and 3

Answer: (a) 1 and 2 only — 1 and 2 only — Forced saving usable for development is an advantage, not a disadvantage.

Q 4 · 2015 APFC · Q111 · Social-security instruments

Which of the following are the instruments of providing social security in India?

1. Income Tax
2. Employees' Provident Fund
3. General Sales Tax
4. LIC 5. National Pension Scheme
6. Postal Provident Fund

Select the correct answer using the codes given below:

(a) 1, 2, 3 and 4 (b) 2, 3, 4 and 5 (c) 2, 4, 5 and 6 (d) 3, 4, 5 and 6

Answer: (c) 2, 4, 5 and 6 — EPF, LIC, NPS and Postal PF are social-security instruments; taxes (Income Tax, Sales Tax) are not.

Q 5 · 2015 APFC · Q114 · Scope of social security

Social security may provide cash benefits to persons faced with:

1. Sickness and disability
2. Unemployment
3. Crop failure
4. Loss of the marital partner

Select the correct answer using the codes given below:

(a) 1, 2 and 3 only (b) 1, 2 and 4 only (c) 3 and 4 only (d) 1, 2, 3 and 4

Answer: (b) 1, 2 and 4 only — Sickness/disability, unemployment and loss of the breadwinner qualify; crop failure is not a social-security cash-benefit contingency.

Q 6 · 2017 EPFO · Q75 · Right to social security (UDHR)

"Everyone as a member of the society has the right to social security…realization through national efforts and international cooperation…" expresses social security in:

(a) Universal Declaration of Human Rights

(b) Philadelphia Declaration of the ILO

(c) Report of the First National Commission on Labour

(d) Directive Principles of State Policy

Answer: (a) Universal Declaration of Human Rights — Universal Declaration of Human Rights — This is UDHR Article 22.

Q 7 · 2017 EPFO · Q76 · Beveridge's five giants

Correct set of contingencies identified by William Beveridge in his comprehensive social-security scheme:

(a) Want, disease, ignorance, squalor and idleness

(b) Want, sickness, disability, squalor and idleness

(c) Want, disease, old age, squalor and unemployment

(d) Disease, invalidity, old age, unemployment and ignorance

Answer: (a) Want, disease, ignorance, squalor and idleness — Want, disease, ignorance, squalor and idleness — Beveridge's 'five giants'.

Practice MCQs — Social Security — Concepts & Framework

MCQ 1 · Practice · Social insurance vs social assistance

Social-insurance schemes (e.g. ESI, EPF) are distinguished from social assistance mainly because they are:

(a) Non-contributory and tax-funded (b) Contributory (c) Meant only for BPL families (d) Run solely by state governments

Answer: (b) Contributory — Social insurance is funded by worker/employer contributions; social assistance is non-contributory, tax-funded welfare.

MCQ 2 · Practice · Directive Principles — Article 41

Which Directive Principle directs the State toward public assistance in old age, sickness and disablement?

(a) Article 39 (b) Article 41 (c) Article 45 (d) Article 48

Answer: (b) Article 41 — Article 41 covers the right to work, education and public assistance in cases of old age, sickness, disablement and unemployment.

MCQ 3 · Practice · ILO Convention No. 102

The international instrument laying down minimum standards of social security is:

(a) ILO Convention No. 87 (b) ILO Convention No. 102 (c) UDHR Article 25 (d) ILO Convention No. 100

Answer: (b) ILO Convention No. 102 — ILO Convention No. 102 (1952) is the Social Security (Minimum Standards) Convention.

MCQ 4 · Practice · Code on Social Security, 2020

The Code on Social Security, 2020 consolidates how many existing central labour laws?

(a) 4 (b) 6 (c) 9 (d) 15

Answer: (c) 9 — It subsumes nine social-security laws (EPF, ESI, Gratuity, Maternity Benefit, EC Act, Unorganised Workers Act, etc.).

MCQ 5 · Practice · Provident Fund technique — limitation

A recognised limitation of the Provident Fund technique of social security is that:

(a) it offers unlimited early-life risk cover

(b) inflation can erode the real value of accumulated savings (c) it guarantees a defined pension (d) it is fully tax-funded

Answer: (b) inflation can erode the real value of accumulated savings — A PF gives a lump sum; it may under-provide for early-life risks and its real value is eroded by inflation.