



# The Employees' Pro Funds & Misc. Prov. A



## Employees' PF & MP Act, 1948

### Mission Statement:

The Mission of EPFO, is to extend the reach and quality of Old Age income security programs through consistent standards of compliance and benefit delivery in a manner that earns the approval and confidence of Indians in our methods and integrity, thereby contributing to economic and social development.

The Employees' Provident Fund came into existence with the Employees' Provident Funds Ordinance **in Parliament** and is now referred as The Employees' PF & Misc. Prov. Act, 1948, the whole of India, except Jammu & Kashmir. The Act was enacted on **04<sup>th</sup> March, 1952** under the supervision of Central Board of Secondary Education. Since its enactment in 1952, the Act has been **amended** and following three schemes are in operation under the Act.

- **Employees' Provident Fund Scheme, 1952.**
- **Employees' Deposit Linked Insurance Scheme, 1976.**
- **Employees' Pension Scheme, 1995.** (replacing the Family Pension Scheme, 1955)

**\*\*The Employees' Provident Fund Organization of India, is one of the largest Provident Funds in terms of members and volume of financial transactions that it has been carrying out.**



## Applicability of the EPF &

### Applicability under the Act:

- Every Factories or Establishments employing **20** or more persons from the date of its setup are covered under the Act. Theatres employing **05 (Five) or more** persons and Government of India after giving **02 Months** notice of this Act to Establishments where less than **20** persons.
- Where an Establishment consists of different departments whether situated in the same place or in different departments or branches shall be treated as parts of one establishment **under Sec - 2A.**
- Establishments to which this Act "**Once Applied**" shall continue to be Governed by this Act notwithstanding that the number of persons therein at any time falls below then 20 (Twenty) persons.
- The Current **Wages Ceiling Limit** for coverage under the Act is (Basic + DA) p/m month w.e.f: **Sep' 2014**, (Earlier it was ₹ : 5000/- p/m)



## The Act does not Apply to

- The **Co-operative Societies** employing **less than 10** employees without aid of power. **16(1)(a)**.
- The **Establishment** to which this Act applies, even if the number of employees is less than 20 at a later date. **[1(5)]**
- The Establishments under the control of State or Local Government. Employees who are getting benefits in the nature of Provident Fund Or Old age pension as per rules framed by the Government.
- The Establishment set up under any Central, State or Local Government, and the Employees who are getting benefits in the nature of contributory P.F. Or Old age pension as per rules framed by the Government.

### Voluntary Coverage :

- If any of the Establishment is not satisfying the above two conditions, if the employer and majority of the employees are willing, the Act may be applicable to such establishment (Voluntary coverage).



## Who's an Non Eligible Em

### Non Eligible for Provident Fund:

An **"Employee"** of the Company to whom both the following conditions are satisfied at the time of joining to the **Organization**.

- The Employee's **Basic Salary + DA** should be more than ₹ 15,000/- w.e.f. Sep 2014.
- Employee's has withdrawn the PF & Pension Account balance before the joining. The PF & Pension Account does not have any **Balance Amount** in Old PF & Pension Account.
- As per Para 2(f) of the EPF Scheme, an Employee has not accumulated any PF balance from Provident Fund on Retirement from age of **58 years**.

### Non Eligible for Pension Fund:

- If organization provides the EPF benefits to its all employees whose salary more than ₹ **15,000/-** w.e.f. Sep 2014. If Employee has not withdrawn the Pension Account balance before the joining. The PF & Pension Account Contribution part will go to the Provident Fund Account. The Employee has to submit the PF & Pension Account statement in his place of work.



## Employee's & Employer's Contribution

### PF Calculation Account-wise

**Employee's Share**  
(to EPF Fund) AC: 01

@ 12 %  
of Basic + DA  
(Ac: 01)

@ 3.67%  
of Basic + DA or  
(12% - ₹ 1250)  
(Ac: 01)

**EPF Total in Ac. 01: @ 15.67% or**  
( @ 12% + (12% - ₹ : 1250/-)

**EPS :**

**Total Contribution to EPF & Pension Fund , Ac: 01 & 10**

**PF Administrative Charges in Ac: 02 ( @ 0.85 %**

(Minimum ₹ : 500/- functional & ₹ : 75/- for non functional)

**Contribution to EDLI, Ac: 21 @ 0.5 % of Basic & DA or**

**EDLI Relocation Charges, Ac: 22 @ 0.01% of Basic & DA or**

(Minimum ₹ : 200/- functional & ₹ : 25/- for non functional)

**Total Monthly Contribution w.e.f. Jan 2015: (12%+12%+0.50%**

**For EDLI Exempted Org. (EDLI Inspection Charge @ 0.005% of Basic**





## EDLI Scheme & Admin. C

### What is EDLI ???

**"Employee's Deposit Linked Insurance"** is basically an **"LI"** for employees under EPF & MP Act, 1952, **Since Aug 01, 1976**. Deposit in EPF A/c. When an employee dies while in service, some Compensation based on deposit in EPF Account. (**36 months** wages or **₹: 3.0 Lacs** & along with the admissible interest introduced sub para (4) of para 22. Hence the total amount **Sep 2014**, earlier it was 1.3 Lacs, w.e.f. May 2010).

On behalf on **Employees**, the employer has to pay @ 0.50% on ₹: 15000/- as its Monthly Contribution with total contribution employee's nominee to get the claim in case of death, while

**Deposit-Linked Insurance Fund Account:** The Amount of Contribution and also the **Central Government's** contribution under sub-section 2 and 3 of section 6C shall be credited

**"Deposit-Linked Insurance Fund Account"**, and all expenses **Benefits** provided by or under the Scheme shall be met out

## Contribution Payment & I

- PF Total Amount of **Monthly Contribution** of (Employee's deposited through **Online** Generated Combined Challan i & 22 from EPFO website, **w.e.f. April 01, 2012**. Payment of via Online Payment (Retail / Corporate Banking) with **56 2015**. Online payment of PF contribution make the proce to the EPFO in few minutes. Web-link: <https://www.onlinesbi.com/pr>
- Earlier the payment was made to EPFO via **State Bank** copy (Combined Challan) along with Cheque or Demand month following calendar month.
- **Grace Period 4 Cheques Clearing:** Earlier in manual proce days Grace period from due date 15<sup>th</sup> Day to Empl Contributions. **But from May 01, 2015** PF Contribution pay so the final due date will be consider **15<sup>th</sup> day** of followin after 15<sup>th</sup> Day may interacts the Interest & Damages as per







## **Social Security Benefits of**

### **Employees' Prov. Fund Scheme-1995**

- Retirement
- Medical Care
- Housing Loan
- Family Obligations
- Education of Children
- Financing of Insurance Policy

### **Employees' Pension Scheme-1995**

- Monthly Member's Pension Scheme
- Widow & Children Pension
- Orphan Pension
- Reduced Pension
- Disablement Pension



## Non Refundable Advances of E

Type of Benefits	Terms & Condition
1. Withdrawal from the fund for a) The purchase of House b) Construction of House	5yrs. Of membership of fund.(Min. balance in member's should be Rs.1000/-)
2. Advance from the fund for repayment of loan	10 yrs membership of the fund member should have taken loan from Govt. Body.
3. Advance from the fund for illness viz hospitalization for more than a month, major surgical operation or suffering from T.B. . Cancer etc.	Stay in Hospital at least for 1 month
4. Advance from the fund for marriage of self/son/ daughter/sister/ brother etc	07 years membership of the fund min.bal.in members a/c should be Rs.1000/-
5. Advance from the fund for education of daughter / son	Same as above
6. Grant of advance in abnormal condition.(natural calamities etc.)	a) Certificate of damage from appropriate authority. b) State Govt. Declaration

## Duties of Employer @ PF

- **Enroll the eligible** employees as EPF Subscriber from the the **Organization**. Ask the New joinee to fill **Form-11** (N details) & **Form-02** (Nomination Form) with details of Emp
- Merge the Old Universal Account Number (**UAN**) with previous employment confirmation on Online Transfer completed Form-02 to the EPFO for the nomination upd process also.
- Maintain **EPF Eligibility Register** consists of (a) Empl PF/Pension Registration, Nomination and PF Account **Inspection Book** to record the Observation by PF Inspector
- Maintain such **accounts** in relation to the amounts con employees. To comply with all the **directives issued** b implementation of the scheme.
- Process the **PF Claim Form** of Left or Retired employee' without any objection. Also guide the Left employee's to of withdrawal to keep some amount for his / her future need the same process will save the deduction **TDS** w.e.f. June C new guidelines by EPFO.





## Various forms of EPF:

Forms for Employer	Forms
<ul style="list-style-type: none"> <li>■ <b>"Performa Registration Form"</b> to Register the Organization under the EPF Act (Online process is applicable to get the EPF Code).</li> <li>■ <b>Form - 5A</b>, for details of <b>"Directors / Proprietors"</b> of the Organization. (Online Updation is Required).</li> <li>■ <b>Form - 9</b>, for all Covered Employee Details at the time of Registration.</li> <li>■ <b>Form - 11 (New)</b>, Declaration Form to find the PF Eligibility &amp; old UAN of New Joinees.</li> <li>■ <b>Form - 2</b>, Nomination Form with details of Employees, Nominee &amp; PF A/c No.</li> <li>■ <b>"Combined Online Generated Challan"</b> for Submission of PF Contribution. In Online process <b>No Need</b> to file Monthly &amp; Annual Return to EPFO.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Form - 19</b> Provident Fund</li> <li>■ <b>Form - 10</b> Pension Scheme</li> <li>■ <b>Form - 19</b> Provident Fund New PF A/c</li> <li>■ <b>Form - 31</b> Advance from</li> <li>■ <b>Form - 20</b> Provident Fund</li> <li>■ <b>Form - 10</b> Pension to</li> <li>■ <b>Form - 5</b> (Form. (In case</li> <li>■ <b>Form - 8</b> :-</li> <li>■ <b>Form - AS</b> cheques a (In case of first</li> </ul>

## Damages & Interest:

### Recovery of Damages:

If an **Employer** makes default in the **Payment** of any Contribution, the Central Board may, after giving notice in writing to the Employer, transfer of accumulations required to be Transferred. The Central Board or such officer as may be authorised by the Central Board, by notification in the Official Gazette in this behalf, may recover, by way of penalty, damages at the rates given below:

- **Less than 2 months :- @ 17% p.a. on total due Contribution**
- **02 months & above, but less than upto 04 months:- @ 17% p.a.**
- **04 months & above, but less than upto 06 months:- @ 17% p.a.**
- **06 months & above :- @ 37 % p.a. on total due contribution**

### Reduction or Waiver of Damages:

The Central Board may reduce or waive the damages levied on the Employer, subject to the following terms and conditions:

- In case of a **change of management** including transfer of management of co-operative and in case of Merger or Amalgamation of co-operative with any other industrial company, complete waiver of damages may be allowed.
- In cases where the Board for Industrial and Financial Education may be recorded in its schemes, in this behalf recommends, **per cent** may be allowed.

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