



EMPLOYEES PROVIDENT FUND ACT
&
MISCELLANEOUS PROVISIONS ACT, 1952

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E.P.F Act :-

- 1) The P.F. Act & Schemes are applicable to all factories and establishments employing 20 or more employees.
- 2) Establishment includes all branches and departments.
- 3) Act not applicable Co-Operative Societies with less than 50 employees.
- 4) Once covered will continue even if employee strength falls below 20.
- 5) Employee with more than Rs.15000/- wages per month is an excluded employee provided he is not a member of PF before



CONTRIBUTIONS

	Employer	Employee	Government
P.F.Pension	3.67%	12%	-----
	8.33% (Up to Rs.15000)	-----	1.16%
EDLI	0.5%	-----	0.5%
Admn.Chgs	0.5%	-----	-----



PENSION

1)Maximum pensionable salary Rs.15000/-

2)Membership in the fund till age of 58yrs only.

3)Retirement pension-if eligible service rendered 20yrs/more.

4)Short service pension-if eligible service rendered 10yrs/more.

5)Pension incase of death while in service /below 50 age.

6)Pension incase of permanently & totally disabled



EDLI

1) In case of death eligible for assurance benefit.

2) For this purpose maximum monthly salary shall be Rs.15000/-.

3) Min benefit Rs.2,50,000/- & Max benefit Rs.6,50,000/-.

4) Can be exempted if similar benefits provided by employer.



The E.P.F.Act & Scheme,1952

Section 1:

The act is applicable to all factories engaged in any industry and every establishment Specified in SCHEDULE I where in 20 or more employees are employed.

Once the Act is applicable, it will continue even if employee strength falls below 20.



Section 2A:

Establishment shall include all its departments/branches

Whether situated in the same place/different.

Section 16:

Act not to apply cooperative societies employing <50 persons

And working without power.



PARA 61

Member shall make in his declaration in Form2, a nomination conferring the right to receive the amount in the event of death.



Member may distribute the amount amongst nominees.

Nomination in favour of non-family member is invalid.

A nomination made can be modified.



PARA 22

Contractor within 7 days of close of every month, submit to principal employer a statement giving the details of employees employed by him.

SECTION 31

The employer shall not deduct employer's contribution from the wages of a member.



SECTION 12

No employer shall by reason of his liability of payment of contribution, reduce whether directly/indirectly the wages of any employee.

PARA 38

The employer to deduct the employee's contribution from his wages & together with his contribution & administrative charges shall pay with in 15 days of the of the close of every month.



PARA 36

Within 15 days of close of each month an employer is required to send a return ECR (online – Employee contribution Record) showing the details



PARA 32A

The employer is liable to pay damages if He defaults the payment of contribution to the fund.

The amt of damages are as follows:

<u>Period of default</u>	<u>Rate of Damages</u>
1) <2 months	5%
2) >2 but <4 months	10%
3) >4 but <6 months	15%
4) 6 months & above.	25%



SECTION 14 B

Where an employer makes default in payment of any contribution, the P.F. Commissioner may recover from the employer by way of penalty such damages not exceeding the amount of arrears.



PARA 68B

Non-refundable advance for construction /purchase of house/flat is granted.

Withdrawal will not be permitted if the construction of the house is jointly owned.



PARA 68 J

Non-refundable advance for illness-hospitalization is granted.

PARA 68 K

Non-refundable advance for marriage and education of children is granted.



SECTION 7A

Determination of moneys due from employers.

In case where dispute arises regarding applicability of the Act, the P.F. Commissioner shall decide the dispute by an order.

P.F. Commissioner by an order determine the amount due from an employer under any provisions of the Act by conducting an inquiry.

The officer conducting inquiry will have same powers as of a court under civil procedure, 1908 & such inquiry shall be deemed to be judicial proceedings.



SECTION 7 B

Review of orders passed under section 7A

If there is discovery of new and important facts or evidence after passing an order.

PARA 79-A

Review application to be made in form 9.



PARA 7-I

Appeal can be made to P.F. appellate Tribunal if aggrieved by an order passed under Sec 7A,7B or 7C.

PARA 7-O

75% of amount determined under sec 7A to be deposited to prefer an appeal.



PARA 7-Q

The employer is liable to pay simple Interest @ 12% p.a from the date of the amount fallen due to till dae of actual payment.

SECTION 8

Mode of recovery of moneys due from recovery.



SECTION 8 B

The recovery officer shall proceed to recover the amt by on or more of the below mentioned modes:-

- a) Attachment /sale of movable/immovable property.
- b) Arrest of employer and his detention in prison.
- c) Appointing a receiver for the mgt of movable/immovable properties.





Section 8 F :

If any amount is due from any person to an employer who is in arrears of P.F, the P.F Commissioner may require such person to deduct from the said amount the arrears due and credit to the P.F Commissioner .



Section

SEC 8A : The Principal employer has the power to recover any contribution and administration charges already paid, from the contractor.

This can be done either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.



Section **SEC 8G** : The provisions of Second and Third schedule to the income tax and the income tax (Certifying Proceedings) Rules apply regarding arrears of amount.

Section 11 : If an employer is declared insolvent or a company is ordered for winding up, if there is any contribution that is payable to the fund should be paid by them before paying of any other debt. Priority lies in the payment of contribution over



Section 10 : The amount standing to the credit of any member in the fund can not be attached by an order or decree of the court.



PARA 26 A

An employee who is the member in the fund will cease to be a member if the amount is withdrawn under following circumstances:

A member withdraws the amount

On retirement from services after attaining age on age on 58 years or at the time of the termination of the job .

On retirement from service due to total and permanent in capacity to work.



PARA 69

Para 69 : Accumulation in the fund are payable to a member on retirement or termination from service or not taken up any employment for two months or more.





The Employees' Pension Scheme 1995

Para 1(3) This Scheme shall apply to all the employees of all factories and establishments to which EPF Act applies.

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Para 3

8.33% of salary of upto RS.15000/- from employers contribution shall be remitted to the pension fund with in 15 days of the close of every month.

The central Govt shall also contribute 1.16%.



Para 4

Employer is responsible for the payment for employees employed by him as well as through contractors.



The Employee's Deposit Linked Insurance Scheme

Para 1(3) This scheme is applicable to employees of all factories establishments to which EPF Act applies.

Para 6A Employee to continue as member till he attains the age of 58 years.



Para 28 If the employees are entitled to benefits in the nature of life assurance Without their contribution, applications of this scheme can be exempted.

Para 7 Employer shall contribute 0.5 % of wages limited to Rs. 15,000/-.