Employee Provident Fund (EPF)

Let’s Have A Recap

Q1) What is the Contribution for Provident Fund both by the Employer & Employee?
Ans : The Employee contributes 12% of his /her Basic Salary & the same amount is contributed by the Employer.

Q2) Is it Compulsory for the all the employees to contribute to the Provident Fund?
Ans: Employees drawing basic salary upto Rs. 15000/- have to compulsory contribute to the Provident fund and employees drawing above Rs.15001/- have an option to become member of the Provident Fund .

Q3) Is it beneficial for employees who draw salary above Rs 15001/- to become member of Provident Fund?
Ans: Yes because provident fund contribution by the employer & employee is not a taxable income for Income Tax purpose.

Q4) What is the contribution percentage to the Provident fund and Pension Scheme?
Ans : Employers contribution of 12% of basic salary is totally deposited in provident fund account Whereas out of Employees contribution of 12% , 3.67% is contributed to Provident fund and 8.33% is deposited in Pension scheme.

Lets Have EPF Practically

Q6) What if an employee while joining establishment has a basic salary of Rs 11200 and after some period of time his basic salary increases above Rs. 15001/-, does he have an option to terminate his member ship form the Provident fund act?
Ans : Employee who while joining the organisation has a basic salary above Rs 15001/- have an option to either become or avoid becoming member of Provident fund but employees whose basic salary while joining the organisation is less then Rs 15001/- but after some period of time their basic increases above Rs 15001/- have to compulsorily continue to be member of provident Fund.

Q7) What is the current interest rate on EPF?
The current rate of interest is 8.75% p.a. The interest is compounded yearly.
The point to note in the interest calculation is done only on the part of EPF not on EPS. So if your contribution towards EPS is Rs.1,800 (12%) and your employer contribution towards EPF is Rs.550 (3.67%) and Rs. 1250 (8.67%) towards EPS, than the interest of 8.75% would be calculated on the amount of Rs.2,350.

Q8) What is Illegal Withdrawal of EPF Money?
As per EPF rules, withdrawing of EPF money at the time of switching jobs is illegal. You can withdraw only and only if you have not joined any other company within two months of quitting the job. You can transfer your EPF money once you get a new job.

After leaving your old job and being unemployed for 2 months you can withdraw EPF & EPS.
Exceptions.

- A woman who quit their job for getting married, pregnancy or childbirth **will not** have to wait for two months to withdraw.
- If you are quitting due to health reasons.
- Who is going abroad for employment/settlement and don't intend to return soon.

Q9) Can I contribute more than 12% towards EPF?
As per EPF Act, 1952, the minimum contribution of employee towards EPF account should be at least 12% but one can contribute up to 100% of your salary plus DA. This extra contribution from employee does is called VPF (Voluntarily Provident Fund) but remember this does not bound employer to contribute more. Employer can continue to contribute up to statutory limit of 12%. So you have to file an application with the Regional Provident Fund Commissioner

Q10) What is online Transfer claim ?

When you move from one company to another, you need to transfer your Employee Provident Fund (EPF) as well. With the introduction of Unified Account Number (UAN) for EPFO subscribers, this process has become simpler as the account number remains unchanged.

Q11)When an employee refused to contribute on EPF contribution? is there any issue
As per Provident Fund & Misc. Act. you have to follow the guidelines of the act. It does not depend on the employees mood. If the employees drawing Basic + Dearness allowance is less then Rs.15000/-. The P.F deduction is must. If it exceed the limit then the employee can decide whether to deduct from Salary or not.

Forms in EPF

Form 10C

Form 10C is the primary form to be submitted for claiming the benefits under the employee pension scheme. The contributions made by your employer towards your PF account is segmented into EPF funds and EPS funds. The part of the contribution from your employer that goes into the EPS scheme can be withdrawn by using Form 10C.

DIFFERENT FORMS IN EPF\Form10C.pdf

Form 11

Every employee needs to submit a declaration when he/she takes up new employment in an organisation which is registered under the EPF Scheme of 1952. This form contains basic information regarding an employee and it is mandatory for an employee to fill it upon joining an organisation. An employee, through this form, can choose whether he/she would like to be a part of the Provident Fund structure in the current place of work

DIFFERENT FORMS IN EPF\Form11NewDeclarationForm.pdf

Form 13

When an employee has to transfer his EPF balance from old EPF account to new EPF Account, Form 13 has to filed

DIFFERENT FORMS IN EPF\Form13TransferForm.pdf

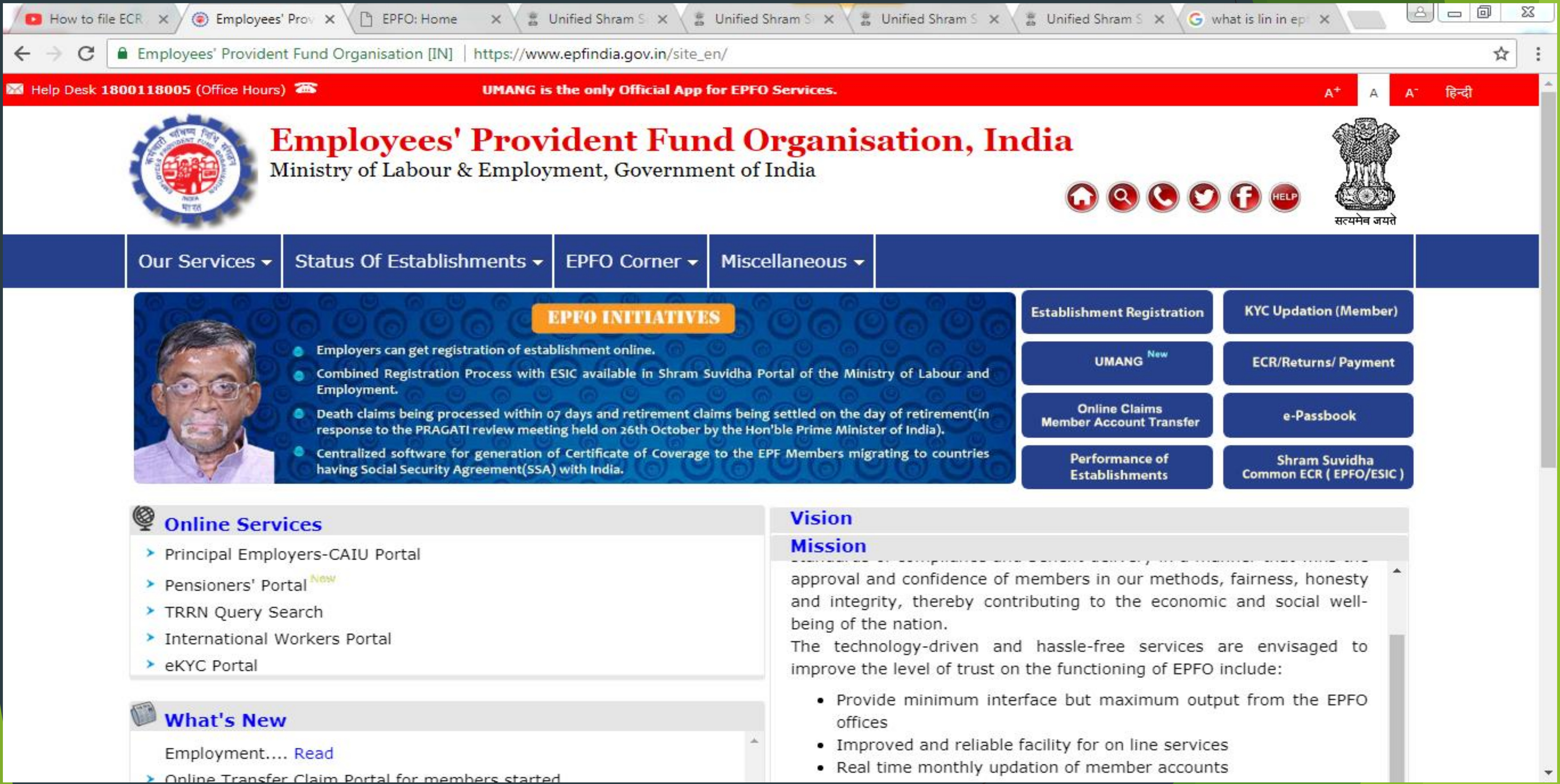
Form 19

This form allows you to withdraw your provident fund balance after quitting your job, superannuation, termination or at the time of retirement. Under no circumstances,any establishment or organisation can stop you from withdrawing from your provident fund balance DIFFERENT FORMS IN EPF\Form19.pdf

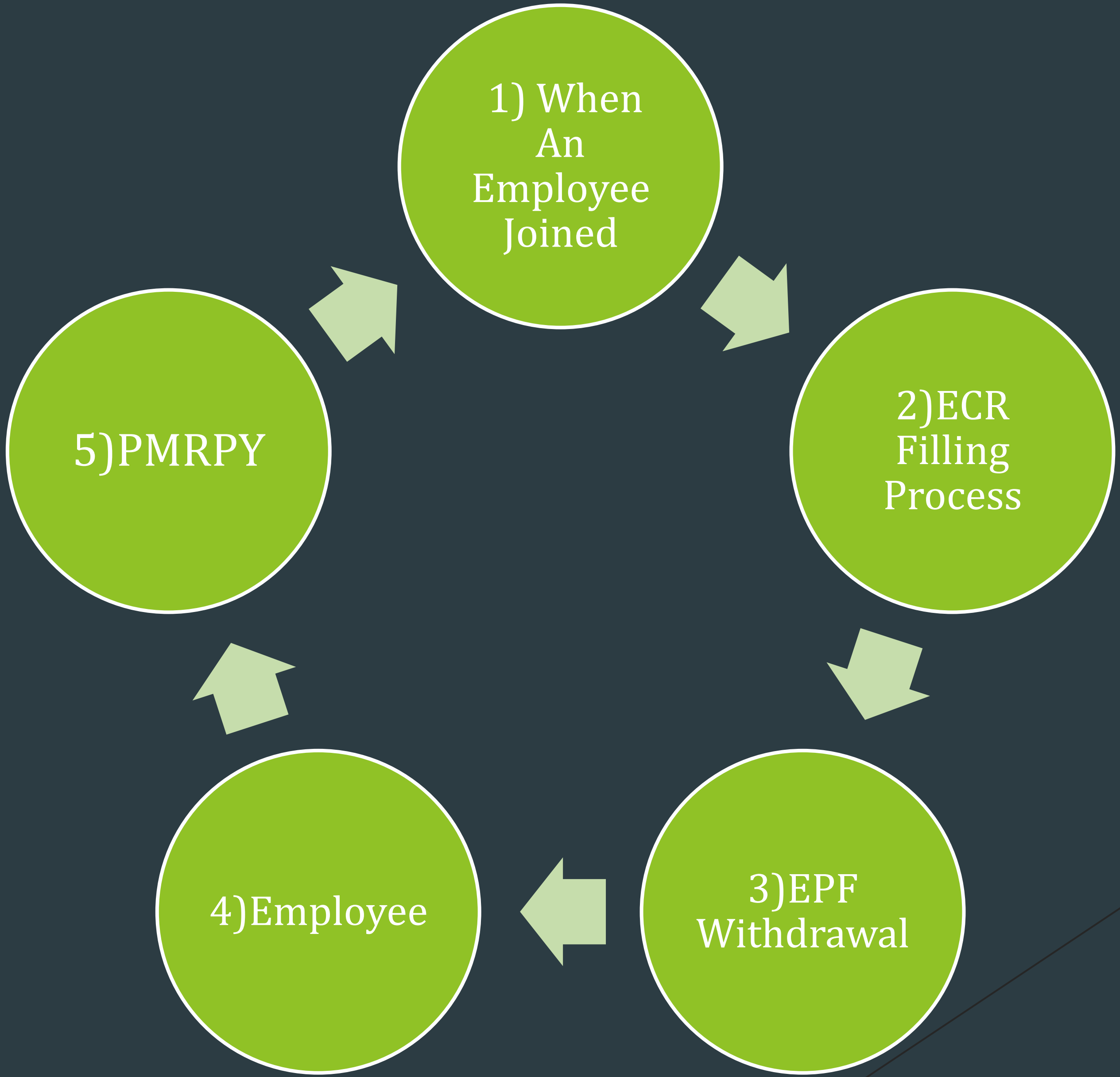
Form 31

It is an application for advance from the provident fund. F-31 is, therefore, known as 'Advance Form' and used for acquiring loans, withdrawals or advances from an employee's provident fund account. Under normal circumstances, the advance amount need not be refunded. All the same, if the advance amount is not used, it should be refunded alongwith interest. Also, it is important to note that a certain sum of minimum EPF balance is required to be maintained in the provident fund account of an employee prior to calculation of the admissible advance amount, subject to the the eligibility criteria for each condition.

EPFO WEBSITE INTERFACE



DISCUSSION POINTS



When an Employee joined ?

When an employee has been joined in an establishment two scenarios can happen:
Lets see…

1) If the new employee was earlier a member of PF then he has to continue being a member of EPF. A new PF number or Member ID will be allotted by the new organization. It will be tied to UAN number provided by the new employee.
2) If the new employee was not a member of PF in the past, or he was not in employment earlier and his salary is more than Rs 15,000 p.m. in the new employment, he can opt **NOT** to contribute for EPF / EPS. Such an employee is called as an **Excluded Employee**. A person receiving PF pension or persons who have withdrawn the PF are also excluded employees.

Is Joining EPS compulsory? Can one just join EPF?

The members who join the EPF after 1971 have to became a member of EPS when they join EPF. The Family Pension Scheme came in to force in 1971, at that time option was given to then existing members whether to go for this new scheme or not. Many then members opted not to go for it. The Family Pension Scheme was converted to EPS in 1995

Can one opt out of EPF?

Once a person is enrolled under PF Scheme, irrespective of his salary increments in consecutive jobs, he does not have an option of exemption from the scheme, unless the company is not registered under the EPF Act.Such companies are usually startup or company which has less than 20 employees

EMPLOYEES' PROVIDENT FUND ORGANISATION, INDIA

MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA

Welcome: balu12345

Est. Id: CBTRY0043877000

Name : KANNIKA PARAMESWARI ...

-A A A+ employerfeedback@epfindia.gov.in

Logout

Wed 25, Apr 2018 (PV 2.0.0)

Home | Member | Establishment | Payments | Dashboards | User | Admin | Online Services

Member Registration | Approve Member

Member Registration

Previous Employment/UAN — No / Yes

Name (As on AADHAAR) * — Mr. — Enter full name

Date of Birth (As on AADHAAR) * — DD/MM/YYYY

Gender * — Male / Female / Transgender

Nationality * — INDIAN

Father's/Husband's Name * — Father/Husband Name

Relation* — --Select--

Marital Status * — --Select--

Mobile — Enter Mobile No.

Email Id — Enter Email ID

Qualification — --Select--

Date of Joining * — DD/MM/YYYY

Monthly wages as on Joining — Enter Wages

International Worker

Differently Abled

Member is from North-East/Nepal/Bhutan

KYC Details

Select	Document Type	Document Number	Name as per Document	Other
	Bank	DOCUMENT NUMBER	NAME AS PER DOCUMENT	IFSC
	PAN	DOCUMENT NUMBER	NAME AS PER DOCUMENT	
	* AADHAAR	DOCUMENT NUMBER	NAME AS PER DOCUMENT	
	Passport	DOCUMENT NUMBER	NAME AS PER DOCUMENT	EXPIRY DT
	Driving License	DOCUMENT NUMBER	NAME AS PER DOCUMENT	EXPIRY DT
	Election Card	DOCUMENT NUMBER	NAME AS PER DOCUMENT	
	Ration Card	DOCUMENT NUMBER	NAME AS PER DOCUMENT	

ECR Filing Process

EPFO launched online receipt of Electronic Challan cum Return (ECR) from the Month of April 2012). Employers are required to Register their establishments and create their user id and password through the portal

ECR stands for **Electronic Challan cum Return**. This is an electronic monthly return to be uploaded by the employers through the Employer e-Sewa portal. The return will have the member wise details of the wages and contributions including basic details for the new and exiting members (members who have joined or have left service in the wage month for which the return is uploaded).

The approval of uploaded ECR will result in generation of a Challan using which the employer has to remit the dues through online payment. Thus each ECR will be linked with a remitted challan and the ECRs uploaded but not remitted will lapse after 12 days of the generation of the challan. The upload of ECR each month will relieve the employers from filing any paper return and also the various monthly and annual returns.

The upload of ECR that are backed with remitted challan in the EPFO Application will result in the updating of member balances on a monthly basis. This information will be shared with the members through the Know Your PF Balance link.. The employer may choose to make the payment through internet banking of 56 banks including SBI.

Lets have a video on ECR Filing Process

EPF VIDEO\How to file ECR _ return in EPFO _TRRN.mp4

When can EPF be withdrawn

One may choose to withdraw EPF completely or partially. EPF can be completely withdrawn under any of the following circumstances:

a When an individual retires from employment
b When an individual remains unemployed for a period of 2 months or more. Here, it needs a mention that the fact that the individual is unemployed for more than 2 months has to be certified by a gazetted officer.

Further, complete withdrawal of EPF while switching over from one job to another without remaining unemployed for 2 months or more(i.e. During the interim period between changing jobs), will be against the PF rules and regulations and therefore illegal.
Lets have a video on claim processing.
EPF VIDEO\ONLINE FORM 31 CLAIM WITHOUT EMPLOYER SIGNATURE.mp4

Further more:

TDS is deducted @ 10% on EPF balance if withdrawn before 5 years of service.
If withdrawal amount is less than Rs 50,000 no TDS is deducted.
Remember to mention your PAN at the time of withdrawal. If PAN is not provided TDS shall be deducted at highest slab rate of 30%.
You can submit Form 15G/Form15H if tax on your total income including EPF withdrawal is *nil*. TDS is not deducted if Form 15G/Form 15H is submitted

Partial withdrawal of EPF.

SI NO	Particulars of reason for withdrawal	Limit for withdrawal	No of years of service criteria	Other conditions
1	Marriage	Up to 50% of employee's share of contribution to EPF	7 years	For the marriage of self, son/daughter, brother/sister
2	Education	Upto 50% of employee's share of contribution to EPF	7 years	For the education of either himself or his children after class 10
3	Purchase of land / purchase or construction of a house	For land – upto 24 times of monthly wages plus Dearness allowance For house – upto 36 times of monthly wages plus Dearness allowance	5 years	The asset i.e. land or the house should be in the name of the employee or spouse or Jointly.

4	**Home loan repayment**	**Upto a maximum of 90 %, from both employee's contribution and employer contribution in Employee Provident Fund.**	**10 years**	**i. The property should be registered in the name of the employee or spouse or jointly** **ii. Withdrawal permitted subject to furnishing of requisite documents as called for by the EPFO relating to the housing loan availed,** **iii. The accumulation in the member's PF account (or together with the spouse), including the interest, has to be more than Rs 20,000.**
5	Renovation of house	Up to 12 times of the monthly wages	5 years	The property should be registered in the name of the employee or spouse or jointly.
6	A little before retirement	Upto 90% of accumulated balance with interest	Once he reaches 57 years (as per recent amendment)	For himself

Process flow for Registering Digital Signature Certificate

- Login Credentials has to be entered
- On the Menu Bar, under the Establishments, the option for E-Sign and Digital Signature Certificate option will be available
- On clicking it, you will routed to the E-sign/DSC Registration page and also you can view the Registered DSC and also Registered E-Sign

Lets have a video on Digital Signature Certificate:
EPF VIDEO\Employer_ Approved KYC Through Digital Signature (DSC) in EPF Portal.mp4
User Manual : dsc.pdf

Exit of an employer

There are two ways to enter exit dates of employee in employee provident fund organization. The first one is by bulk exit method and the other one is by doing individual exit in unified epf employer portal.

EPF VIDEO\Exit Employee from EPFO Unified Portal _ Employer.mp4

Offences & Penalties

Section	Offences	Penalties
41(1)	An employer who fails to register with the Board within **7 days** from the date he becomes liable to contribute.	Shall be liable to a imprisonment term not exceeding **3 years** or to a fine not exceeding **Rs.10,000** or both.
41(3)	An employer who fails to notify the Board within **30 days** from the date he ceases liability to contribute.	Shall be liable to a imprisonment term not exceeding **6 months** or to a fine not exceeding **Rs.2,000** or both
42(1)	An employer who fails to furnish the statement of wages to his employee.	Shall be liable to a imprisonment term not exceeding **6 months** or to a fine not exceeding **Rs.2,000** or both.
43(2)	Any employer who fails to contribute to the EPF Board on behalf of each of his employee. The contribution shall be remitted on or before the 15th day of the month.	Shall be liable to a imprisonment term not exceeding **3 years** or to a fine not exceeding **Rs.10,000** or both.

47(1)	**Any employer who deducts or attempts to deduct from the wages or remuneration of any employee the whole or any part of the employer's share of contribution.**	**Shall be liable to a imprisonment term not exceeding 6 years or to a fine not exceeding Rs.20,000 or both.**
48(3)	Any employer who deducts the employee's share of contributions from the wages of an employee and fails to pay the total sum deducted or any part of the sum to EPF.	Shall be liable to a imprisonment term not exceeding **6 years** or to a fine not exceeding **Rs.20,000** or both.
59(a)	Any person who makes orally or in writing, or signs any declaration, return, certificate or document which is untrue or incorrect.	Shall be liable to a imprisonment term not exceeding **3 years** or to a fine not exceeding **Rs.10,000** or both.

Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)

Objectives :

The Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) is a scheme to incentivise employers registered with the Employees' Provident Fund Organisation (EPFO) for job creation by the Government paying the 8.33% contribution of employers to the Employee Pension Scheme (EPS) in respect of new employees having a new Universal Account Number (UAN). For the textile (apparel) sector, the Government will also be paying the 3.67% Employees Provident Fund (EPF) contribution of the eligible employer for these new employees.

This Scheme has a dual benefit, where, on the one hand, the employer is incentivised for increasing the employment base of workers in the establishment, and on the other hand, a large number of workers will find jobs in such establishments. A direct benefit is that these workers will have access to social security benefits of the organized sector.

Duration of the scheme :

The Scheme will be in operation for a period of 3 years and the Government of India will continue to pay the 8.33% EPS contribution to be made by the employer for the next 3 years. That is, all new eligible employees will be covered under the PMRPY Scheme till 2019 - 20.

In Textile Sector(establishments dealing with the manufacture of wearing apparel)
8.33% of EPS + 3.67% of EPF contribution bear by Government

LATEST AMENDMENTS IN UNION BUDGET 2018

In the union budget 2018, the EPF contribution rate for the newly recruited female employees has been reduced from **12%** to **8%(recommended).** This privilege will be available to the new female employees for the first three years of employment.

The contribution from the employer's end towards EPF, although, will continue to be at the rate of **12%.** Additionally, the government has proposed to contribute of the wages of new employees towards EPF; this is applicable to all the sectors of the economy for the next three years.

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