

# EMPLOYEES' PROVIDENT FUNDS & M.P.ACT, 1952

## ➤ Applicability :-

- a) Every establishment / factory engaged in any industry specified in **schedule I** and in which **20 or more** persons are employed and
- b) Any establishment / factory employing less than **20 persons** can be covered voluntarily u/s 1(4) of the Act.
- c) Any Establishments which the Government may specifically notify as being covered

The Act is applicable to all types of employees i.e. whether they are Monthly rated, Part-Time employees, daily rated or piece rated employees, casual, temporary, permanent or contractual employees.

## ➤ Eligibility :-

- a) Any person employed for salary is less than Rs.15000/- p.m. and optionally covered where salary exceeds Rs.15000/- p.m. (**salary means Basic salary, D.A., and value of food concession**).
- b) Any person who is classified as disabled employee and working in private sector, with salary up to Rs.25000/- p.m.
- c) Any person who is classified as International worker under new Para 83 of the E.P.F. scheme, 1952.

## ➤ Rate of contribution :-

Employee's contribution @12% on salary / wages

Employer's contribution @ 12% on salary / wages

Total contribution @ 24% on salary / wages

In addition employer has to pay 0.85% as a PF Adm. Charges (Minimum Rs.500/-, 0.5 % EDLI contribution and 0.01% as an EDLI Adm. Charges (Minimum Rs.200/-).

## ➤ Rate of Contribution in the case of Closure of Company:-

When company has close down their activities and having no employees minimum Adm.charges of Rs.75/- in A/c II & Rs.25/- in A/c XXII shall be paid till final closure of the company.

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## ➤ Documents required for Cancellation of Code no.:-

In case of permanent closure of the company following documents are required:

1. Surrender of Shop & Establishment Certificate/Factory Act License
2. Cancellation of VAT no. /Service Tax No.
3. Proof of Surrender of Premises/ Sale of Machineries etc.

## ➤ Due date of Payment:-

The Provident Fund contribution of every month shall be deposited on or before 15<sup>th</sup> of every month. However, 5 days grace periods are allowed only in the case of late remittance of dues for specific reasons only up to Jan'16 only. From Feb'16 the provisions of grace period has been removed. (Circular attached separately)

## ➤ Rate of Interest :-

Member is entitled to receive interest on PF accumulation as declared by Central Government from time to time. At present Rate of Interest is 8.80% p.a. on monthly running balance.

## ➤ Benefits :-

Various advances are available after completion of 5 years or 7 years of membership

- a) Purchase of Dwelling Site
- b) Purchase of Dwelling house / flat
- c) Construction of house
- d) Repayment of housing loan to various Government agencies / finance body
- e) Hospitalization for more than a month
- f) Marriage of self / son / daughter / sister / brother
- g) Post Matriculation education of son / daughter
- h) Damage to the property due to natural calamity
- i) Member affected by cut in the supply of electricity

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j) Member who is physically handicapped

Note: **Bold & Underlined** marked are proposal for changes in the Act.

1. Schedule I will be removed.
2. Instead of 20 employees PF will be applicable on 10 employees.
3. PF Shall be paid on Gross salary excluding HRA.
4. Employee's contribution @12% shall be made voluntarily.

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FOR WEB CIRCULATION ONLY



## कर्मचारी भविष्य निधि संगठन Employees' Provident Fund Organisation

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)  
(Ministry of Labour & Employment, Govt. of India)  
मुख्य कार्यालय / Head Office

भविष्य निधि भवन, 14, भीकाजी कामा प्लेस, नई दिल्ली - 110 066  
Bhavishya Nidhi Bhawan, 14-Bhikaji Cama Place, New Delhi-110066  
[www.epfindia.gov.in](http://www.epfindia.gov.in) [www.epfindia.nic.in](http://www.epfindia.nic.in)  
Telephone: 011-26196239 Fax: 011-26173022

No. WSU/9(1)2013/Settlement

Date:

To

All ACCs (Zones)  
All RPF/OICs of  
ROs/SROs.

**Sub: Payment of contribution by the employers by 15<sup>th</sup> of the following month – Removing of grace period of 5 days.**

Sir/Madam,

As per paragraph 38(1) of the EPF Scheme, 1952, paragraph 3 of EPS, 1995 and paragraph 8(1) of EDLI Scheme, 1976, the employers are required to pay the contributions and administrative charges within fifteen days of close of every month. The employer, as per para 5.1.3 of Manual of Accounting Procedure (Part-I General), is also allowed a grace period of 5 days to remit the contribution.

2. The grace period of five days have been allowed for the employers to remit the contributions as the system of calculation of wages of the employees and their corresponding dues under the three schemes (Employees' Provident Fund Scheme 1952, Employees' Pension Scheme 1995 & Employees' Deposit Linked Insurance Scheme 1976) were done manually and its remittances in the bank required additional time in the earlier manual setup.

3. In the present era, employers compute the wages and EPF liabilities electronically (in most of the cases on real time basis) and file Electronic Challan-cum-Return (ECR). The remittances are also being deposited through Internet Banking. This has reduced the process and time taken in calculation of PF dues and its remittances in the bank. Accordingly, it has been decided that concession of grace period of 5 days available to the employers for depositing the contribution & other dues is withdrawn herewith. This decision shall apply from February, 2016 (contributions for month of January, 2016 and payable in the month of February, 2016).

4. The employers shall pay the contribution and other dues as envisaged under EPF & MP Act, 1952 and Schemes framed thereunder within fifteen days of close of every month

5. This has approval of Central P.F. Commissioner.

Yours faithfully,

(Dr. V.P. Singh)  
ACC (F&A)

**Talakshi R. Dharod**

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