**PROVIDENT FUND REGISTRATION**

**Basics** :

Employees Provident Fund (EPF) is a scheme covered under the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952. It is regulated under the Employees’ Provident Fund Organisation (EPFO). PF registration is applicable for all establishments with 20 or more employees. PF registration can also be obtained voluntarily by establishments having less than 20 employees.

The PF contribution paid by the employer is 12% of (basic salary + dearness allowance + retaining allowance). An equal contribution is payable by the employee. In case of establishments which engage less than 20 employees or meet certain other conditions, as per the EPFO rules, the contribution rate for both employee and the employer is restricted to 10%. For most employees working in the private sector, it’s the basic salary on which the contribution is calculated.

It is obligatory that employees’ drawing less than Rs 15,000 per month, to become members of the EPF. As per the rules in EPF, employee whose ‘pay’ is more than Rs. 15,000 per month, at the time of joining, is not required to make PF contributions. Also, an employee who is drawing a pay of more than Rs 15,000 can still become a member with permission of Assistant PF Commissioner and with the consent of the Employer.

The UAN (Universal Account Number) is a 12-digit unique number that has been allotted to every PF member by EPFO. Before the introduction of the UAN, employees were inconvenienced by the fact that they had to keep shifting their accounts when they shift organisations, but now, the UAN controls all PF accounts of an employee and it can be functioned as one account.

**Advantages :**

1. Idle EPF account earns interest.
2. savings platform that helps employees save a fraction of their salary every month that can be used in the event that you are rendered unable to work, or upon retirement.
3. Advance/Loan for Housing can be availed.