

Lesson 20: The EPF and Misc Provisions Act, 1952

1. Applicability

- Applies to every establishment which is a factory engaged in any industry specified in Schedule 1 & in which 20 or more persons are employed.
- Any other establishment employing 20 or more persons whom Central Government may by notification specify in this behalf.
- Any establishment employing even less than 20 persons can be covered voluntarily under Section 1(4) of the Act.

Note: Applies to entire India except Jammu & Kashmir.

2. Important Definitions

"Basic wages" [Section 2(b)] means all emoluments which are earned by an employee while on duty or on leave or on holidays with wages in either case in accordance with the terms of the contract of employment and which are paid or payable in cash to him, but does not include:

- the cash value of any food concession;
- any dearness allowance (all cash payments by whatever name called paid to an employee on account of a rise in the cost of living), house-rent allowance, overtime allowance, bonus, commission or any other similar allowance payable to the employee in respect of his employment or of work done in such employment;
- any presents made by the employer.

"Contribution" [Section 2(c)] means a contribution payable in respect of a member under a Scheme or the contribution payable in respect of an employee to whom the Insurance Scheme applies.

"Factory" [Section 2(g)] means any premises including the precincts thereof, in any part of which a manufacturing process is being carried on or is ordinarily so carried on whether with the aid of power or without the aid of power.

"Employee" [Section 2(f)] means any person who is employed for wages in any kind of work, manual or otherwise in or in connection with the work of an establishment and who gets his wages directly or indirectly from the employer and includes any person-

- employed by or through a contractor in or in connection with the work of the establishment;
- engaged as an apprentice, not being an apprentice engaged under the Apprentices Act, 1961 or under the standing orders of the establishment.

3. Threshold and Procedures

- Contribution by employer is subject to present threshold of INR 15,000/- per month beyond which there is no obligation by employer to contribute.
- Establishment will include all department and branches in any location.
- Employer needs to deposit its statutory contribution by 15th of every month.

4. Rate of Contribution

Equal contribution of 12% (10% in certain cases) of Wages (Basic wages, dearness allowance and retaining allowance, if any) is required to be paid by employer and employee (Whether employed directly or through contractor).

Note: Rate of 10 % is applicable for following industries:

- For establishments having less than 20 employees, or
- Sick Industrial Company declared by Board for Industrial and Financial Reconstruction or Establishment which has at the end of any financial year, accumulated losses equal to or exceeding its entire net worth or
- Any establishment in following industries:-
(a) Jute (b) Beedi (c) Brick (d) Coir and (e) Guar gum Factories.

5. Checklist

S. No.	Description of Forms	Time Limit
1	Form 2: Declaration & Form of nomination for EPF / Pension/ IF to be filled in by the eligible employee	As & when a new entrant joins the scheme
2	Form 3A/ Form 7 (PS): Members' Annual Contribution Cards: Members' Annual Contribution Cards	By 30th April every year for the year ending 31st March.
3	Form 9/Form 3(PS)/ Form 1(IF): Consolidated return of employees entitled to become members of the funds on the date of application of the scheme.	Within 15 days of the commencement of the scheme
4	Form 5 / Form 4(PS)/Form 2 (IF): Return of employees qualifying for membership under PF, Pension & Insurance Fund for the first time during the month	Within 15 days of the close of month
5	Form 10 / Form 5(PS): Return of employees leaving the service of the employer during the month	Within 15 days of the close of month
6	Form 5-A: Return of ownership in duplicate	Immediately on coverage & within 15 days of making any change in the establishment.

7	Form 12-A/ Form 6 (PS)/ Form 4 (IF): Consolidated Statement of Dues and Remittance	Within 20 days of the close of the month
8	Form 6-A/ Form 8 (PS): Consolidated Annual Contribution Statement	By 30th April every year for the year ending 31st March.
9	Form 13: Form concerning transfer of previous accumulation dues from existing PF.	As and when required.
10	Form 11: Details of past employment/membership of employee	As and when required.
