Presentation on Employee's Provident Fund Act 1952

EPF ACT 1952

The employee's provident fund act was passed in 1952.

3 schemes comes under this

1. Employee's Provident Fund Scheme,1952
2. Employees Deposit Linked Insurance Scheme,1976.
3. Employees Pension Scheme,1995.

THE ACT CAME INTO IMMIDIEATE EFFECT FROM 14-3-1952

INTRODUCTION OF EPF SCHEME, 1952

EPF is one of the main platforms of saving in India for nearly all people working in Govt , Public or Private sector organization.

It is implemented by the EMPLOYEES PROVIDEND FUND ORGANIZATION (EPFO) OF INDIA.

MEANING OF EPF

"The employees provident fund is compulsory contributory fund for the future of the employee after his retirement or for his dependents on the case of his early death"

PURPOSE

Purpose of this Act is to provide

1. Provident funds
2. Family pension
3. Deposit linked insurance schemes.

For employees in factories and others establishments.

AIMS OF EPF ACT

- Its another aim is to provide for a better future of industrial workers on his retirement and for the dependent in case of his death.
- In order to give benefit of provident funds to more workers the provision of act have been amended from time to time.
- The Act was amended in 1971 to provide for family pension and life insurance benefits.
- It was again amended in 1976 for introducing Deposit-Linked Insurance scheme.

Scope of Provident Fund Act,1952

APPLICABLE TO

1. Whole of India except the State of Jammu and Kashmir.
2. Every establishment (factory or industry) which 20 or more persons are employed.
3. Any other establishment employing 20 or more persons which the Central Govt may notify from time to time.

Not applicable to

This act does not apply to

- Any establishment registered under the Co-Operative Societies Act, 1912.
- Establishment belonging to Central or State Govt .
- Establishment newly setup until the expiry of a period of three years from the date of its establishment.

DUTY TO NOTIFY & REGISTER

Every corporation registered under the Companies Act 1965 must notify the EPF board of its incorporation within 30days from such incorporation using the appropriate Performa.

Contribution

- A contribution is the amount of money paid to the EPF which is calculated based on the monthly wages of an employee and than credited in the employee EPF account.

Who is liable for contribution

SEC 43(1) provide that every employee and

Every employer within the meaning of this act are liable to pay monthly contributions.

The employer shall, in the first instance be liable to pay both the contributions payable by himself and also on behalf of the employee.

WITHDRAWAL OF CONTRIBUTIONS

EPF BOARDS may authorized to withdrawal of the sum of money standing to the credit of a member, if it is satisfied that;

1. The member has died.
2. The member has attained age of 55 years;
3. The member is physically or mentally incapacitated from engaging in any further employment.

CONTRIBUTION

2. EMPLOYEES PENSION FUND SCHEME

It is a Central Govt scheme for providing.

- Widow pension
- Children pension
- Retiring pension

PURPOSE

The purpose of this scheme is to providing family pension and life assurance benefits to the employees of any establishment to which this act applicable

Contribution EPS

- EMPLOYER'S CONTRIBUTION UNDER THIS scheme would not exceed monthly
- 8.33% of Basis wages +
  dearness allowance +
  Retaining allowance.

3. EMPLOYEES' DEPOSIT LINKED INSURANCE SCHEME SEC 6(C) 1976

- Central Govt had formulated the scheme deposit linked saving scheme for the purpose of providing life insurance benefits to the employees of any establishment or class of establishment to which the EPF Act applies.

Contribution in EDLIS

PUBLIC PROVIDENT FUND ACCOUNT

1. IT can be opened by any individual and Hindu undivided families.
2. one can deposit any amount from Rs100 to Rs.70000 in a year in this account.
3. It carries 8% interest maximum 12 deposit can be made to PPF A/C once in year.
4. After 5 year one half of the amount laying in the account can be withdraw.
5. Interest enjoyed by PPF A/C holder is not taxable and money laying in this account can not be attached by any court decree.

PROTECTION AGAINTS ATTACHMENT (SEC10)

The amount standing to the credit of any member in the fund shall not be liable to attachment under any decree or order of any court in respect of any liability incurred by the member of exampled employee.

ADMINISTRATION OF THE SCHEMES UNDER PROVIDENT FUND ACT,1952

1. CENTRAL BOARD SECTION(5(4)
2. EXECUTIVE COMMITTEE SECTION 5(AA)
3. STATE BOARD SECTION 5(B)

1.CENTRAL BOARD

- A Chairman and vice Chairman
- Central Provident Commissioner-Ex Officio
- Not more than 5 person appointed by the Central Govt
- Not more than 15 person appointed by Govt representing the Central and State Govt.
- 10 person representing employers of the establishment to which scheme applies.
- 10 person representing employees.

2.EXECUTIVE COMMITTEE

- IT would be appointed by the central govt to assist the central govt board and would consist of;
- 1 CHAIRMAN appointed by CENTRAL GOVT.
- 2 person appointed by CENTRAL GOVT REPRESENTING CENTRAL GOVT.
- 3 PERSON representing the EMPLOYER'S elected by CEN.. GOVT.
- 3PERSON representing the EMPLOYEE ELECTED BY THE CEN. GOVT

3.STATE BOARD

- The central govt can appoint a state board of trustees for a state in consultation with the govt. of that state.

Thank You