

# EMPLOYEE PROVIDENT FUND ACT 1952

---

BY Neha garg

Assistant professor

DHA

C.C.S Uni

# CONTENTS

- INTRODUCTION
- SCOPE & EXTENT
- APPLICABILITY / ELIGIBILITY
- INTERESTS
- INVESTMENT PATTERN FOR A PF TRUST

# INTRODUCTION

***Employee Provident Fund*** (EPF) is one of the main platforms of savings in India for nearly all people working in Government, Public or Private sector Organizations. It is implemented by the Employees Provident Fund Organization(EPFO) of India. It is a mandatory, tax-qualified, defined, contribution retiral benefit plan wherein equal contribution at the specified rate is made by the employer and the employee and the same is payable in lump sum on retirement.

# SCOPE & EXTENT

- **Employees' Provident Funds Scheme, 1952**
- **Employees' Deposit-Linked Insurance Scheme, 1976**  
**(EDLI) and**
- **Employees' Pension Scheme, 1995**    **(EPS)** (Earlier  
the Employees' Family Pension Scheme, 1971)

# WHO IS APPLICABLE FOR EMPLOYEE PROVIDENT FUND ?

- The employee provident fund act 1952 implies to the whole of India except the state of Jammu & kashmir (section 2). This act implies (section 3) to:
  - Every establishment which is a factory engaged in any industry specified in schedule I & in which 20 or more persons employed;
  - Any establishment employing 20 or more persons of such establishments which central government may, by notification in the official gazette specify.
- NGO'S
  - Considering the operations of charitable institutions these includes the following:
    - Educational, scientific research & training institute ;
    - Establishment known as hospitals;
    - Establishment rendering expert services;
    - Establishments engaged in poultry farming
    - Establishment engaged in cattle feed industry;

# WHO IS ELIGIBLE FOR EMPLOYEE PROVIDENT FUND?

## □ FOR NEW ENTRANTS

- An employee is eligible for membership from the day he joins the company who has enrolled for EPF Scheme
- If an Employer has equal to or more than 20 employees, it is mandatory for him or to join the Employee Provident Fund Scheme.
- If the employee's emoluments exceed Rs. 6,500/- per month, he has the option to join the Scheme(s) with the consent of employer.
- Declare previous employment details, if any, in Form No. 11 to the employer.
- On becoming a member of the Schemes file details in Form No. 2 ( family particulars/ nominations) through the employer.
- Rate of contribution payable by a member shall be @ 12% of his emoluments.
- A member can contribute statutorily over and above the prescribed rate.

## □ FOR EXISTING ENTRANTS

- Enrolment:
- Any change in the family status, such as, –
  - marriage of the member.
  - additions / deletion in the family.
  - Legal adoption of the children.
  - Change of nominee, is to be filed in Form No. 2 through the employer.
- In the event the member is holding a Scheme Certificate (under EPS, 95), he should surrender the same to the concerned EPFO office, through his employer.
- A member is entitled to various benefits & facilities such as withdrawals, advances, pensions, death insurance etc.

RATE OF INTEREST ALLOWED TO MEMBERS OF THE PROVIDENT FUND			
YEAR	% RATE OF INTEREST DECLARED	YEAR	% RATE OF INTEREST DECLARED
1952-53	3	1981-82	8.5
1953-54	3	1982-83	8.75
1954-55	3	1983-84	9.15
1955-56	3.5	1984-85	9.9
1956-57	3.5	1985-86	10.15
1957-58	3.75	1986-87	11
1958-59	3.75	1987-88	11.5
1959-60	3.75	1988-89	11.8
1960-61	3.75	1989-90	12
1961-62	3.75	1990-91	12
1962-63	3.75	1991-92	12
1963-64	4	1992-93	12
1964-65	4.25	1993-94	12
1965-66	4.5	1994-95	12
1966-67	4.75	1995-96	12
1967-68	5	1996-97	12
1968-69	5.25	1997-98	12
1969-70	5.5	1998-99	12
1970-71	5.7	1999-2000	12
1971-72	5.8	2000-2001	11
1972-73	6	2001-2002	9.5
1973-74	6	2002-2003	9.5
1974-75	6.5	2003-2004	9.00 + 0.50*
1975-76	7	2004-2005	9.5
1976-77	7.5	2005-2006	8.5
1977-78	8	2006-2007	8.5
1978-79	8.25 + 5% Bonus**	2007-2008	8.5
1979-80	8.25	2008-2009	8.5
1980-81	8.25	2009-2010	8.5

From 1994-95 on monthly running balance; \*0.5% bonus for Golden Jubilee Year of the Organisation; \*\*who did not withdraw any amount from their PF during 1976-77 & 1977-78

## WHAT IS THE EPF INTEREST RATE?

The EPF interest rate of India is decided by the central government with the consultation of Central Board of trustees. In the past several decades, the interest rate has ranged from 8-12 % of the balances maintained in the fund. The EPF interest rate notification is available on the official website of EPF India on an annual basis. The same is communicated through major dailies in all cities

# REFERENCES

- WAGES AND SALERY ADMINISTRATION  
RADHA GUPTA
- HANDBOOK OF WAGES AND SALERY ADMINISTRATION  
ROCK MILTON L
- WAGES AND SALERY ADMINISTRATION  
AFT,LAWRENCE S
- \_COMPENSATION WAGE AND SALERY ADMINISTRATION  
PRIYENKA SALUJA,RANU CHIDWAL,MAYUR VERMA



**Thanks**