

## Frequently Asked Question

### Employees Provident Fund and Miscellaneous Provisions Act 1952

#### Employees Provident Fund (EPF) Scheme 1952

Q. Whom can I nominate as my nominee?

A. Married members can nominate the following:

- Male Members: Wife, Children, dependent parents & his deceased son's widow & children
- Female Members: Husband, Children, dependent parents, her husband's dependent parents & her deceased son's widow & children

Unmarried members or members with no family can nominate any person (s) or institution related to him or not. On subsequently acquiring a family, such member should make fresh nomination in favour of one or more persons belonging to his family. Any fresh nomination would supercede over the earlier nomination provided by the member.

Q. What is the percentage at which Provident Fund is deducted from my salary?

A. Provident Fund contribution is deducted at the rate of 12% of the Basic component of your salary every month.

Q. At what rate the employer contributes to Provident Fund?

A. The employer contributes at the rate of 12% of Basic component of your salary to the Provident Fund. However contribution by employer is bifurcated into contribution to Provident Fund and contribution to Employees Pension Scheme. A sum equal to 8.33% of Basic Salary upto Rs.6500/- is contributed to Pension Scheme from employers share of contribution. The maximum amount that will go to Pension Funds is Rs.541/- per month. i.e. 8.33% of Rs.6500/- (Rs 541.45). The Pension Fund contribution does not form part of Provident Fund, therefore does not reflect in the yearly contribution slip.

Eg: On a basic salary of Rs 10000/-, 12% (Rs 1200/-) contribution by employer would be contributed in the following manner - Rs 541/- would go to Pension Fund & Rs 659/- would go to Provident Fund.

Q. I have joined recently, what will happen to my previous PF Accumulation?

A. PF accumulations with previous employer can be transferred by filling up Form 13. The present employer will endorse and send the forms to previous employer. The employee is expected to take up with previous employer for early transfer of his accumulations to his present provident fund account.

Q. Upon my separation from my existing employer how do I get my PF accumulations transferred to my new employer?

A. PF accumulations can be transferred to the new employer PF account by filling up Form 13 with the new employer.

Q. How will I know the receipt of my PF transfer?

A. Once an employee applies for the PF transfer with his new employer, his PF transfer application will be processed and sent to his previous employer, who would further process and send the PF transfer proceeds directly to the governing body i.e PF Trust / PF Commissioner with whom the current PF account is maintained. Employees will get to know the PF transfer in status when they receive the PF Statements from the PF departments on annual basis.

- Q.** Can I contribute over and above the mandatory 12%, as voluntary provident fund?
- A.** Yes but subject to a total contribution of not more than 100% of basic salary. However the employer will not contribute towards such voluntary contribution done by the employee. Further, the said voluntary contribution will be treated as normal contribution and cannot be withdrawn as and when the employee wishes to. The voluntary contribution will be at a fixed percentage of basic and will remain same through out the year (Mar-Feb). You can give the mandate for deduction of voluntary PF at the start of financial year & can cancel it any time during the year.
- Q.** Can I withdraw a part of my PF accumulations during employment?
- A.** Yes, you can, subject to fulfilling conditions and submission of required documents. Please contact local EPFO department or [EPFO website](#) incase you wish to know more about this feature.
- Q.** What is the mode of payment of Provident Fund dues?
- A.** Provident Fund dues are paid by money order/ by deposit in payees' bank account in any nationalized / scheduled bank. Payment by money order is allowed where the amount is not more than Rs. 2000/-.
- Q.** How much interest do I get on these dues?
- A.** Currently you earn a compounded interest at 8.5 %. This also varies year on year & is declared by the PF Board.
- Q.** What are the benefits under the Employee Provident Fund Scheme, 1952?
- A.** The benefits under the EPF Scheme, 1952 to the employee are as follows:
- Compulsory savings with equal additional amount from the Employer
  - Allowed for deduction from Income Tax (Pl check the Direct Tax Code applicable from 2012)
  - Interest earned is not liable for Income Tax (Pl check the Direct Tax Code applicable from 2012)
- Q.** What are the periodical returns to be sent by an employer to the Provident Fund Office?
- A.** The employer of an un-exempted establishment has to forward the following returns. These returns will include details required under the three schemes namely, Employees Provident Fund Scheme, 1952, Employee Deposit Linked Insurance Scheme, 1976 and Employee Pension Scheme, 1995.
- a) Form-9(Revised):*
- The details of employees enrolled as members of Employees' Provident Funds'52, Employees' Deposit Linked Insurance'76 & Employees' Pension Scheme'95 on coverage of the establishment- This is to be submitted immediately after coverage, within 15 days of coverage.
- b) Form-12A:*
- The details of the contributions recovered from the members & paid along with details of employers' contribution & administrative charges- This is to be submitted monthly by 25th of following month.
- c) Form-5:*
- The details of the employees enrolled newly to the Provident Fund- To be submitted along with Form-12A every month within 15 days of the following month.

**d) Form-10:**

The details of the employees leaving service during the month- To be submitted along with form-12A.

**e) Challans:**

The triplicate copy of challans in token of having remitted the Provident Fund dues in the bank- to be submitted along with form-12A every month.

**f) Form-2(Revised):**

Nomination form- To be submitted along with form-5/9.

**g) Form-3A:**

The details of wages & contributions in respect of each member, to be prepared financial year wise- To be submitted to the Provident Fund office by 30th of April every year.

**h) Form-6A:**

Yearly consolidated statement of contributions- To be forwarded yearly along with form-3A. It should be ensured that all the form-3A are entered in form-6A, irrespective of whether the form-3A was forwarded for the broken period and the total dues as per the form-12A for the whole year agrees with the total of form-6A within 30th April.

**i) Form-5A:**

Return of ownership of the establishment- To be forwarded immediately after coverage & whenever there is a change in the ownership, it has to be intimated with in 15 days of change.

**j) Specimen signature:**

Specimen signature of the officer/officers who are authorized to sign the returns/documents relating to Provident Fund forwarded immediately after coverage & whenever there is a change in authorized officer.

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## Employees Pension Scheme 1995

- Q.** What is Employees Pension Scheme, 1995?  
**A.** Employees Provident Fund and Misc. Provisions Act, 1952, provide for Pension benefits to eligible employees under The Employees Pension Scheme. 1995.
- Q.** Is it compulsory to join Employees Pension Scheme, 1995.  
**A.** All employees covered under Employees Provident Fund and Misc. Provisions Act, 1952, who have not completed the age of 58 years become members of The Employees Pension Scheme, 1995.
- Q.** What is Family under Pension Scheme?  
**A.** Under Employees Pension Scheme, 1995, Family means -
  - Wife in case of male member of the Employees Pension Fund;
  - Husband in case of a female member of the Employees Pension Fund; and

- Minor sons and unmarried daughters (also includes legally adopted children) of a member of the Employees Pension Fund.

**Q. What is the eligibility to receive Pension under Pension Scheme?**

**A. A minimum period of ten years of contributory service is required to be eligible to receive monthly Pension. Full pension is payable on completion of 20 years of contributory service.**

**Q. What is contributory service?**

**A. Contributory service means the period of actual service rendered by a member for which contributions to the fund have been received or are receivable.**

**Q. What are the benefits and who gets them?**

**A. The employee himself receives one of the following Pensions subsequent to fulfilling conditions:**

- |                             |   |   |
|-----------------------------|---|---|
| i) Short Service Pension    | : | On rendering eligible service of ten years or more but less than 20 years.                      |
| ii) Retirement Pension      | : | On rendering eligible service of 20 years or more but retires before attaining age of 58 years. |
| iii) Superannuation Pension | : | On rendering eligible service of 20 years or more and retires on attaining the age of 58 years. |

**Pension to the Family shall be admissible from the date following the date of death of the member if the member dies:-**

- i) While in service, provided that at least one month's contribution has been paid into the Employees Pension Fund; or
- ii) After the date of exit but before attaining the age of 58 years, from the employment having rendered service entitling him/her to monthly member's pension but before the commencement of pension payment; or
- iii) After commencement of payment of the monthly member's pension.

**Q. What are the types of Pension?**

**A. Following are types of pension prescribed under Employees Pension Scheme, 1995.**

- |                                |   |  |
|--------------------------------|---|--|
| i) Monthly Widow's Pension     | : | Lifelong Pension to Spouse                               |
| ii) Monthly Children's Pension | : | Pension to Children till they reach the age of 25 years. |
| iii) Monthly Nominees' Pension | : | Pension to dependent father or dependent mother.         |

**Further, any employee who has not completed eligible service of ten years can opt for withdrawal /transfer of the Pension Fund on separation from employment. The benefits are transferable to new Pension Fund Account at the present employer. However if an employee has not completed six months of contributory service, withdrawal benefit is not paid, as fraction of service for 6 months or more is treated as one year and the service less than 6 months is ignored under Employees Pension Scheme, 1995.**

**(For eligibility criteria, terms and conditions etc please get in touch with the local EPFO department, [EPFO website](#) or refer to The Employees Pension Scheme, 1995).**

**Q. How much pension will I get?**

**A. Actual Pension shall become payable after completion of 58 years of age and will depend on contributory service and pensionable salary, which shall be average monthly pay drawn during the contributory period of service in the span of 12 months preceding the date of exit.**

- Q. After attaining 58 years, while in employment, can I draw pension if I am fulfilling required conditions?
- A. Yes. If eligible, Monthly Pension can be drawn, even if in employment after attaining 58 years of Age.
- Q. Can I voluntarily contribute to Pension Scheme?
- A. No, the contribution is calculated on the salary ceiling as per the provisions of the EPF Act, 1952. The salary ceiling gets upwardly revised over a period of time.
- Q. Does the PF Account Number and the Pension Account number remains the same, if not, how I will come to know my pension account number?
- A. In our case, the PF Account Number and Pension Account number are same.
- Q. I am resigning from the services of the Company, can I settle my Pension Fund Contribution, and if yes how I will be able to do the same?
- A. If you are resigning before completing 6 months of contributory service, you will not be entitled to withdrawal benefits under Pension Scheme. However the benefits can be transferred, if you are opting for a transfer to your new PF and Pension account at your present employer. The Pension Scheme ignores contributory service of less than 6 months and contributory service above 6 months is rounded off to a year.
- Q. What will be the percentage that will be contributed into the pension scheme? Whether it will reflect in my monthly pay slip?
- A. 8.33% of Basic Salary upto Rs.6500/- is contributed to Pension Scheme from employers share of contribution. As such the maximum amount that will go to Pension Funds is Rs.541.45/- per month. i.e. 8.33% of Rs.6500/-. The Pension Fund contribution is paid to PF Office and the same is accounted by them. However it will not reflect in the yearly PF Slip.
- Q. If an employee does not have a family and dies before receiving benefit. Does his pension remain unpaid?
- A. No, if he does not have a family, benefits will be paid to his nominee, who will receive the benefit in his absence.
- Q. How many years service is required to be eligible to receive member pension?
- A. Minimum 10 years eligible service will entitle for member pension. Earlier service is also counted provided the employee has transferred his PF accumulations.

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## Employees Deposit Linked Insurance Scheme, 1976

- Q. What are the benefits available under Employees Deposit Linked Insurance Scheme, 1976?
- A. All members contributing to Provident Fund are automatically insured for their life during the Service. The Employees Provident Fund Organization pays additional sum as the EDLI benefit to the nominee of the deceased employee if death occurs while in employment. The amount of the benefits is based on the average balance in PF account for 12 months preceding the date of death of an employee. The maximum lump sum amount payable to the nominee under this Scheme is Rs. 100,000/-.