

DRAFT Scheme to help low wage earning workers and employers of businesses employing upto 100 workers by payment of EPF & EPS contributions by Central Govt. for 3 Months

1. Introduction:

The Govt. of India on 26.03.2020 announced Rs.1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus Pandemic. As part of the said package, the Central Govt. proposes to pay 24 percent of the monthly wages into EPF accounts for next three months of Wage-earners below Rupees fifteen thousand per month, who are employed in businesses having up to one hundred employees, with 90% of such employees earning monthly wages less than Rs.15000/-.

To implement the aforesaid package, the Ministry of Labour, Govt. of India, hereby notifies a Scheme with guidelines herein below:

2. Scheme Objectives:

To prevent disruption in the employment of low wage earning employees and support businesses employing up to one hundred employees, the entire employees EPF contributions (12% of wages) and employers' EPF & EPS contribution (12% of wages), total 24% of the monthly wages for the next three months shall be directly paid by the Central Govt. in the EPF accounts (UAN) of employees, who are already members of EPF Scheme, 1952, drawing salary / wages less than Rs.15000/- per month and employed in establishments, already covered under the EPF & MP Act, 1952, employing up to one hundred employees, with 90% of such employees earning less than Rs.15,000/- monthly wages.

3. Validity of Scheme:

The Scheme will be in operation for the next three months and covers the period of wage months- March, 2020, April, 2020 and May 2020.

4. Definitions for the Scheme:

The definitions mentioned in various sub-sections of section 2 of The Employees' Provident Fund & Misc. Provisions Act, 1952 and Para 2 of the Employees' Provident Funds Scheme, 1952, would be applicable mutatis mutandis to this scheme as well.

The following definitions would also be relevant:

(a) Electronic Challan cum Return (ECR) are the monthly challans/returns submitted online to the EPFO by the employers/establishments.

(b) Universal Account Number (UAN) are the unique account number of the members and for the purpose of this Scheme, the UANs need to be Aadhaar validated.

(c) Ownership returns in Form 5A prescribed under Para 36-A of the EPF Scheme, 1952

5. Eligibility for Scheme benefits:

A. For Establishments: To be eligible for benefits, following conditions should be fulfilled:

(i) The establishment or factory should already be covered and registered under the Employees' Provident Funds & Misc. Provisions Act, 1952 as on 29.02.2020.

(ii) The total number of employees employed in the establishment should be less than or equal to 100 (one hundred), with 90% or more of such employees should be drawing monthly wages less than Rs.15000/- as in ECR for the month February 2020 as well as during the validity of this Scheme.

B. For Employees:

(i) Employee should be employed in any eligible establishment earning monthly wages of less than Rs.15000/- with date of joining in UAN prior to 29.02.2020. The UAN of the employee should be validated with his/her Aadhaar.

(ii) Employee should be a contributory member of EPF Scheme, 1952 & Employees' Pension Scheme, 1995 whose contributions are received for any period during last six months (September 2020 to February 2020) in the ECR filed by any eligible establishment against his/her UAN.

Such contributions in ECR should have been received on monthly wage of less than Rs.15000/-

(iii) It is clarified that if any employee is already a registered beneficiary and his/her employer is availing benefits of payment of employer's share by Central Govt. under PMRPY/PMRPY 2016, only the employees' share of contributions shall be paid by the Central Govt. under this Scheme.

6. Instructions for availing benefits under the Scheme:

(i) The employer in relation to any eligible establishment, is required to first disburse salary/wages for the month to all employees of the establishment and then file Electronic Challan cum Return (ECR) Online, for each of the wage month within due dates- March, 2020 on or before 15.04.2020; April, 2020 due on or before 15.05.2020, and May, 2020 on or before 15.06.2020 to avail the benefit under the Scheme.

(ii) Since the Central Govt. is paying the employee's share of EPF contributions for employee eligible under this Scheme, for the wage months March, 2020, April, 2020, and May, 2020, the employer shall not make any deduction of employee's share of EPF contributions from the wages of any eligible employee drawn for the wage months- March 2020, April 2020 and May 2020.

(iii) The employer of establishment claiming benefits under this Scheme have to file only one valid ECR for the months- March, 2020, April, 2020 and May, 2020.

(iv) That the employer must update Form 5A (Ownership return) Online by filling in particulars of all branches and departments of the establishment.

(v) Once ECR is uploaded by an employer eligible for subsidy, then the challan will separately show such amounts of employees' and employers' contributions as Central Govt. subsidy due under this Scheme in respect of eligible employees and the remaining amount payable by the employer- contributions towards EDLI Scheme, 1976 and EPF administrative charges in respect of all employees as well as EPF & EPS contributions due in respect of ineligible employees

(vi) After the employer remits the payment due from him as reflected in challan as noted at (v) above, the EPF & EPS contributions in respect of eligible employees will be credited directly in their respective UAN by the Central Govt. There is no need to seek reimbursement of subsidy.

(vii) At the time of submission of the ECR, the employer shall be required to certify correctness of information furnished electronically in ECR and in Form 5A with an undertaking that the employer is liable for penal and coercive consequence for submitting any incorrect or false information/declaration to avail the subsidy.

(viii) The employer and establishment, seeking benefits of this Scheme, shall be fully responsible for the information furnished electronically in ECR or Form 5A or otherwise. If it is found that employer or any person has filed a false information or statement or made a false declaration, the employer shall be treated as defaulter and liable for penal consequences for such contravention as per the provisions of the EPF & MP Act, 1952 and EPF Scheme, 1952 and the subsidy paid by the Central Govt. shall be liable for recovery along with interest and penalty.

COMMENTS OF LEGAL DIVISION:

1. Instead of words 'employed in business' use employed in establishment wherever used

2. Further why it is not mentioned that for 100 counting the strength of the establishment as a whole shall be counted even if it is making compliance under more than one code number
i think it shall be made clear so that IS division puts this filter

COMMENTS OF FINANCE DIVISION