

## No tax on EPF withdrawals amid covid-19

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- **You can withdraw up to three months salary (basic pay and dearness allowance) or 75% of the total EPF balance in your account**

Considering the financial stress that many salaried individuals might be facing because of covid-19 pandemic, government allowed special provision for withdrawal from Employees' Provident Fund (EPF) account on 20 March 2020. Since announcement Employees' Provident Fund organization (EPFO) has processed about 1.37 lakh claims disbursing an amount of about 2.8 billion. The remittances of the moneys have already started taking place.

Typically, funds withdrawn from EPF account before the completion of five years of continuous service attract tax, except in certain conditions such as a medical emergency or where the employee or the employer wind up their business or for any other reason beyond the control of the employer. However, even in case you decide to withdraw funds from EPF account because of covid-19 pandemic, such withdrawal will be exempt from tax. Here is how much and how you can withdraw the funds.

How much you can withdraw?

You can withdraw up to three months salary (basic pay and dearness allowance) or 75% of the total EPF balance in your account whichever is lower. For instance, if your EPF balance is ₹3 lakh and your basic pay and dearness allowance is ₹ 30,000 per month, you are eligible to withdraw lower of ₹ 90,000 (3 months salary) or ₹2.25 lakh (75% of EPF balance), that means you can withdraw up to ₹ 90,000. If you need lower amount you can make a request accordingly.

How to make withdrawal?

If you want to withdraw funds out of your EPF account, first login to your EPF account using your Universal Account Number (UAN) and password. Once you login, go to online services tab and click on "Claim (Form-31,19,10C & 10D)." You will only be able to proceed further and make claim if you have updated Aadhaar number with your EPF account. In case your Aadhaar is updated with EPF account, it will ask you to enter four digits of your bank account for verification. After verification of bank account, click on the option "Proceed For Online Claim". Next is to select the applicable form for withdrawal i.e. Form 31 from the drop down list. If you are withdrawing fund because of the financial hardship due to covid-19, select the purpose as "Outbreak of pandemic (COVID-19)" from the drop down. Now you are required to enter the amount you want to withdraw and upload scanned copy of cheque and enter your address. Click on "Get

Aadhaar OTP" to proceed further, enter the OTP received on Aadhaar linked mobile and submit the request. EPFO is claiming to settle the request in the three working days.