

Employer must pay damages for delay in payment of EPF contribution, rules SC

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The Supreme Court today said if an employer fails to deposit the EPF contribution of the Employees' Provident Fund (EPF) in time, it is liable to pay the damages to the employee. The SC was hearing an appeal filed against the Karnataka High Court judgement, which had held an employer is liable to pay damages if it fails to deposit the EPF contribution.

The Supreme Court bench comprising Justices Ajay Rastogi and Abhay S Oka said the Employees Provident Fund & Miscellaneous Provisions Act provides social security to employees working in any establishment that houses 20 or more employees. Hence, the court said as per the law, the employer is liable to make mandatory deductions for provident funds and deposit in the worker's account in the EPF office.

"We are of the considered view that any default or delay in the payment of EPF contribution by the employer under the Act is a sine qua non for the imposition of levy of damages under Section 14B of the Act 1952 and mens rea or actus reus is not an essential element for imposing penalty/damages for breach of civil obligations/liabilities," the bench said.

With PTI inputs

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