

# **EPF&MP ACT, 1952**

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Following Districts come under the jurisdiction of Office of Regional Provident Fund Commissioner Jalandhar: JALANDHAR, KAPOORTHALA, HOSHIARPUR AND NAWANSHAHR (SBS NAGAR)

Employees Provident Fund Organisation, Ministry of Labour and Employment, Government of India administers Employees' Provident Fund & Misc. Provisions Act, 1952, Central Act No. 19 of 1952 enacted on 4th March, 1952 in furtherance of Directive Principles of State Policy. The Constitution of India under "Directive Principles of State Policy" provides that the State shall within the limits of its economic capacity make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old-age, sickness & disablement and undeserved want. It extends to the whole of India except the State of Jammu and Kashmir and applies SUO-MOTTO & automatically on establishments from the day conditions of Applicability are fulfilled. It is a Central Legislation for providing social security to employees working in any establishment engaging 20 or more persons on any day directly or indirectly through a contractor. It provides for compulsory deduction of provident fund from employees and a matching 12% contribution from the employer which is deposited in the worker's account in the Employees' Provident Fund Office of respective Area. An employee is eligible for membership from the day he joins the covered establishment. No amount is taken from Member to give Pension to the Member. Employer and Govt. contributes to Pension fund @8.33% and @1.16% respectively. EPFO guarantees pension to members, even if the Employer has not contributed to Pension Fund. Non-compliance under Act is a Cognizable Offence. As per Section 14 AB of Act: "Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (5 of 1898) an offence relating to default in payment of contribution by the employer punishable under this Act shall be cognizable".

# Benefits Under EPF & MP ACT, 1952

Provident Fund Benefits
Pension Benefits
Death Benefits

# **Provident Fund benefits**

Member can withdraw from these accumulations to cater to financial exigencies in life - No need to refund unless misused. On retirement, the member can settle the account. i.e., the member gets his PF contribution, Employer Contribution and Interest.

#### **Pension Benefits**

- 1. Pension to Member (if total service is at least 10 years) on attaining the age of 58.
- 2. Pension to Family (on death of member EVEN IF HAS WORKED FOR 1 DAY).
- 3. Withdrawal Benefit: If not eligible for pension, member may withdraw the amount accumulated in his pension account

## **Death Benefits**

- 1. Provident Fund Amount to Family (or to Nominee)
- 2. Pension to Family (or to Parent / Nominee)
- 3. Capital Return of Pension
- 4. Insurance (EDLI) amount to Family (or to Nominee

**Definition of Employee under EPF&MP Act,1952**: As per section 2f of Act an "employee" means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of an establishment and who gets his wages directly or indirectly from the employer, and includes any person,-(i) employed by or through a contractor in or in connection with the work of the establishment; (ii) engaged as an apprentice, not being an apprentice engaged under the Apprentices Act, 1961 (52 of 1961) or under the standing orders of the establishment;

## Illustrations:

- 1. A **sweeper working for more than one establishment**, situated in the street, and paid regulary weekly/monthly basis by the establishment, he is an employee for the purpose of the EPF&MP Act,1952 [ Merta Oil Mills Co. Vs R.P.F.C (1992), 65-FLR:537(Raj.)]
- 2. Employees within the scope of the section 2(f) will include not only those person who actually manufacture goods but, all those employed in the office of the factory or

- establishment and those who do any work e.g. **watch and ward staff** in connection thereo. [D.C.M. Vs RPFC,U.P. 1961(2) LLJ 444]
- 3. **Sweeper, Watchman and Gardener** working twice or thrice a week are Employees under 2(f) of Act. [Railway employees, Cooperative Banking Society Vs UOI. 1980. Lab. I.C. 1212 (Raj)]
- 4. **Part-Time Employee**: A person can be a servant of more than one employer. A Servant/Employee need not be under the exclusive control of one master. [Patwardhan Tailors Poona V. Their Workmen -1960(1) LLJ 722][Silver Jubliee Tailoring Vs Chief Inspector of Shops and Establishments,1974(1) S.C.R 747]
- 5. **Changulies or Day Labour** for seasonal operation or regular operations are employees. [RPFC Vs T.S.Hariharan AIR 1971 S.C. 1519] [Moideen Beary Bajpe, SK Vs. R.P.F.C Karnataka; U.P. No. 3075/1974]
- 6. **Contractor Employees** are employees of principal employer working in or in connection with the work of principal employer[G.V.V Swamy Vs R.P.F.C Hyd. And others 1987 Lab. I.C.719 (A.P)].

**Agreement** by employee/worker with employer not to pay/deduct contribution does not discharge the employer of his obligation in Law to make payment. Any such agreement is null and void. EPF Contribution is compulsory and mandatory for all eligible employees/workers. (Shree Changdeo Sugar Mills and others Vs U.O.I and others, 2001(2)SCC 519;AIR-2001 S.C. 557).

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