

# HALF DAY SEMINAR

ON

## LABOUR LAWS

ORGANIZED BY :-

WESTERN INDIA REGIONAL COUNCIL  
OF

**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA**

VENUE:- KHIMJI KUNVERJI VIKAMSEY AUDITORIUM, ICAI  
TOWER, NEAR STANDARD CHARTERED BANK, BKC,  
MUMBAI – 400 051

DATE:- 28<sup>TH</sup> MARCH 2014

Faculty:-

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# EMPLOYEES' STATE INSURANCE ACT, 1948 & the SCHEME

## CHECK LIST

### **Applicability of the Act & scheme**

Is extended in area-wise to factories using power and employing 10 or more persons and to non-power using manufacturing units and establishments employing 20 or more person upto Rs.15,000/- per month w.e.f. 1-5-2010. It has also been extended upon shops, hotels, restaurants, roads motor transport undertakings, equipment maintenance staff in the hospitals.

### **Coverage Of employees**

Drawing wages (w.e.f. 1-5-2010)  
**Upto Rs.15000/-**  
per month  
Engaged either directly  
or thru' contractor  
contractor

### **Rate of Contribution of the wages**

Employers' **4.75%**  
Employees' **1.75%**

### **THE ESI SCHEME TODAY**

As on 31-3-2009

State / Union Territories Covered	29
No. of implemented Centres	783
No. of Employers covered	1.25 Cr
No. of Insured Persons	1.29 Cr
No. of Beneficiaries	5 Cr
No. of ESI Hospitals	145

### **Manner and Time Limit For making Payment of contribution**

The total amount of contribution (employee's share and employer's share) is to be deposited with the authorized bank through a challan in the prescribed form on or before 21<sup>st</sup> of month following the calendar month in which the wages fall due.

### **Benefits**

To the employees under the Act

Medical, sickness, extended sickness for certain diseases, enhanced sickness, dependents maternity, besides funeral expenses, rehabilitation allowance, medical benefit to insured person and his or her spouse, medical bonus & Physical Aids.

### **WAGES FOR ESI CONTRIBUTIONS**

Registers / files to be maintained by the employers.

#### **To be deemed as wages**

- Basic pay
- Dearness allowance
- House rent allowance
- City compensatory allowance
- Overtime wages (but not to be taken into account for determining the coverage of an employee)
- Payment for day of rest
- Production incentive
- Bonus other than statutory bonus
- Night shift allowance
- Heat, Gas & Dust allowance
- Payment for unsubstituted holidays
- Meal/food allowance
- Suspension allowance
- Lay off compensation
- Children education allowance (not being reimbursement for actual tuition fee)

#### **NOT to be deemed as wages**

- Contribution paid by the employer to any pension/provident fund or under ESI Act.
- Sum paid to defray special expenses entailed by the nature of employment – Daily allowance paid for the period spent on tour.
- Gratuity payable on discharge.
- Pay in lieu of notice of retrenchment compensation
- Benefits paid under the ESI Scheme.
- Encashment of leave
- Payment of Inam which does not form part of the terms of employment.
- Washing allowance for livery
- Conveyance (Amount towards reimbursement for duty related journey)

### **Contribution period**

1<sup>st</sup> April to 30<sup>th</sup> September.

1<sup>st</sup> October to 31<sup>st</sup> March

### **Contribution period**

If the person joined insurance employment for the first time, say on 5<sup>th</sup> January, his first contribution period will be from 5<sup>th</sup> January to 31<sup>st</sup> March and his corresponding first benefit will be from 5<sup>th</sup> October to 31<sup>st</sup> December.

### **Penalties**

Different punishments have been prescribed for different types of offences in terms of Section 85:

- (i) (Six months imprisonment and fine Rs.5000),
- (ii) (One year imprisonment and fine), and 85A: (five years imprisonment and not less to 2 years) & 85C (2) of the ESI Act, which are self explanatory. Besides these provisions, action also can be taken under section 406 of the IPC in cases where an employer deducts contributions from the wages of his employees but does not pay the same to the corporation which amounts to criminal breach of trust.

# EMPLOYEES' STATE INSURANCE ACT, 1948

Long Back in 1923, the Government, by enacting the Workmen's Compensation Act, provided some Social security to the industrial workers. The benefit provided by this act was, however, limited to compensation for injury caused by accident. Besides, the cost of compensation was to be borne entirely by the employer.

By enacting the Employee's State Insurance Act, 1948, the Government introduced a scheme of social insurance for the industrial workers. Under the scheme, the workers also are required to contribute to a social insurance fund, which is to be utilised for conferring benefits on them. The Employee's State Insurance Act, 1948, provides to the workers not only accident benefit but also other benefits such as sickness benefit, maternity benefit and medical benefit.

## Object:-

The object of the Act is to secure sickness, maternity, disablement and medical benefits to employees of factories and establishments and dependents' benefits to the dependents of such employees.

## Coverage under the ESI Act, 1948:-

The Act is applicable to the –Factory|| u/s 2(12) has amended to facilitate coverage of smaller factories and all factories which employ 10 or more persons whether are run by power or without power (w.e.f. 1<sup>st</sup> June 2010)

Under Section 1(5) of the Act, the Scheme has been extended to shops, hotels, restaurants, cinemas including preview theatre, road motor transport undertakings and newspaper establishment employing 20 or more persons.

## (ONCE COVERED; COVERED FOR EVER)

The Factory or Establishment shall continue to be governed by the Act notwithstanding the fall in the number of persons employed or discontinuance of the use of power w.e.f. 23rd Oct 1989

## Areas Covered:-

The ESI Scheme is being implemented area-wise by stages. The Scheme has already been implemented in different areas in the all States & Union Territories i.e. Delhi, Chandigarh and Pondicherry

## Non Implemented States:-

**Nagaland, Manipur, Tripura, Sikkim, Arunachal Pradesh and Mizoram.**

## Applicability:

- a) All Factories Employing 10 or more persons whether they are run by Power or without Power (w.e.f. 1<sup>st</sup> June 2010)
  - b) Shop Employing 20 or more persons
-

- c) The existing wage-limit for coverage under the Act, is **Rs.15,000/- per month, excluding overtime wages.** (with effect from 1.05.2010)
- d) Disabled Employees wage limit for coverage under the Act, is Rs. 25000/- per month, Insurance Number is to be taken from respective branch office.
- e) Any Establishment which the State Government may specifically notify as being covered.
- f) Certain States like Delhi, Punjab, Karnataka, Andhra Pradesh ESIC Applicable on 10 employees to different industries. (School, Hospitals, etc.)

**Following Employees also Entitled for ESI Coverage (Gross Salary/Wages Rs. 15,000/-P.M.):-**

The employees have been held to be covered under the Act (establishment or factory should be covered under the ESI Act):-

- 1) Persons employed in a canteen of a club
- 2) Drivers employed by the transport organisation
- 3) Persons engaged in the distribution and sale of products
- 4) Persons carrying administrative work of processing the orders and executing sales
- 5) Hawkers employed for sale of products
- 6) Employees of cycle stand and canteen run in cinema theatres by contractors
- 7) Members of editorial and administrative staff of a printing press publishing newspaper
- 8) A home worker rolling beed is at home
- 9) Medical Representative
- 10) Persons employed in a hospital attached to an maintained by factory
- 11) Part-time doctor employed by ambulance room
- 12) Book binders engaged by a contractor
- 13) Sales clerk working in a factory

**Following Documents are required for deciding Final Date of Coverage under ESI Act / EPF Survey:**

1. Date of 1<sup>st</sup> Trial Production.
  2. 1<sup>st</sup> Electricity Bill.
  3. Details of Gala Purchase (viz. copy of the Agreement)
  4. 1<sup>st</sup> Sale Bill
  5. 1<sup>st</sup> Purchase Bill (Machinery Purchase Bill etc.)
  6. VAT, P.Tax & TIN Number Certificate / Service tax registration certificate (if applicable).
  7. Books of accounts (Ledger, cash books etc.) since beginning.
  8. Balance sheet/P & L account (in case of Limited company Annual Report since beginning)
  9. Shops & Establishment Registration Certificate/ Factory Licence.
  10. Partnership deed (in case of Partnership firm) & Memorandum of Association & Articles (in case of Limited co.)
  11. Salary / Wage register & Attendance Register since beginning.
  12. Month wise strength of number of employees since beginning.
  13. List of Directors/partners/owners along with their residential addresses.
  14. Name of the Bankers, Address of the Bank and Name of the Person responsible for financial affairs.
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I. **Following Points Jointly Are Taken into Consideration While Clubbing The Units:-**

1. Unit of Ownership (i.e. Management & Control)
2. Unit of Labour (i.e. transferability of employees)
3. Geographical Proximity (i.e. vicinity, bonafides in keeping the unit a part)
4. Source of Finance (i.e. whether source of finance is same)
5. Supervision & Control (i.e. whether managed by same person)
6. Service Conditions of Workmen (i.e. rules applicable, employment contract, if any)
7. Functional Integrality (i.e. integrated whole- part & parcel of main unit, primary & dominant activity, subsidiary, minor, incidental)
8. Unit of Purpose (i.e. production & business, interrelated business)
9. General (i.e. books of accounts / similarity of nomenclature)

**Code Number:-**

On receipt of the Employer's Registration Form the Regional Office examines the coverage and if it is satisfied that the Act applied to the factory / establishment, will allot a 17 digit Code Number along with User ID and Password to the employer. Only one code Number is allotted to a factory / establishment even though functionally it may have more than one unit / sub-unit within the same premises/precinct/station. The Code Number so allotted is required to be indicated by the employer in all Correspondence with the Corporation, Regional Office and Local Office.

**Sub Code Number:-**

There may be a case where an employer is having the main factory / establishment at one station and sub-unit, branch office, sales office or registered office at another implemented station, either within the same State or outside that State. In all such cases, Principle Employer is required to furnish necessary details to the Regional Director concerned for allotment of Sub-Code Number to each sub-unit, branch office, sales office & registered office etc.

Return of contribution is required to be submitted separately for the main Code Number and each Sub-Code Number. The employees working in the branch office/sale office etc. can draw/claim benefit locally from the nearby Local Office with which the branch office / sales office, etc. are attached. Similarly, it would be convenient for the workers to avail medical benefit from the nearby ESI dispensary in the State.

**Contributions:-**

E.S.I. Scheme being contributory in nature, all the employees in the factories or establishments to which the Act applies shall be insured in a manner provided by the Act. The contribution payable to the Corporation in respect of an employee shall comprise of employer's contribution and employee's contribution at a specified rate. The rates are revised from time to time. Currently, the **employee's contribution rate** (w.e.f. 1.1.97) is **1.75%** of the wages and that of **employer's is 4.75 %**

**of the wages** paid/payable in respect of the employees in every wage period. Employees in receipt of a daily average wage up to **Rs.100/- are exempted** from payment of contribution. Employers will however contribute their own share in respect of these employees.

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**Wages for ESI contributions:-** (To be deemed a wages)

1. Basic Pay.
2. Dearness Allowance
3. House Rent Allowance
4. City Compensatory Allowance
5. Overtime Wages (but not to be taken into account for determining the coverage of an employee)
6. Payment of day of rest
7. Production incentive.
8. Bonus other than Statutory
9. Night shift allowance
10. Heat, Gas & Dust allowance
11. Payment for un-substituted holidays
12. Meal / food allowance
13. Suspension allowance
14. Lay off compensation
15. Children education allowance (not being reimbursement for actual tuition fee)

**Maintenance of Registers & Returns:-**

1. Every Employer should maintain a Register in Form 7 Regulation 32 in respect of every employee of his factory or establishment.
2. Every employer shall submit the half yearly Return of Contribution in Form 5. Before 12<sup>th</sup> May & 11<sup>th</sup> November of current year with Triplicate copies of Challan.
3. The return of contribution includes the Name of Employee, Insurance Number of Employees, detail of contribution paid in particularly period and details of wages / salary paid the in that period, average daily wages/ salary paid.
4. If number of employees goes beyond 40 number then Return of Contribution in Form 5 should be attested by Chartered Accountant
5. ESIC Bound Inspection Book.
6. ESIC Accident Register under Rule 66

**Recovery:-**

If any employer fails to pay the amount due in respect of any contribution or any other amount payable under the Act, the Corporation can recover from the employer damages up to cent percent of the areas. The corporation is empowered to recover the contribution and the damages as an **arrear of land revenue**.

**Collection of Contribution**

An employer is liable to pay his contribution in respect of every employee and deduct employee's contribution from wages bill and shall pay these contributions at the above specified rates to the Corporation within 21 days following the end of the Calendar month in which the contributions fall due. The Corporation has authorized designated branches of the State Bank of India and some other banks to receive the payments on its behalf.

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### **Contribution Period and Benefit Period**

There are two contribution periods each of six months duration and two corresponding benefit periods also of six months duration as under.

<b>Contribution Period</b>	<b>Corresponding Cash Benefit Period</b>
<b>1<sup>st</sup> April to 30<sup>th</sup> Sept.</b>	<b>1<sup>st</sup> January of the following year to 30<sup>th</sup> June.</b>
<b>1<sup>st</sup> Oct. to 31<sup>st</sup> March</b>	<b>1<sup>st</sup> July to 31<sup>st</sup> December of the year following</b>

### **Benefits:-**

- 1) Employee is covered immediately on becoming an employee under the ESI Act, along with his / her family members, Free medical treatment is offered to covered employees and their family members, at hospital and dispensaries run by the ESI Corporation. No limit of expenditure on treatment taken from ESIC Hospital / Dispensary
  - 2) Maternity benefit for 12 weeks of which not more than 6 weeks should be preceding confinement
  - 3) Injury during/ in course of employment resulting in temporary / permanent disablement entitles the covered employee to a regular payment to substitute his lost wages.
  - 4) Death during course of employment entitles specified dependents to a regular payment.
  - 5) Onetime payment of Rs. 10,000/- (w.e.f 01/04/2011) to help meet funeral expenses.
  - 6) Rajiv Gadhi Shramik Kalyan Yojna (Unemployment to the IPs who have been rendered unemployed involuntarily due to closure of factory / establishment / retrenchment or permanent disablement) w.e.f. 1<sup>st</sup> April 2005
  - 7) Vocational Rehabilitation Scheme is provided in case of disablement of an Insured Person of under 45 years of age and 40 % or more disablement. There is a provision of Free Supply of physical aids and appliances such as crutches, wheelchairs, dentures, spectacles under the act to insured person
  - 8) Insured person can avail cashless treatment in the hospitals referred by ESI Hospital.
  - 9) An insured person who retires on attaining the age of superannuation shall be eligible to receive only medical benefits for himself and his spouse if (i) he had been in the insurable employment for not less than 5 years and (ii) if he pays contribution of Rs. 120/- every year in advance.
  - 10) Dependent Parents whose earnings from all sources upto Rs. 5000/- pm (w.e.f. 01/04/2011) are eligible for medical benefits.
  - 11) w.e.f 4<sup>th</sup> August 2011 an insured person whose claim for any permanent disablement benefit (PDB) has been admitted shall be paid Rs. 100 (Rupees One Hundred Only) as conveyance allowance, in addition to his PDB payment, on each visit to Branch Office for submission of life certificate as required under Regulation 107 of ESI (General) Regulations. 1950.
  - 12) Treating commuting accidents as employment injury.
  - 13) Payment of long - term benefits (PDB/DB) through Electronic Clearing System (ECS)
  - 14) Minimum dependants' pension of Rs. 1200/- per family.
-



**Following Family Members of an insured employee are entitled to get medical treatment benefits:-**

Where medical benefit is extended to families of insured employees, medical treatment is available to:-

- (a) The Husband or wife of the insured employee,
- (b) The minor legitimate or adopted children of the insured employee dependent upon him, &
- (c) The dependent parents of the insured employee, whose monthly income is upto Rs. 5000/-

<b>BENEFITS AT A GLANCE</b>				
<b>BENEFITS</b>	<b>CONTRIBUTORY CONDITIONS</b>	<b>DURATION</b>	<b>RATE</b>	<b>TO WHOM PAYABLE</b>
1. a) SICKNESS BENEFIT	I.P. Should work for wages for 78 no. of days in the corresponding C.P. (w.e.f. 19.9.1998)	91 Days Cash Benefits within Two Benefits Periods	70% of S.B.R.	Only to the insured person.
(b) Extended sickness benefit for specified long term diseases like TB Leprosy ETC.	In Insurable employment for at least two years should pay contribution for minimum of 156 days in the preceding 4 C.p's	309 days duration has been extended beyond 400 days (91 days S.B. plus 309 days E.S.B.) to two years in deserving cases. 7 days for vasectomy & 14days for tubectomy extended in cases of post-operative complications etc	80% more than the S.B.R	Only to the insured person
(c) Enhanced sickness Benefit (for undergoing sterilization operation for family Planning)	Same as for sickness benefit at (a) above		S.B.R.	Only to the Insured Person
2. Disablement benefit (employment injury )	No Condition	In case of temp disablement: as long as incapacity lasts & in case of permanent disablement: for life time.	(a) for Temporary Disablement, 90% of S.B.R.	Only to insured person.
			(b) For permanent Total Disablement specific in Part 1 to 2 schedule at the 90% of S.B.R.	
			(c) For permanent partial disablement resulting from an	

			<p>injury specific in Part-II of the 2nd Schedule at such %age of the Full Rate as specific in the said schedule as being the %age of the loss of earning capacity caused by the injury.</p> <p>(d) For permanent partial disablement resulting from an injury not specified in part -II of the 2nd schedule at such %age of the Full Rate payable in the case of Permanent Total Disablement as in Proportionate to the loss of earning capacity permanently caused by the injury.</p>
<p><b>Explanation:</b> - Where more injuries than one are caused by the same accident, the rate of benefit payable under clauses (c) &amp; (d) shall be aggregated but not so in any case as to exceed the FULL RATE and in cases of disablement not covered by clauses (a), (b), (c) &amp; (d) at such rate, not exceeding the FULL RATE, as may be provided in the regulations.</p>			
<p>3. Dependent's Benefit (employment injury)</p>	<p>No Conditions</p>	<p>1. To the widow/s during life time until remarriage.</p> <p>2. To the widowed Mother</p> <p>To the legitimate or adopted SON/S until he attains the age of 25yrs. (w.e.f. 1<sup>st</sup> June 2010)</p> <p>To the legitimate or adopted unmarried daughter/s until she attains the age of 25yrs. (w.e.f. 1<sup>st</sup> June 2010) or until marriage, whichever is earlier.</p> <p>(in case the deceased person does not leave a widow or legitimate or adopted child. D.B. shall be payable to .....</p> <p>a) parent or grandparent, for a life.</p> <p>b) Any other male dependent, until he attains the age of 18 yrs.</p>	<p>3/5th of FULL RATE, if there are 2 or more widows, the amount payable to the widow shall be divided equally between the widows.</p> <p>2/5th of the FULL RATE, if there are 2 or more sons, the amount payable to the son shall be divided equally between the sons.</p> <p>Subject to min. of Rs. 14/-.</p> <p>-----do-----</p> <p>3/10th of the FULL RATE.</p> <p>2/10th of the FULL RATE</p> <p>-----do-----</p>

		c) Any other female dependent, until she attains the age of 18 yrs. or until marriage whichever is earlier.		
<b>NB:-</b> An insured person whose PERMANENT DISABLEMENT has been assessed as final and who has been awarded permanent disablement benefit at a rate not exceeding Rs. 5/- per day may apply for a lump - sum payment and such amount shall be determined by multiplying the daily rate of permanent disablement benefit by the figure indicated in Col. 2 of the schedule III of the Regulations.				
<b>4. Maternity Benefit</b>	Payment of contribution for 70 days in one or two consecutive periods	12 weeks of which not more than the 6 weeks can precede the expected date of confinement. 6 weeks for miscarriage or for medical termination of pregnancy. Additional payment for one month for complications (pre or post) arising out of pregnancy.	100% of average daily wages; subject to min of Rs. 25/-p.day.  Medical bonus of Rs. 5,000/- per confinement w.e.f 01/10/2013 where ESI hospital facility is not availed for child delivery.	Only to the Insured Person.  To insured woman or in r/o wife of I.P
<b>5. Medical Benefit</b>	No Condition	From the date of entry of an employee into an insurable employment as long as he remains insurable employment and thereafter for certain additional period.	Full Medical care including hospitalization	Person as well as his/ her family Members as defined u/s 2(11) of the Act.
<b>6. Funeral Expenses</b>	No conditions (i.e. merely by virtue of being an insured person)	One time lump-sum payment	Not more than Rs. 10,000/- (w.e.f. 01/04/2011 )	To the eldest surviving member of the family of the deceased I.P or to the person who actually incurs the expenditure

				e on the funeral of an I.P.
7. Rehabilitation Allowance	No Condition	For each day of which I.P. remains admitted in Artificial Limb Centre for fixation repair or replacement of artificial limb.	Double the standard sickness benefit rate but not less than full wages.	Only to the I.P
8. Medical benefit to insured persons who ceases insurable employment on account of permanent disablement	No conditions but an I.P has to pay Rs. 10/- pm in Lump-sum for one year in advance every year i.e. Rs. 120/-	Till the date on which an I.P would have attained the age of superannuation	----	Medical Benefit to IP and spouse
9. Medical Benefit to retired insured Period (Old Age Medical Care)	1) Insurable employment for a period of 5 years & 2) In case of permanent physical disablement during the course of insurable employment. 3) payment of Contribution @ Rs. 10/- pm in Lump Sum for one year in advance, each year. Rs. 120/-	Till the time yearly contribution is paid to the concerned office of the corporation	----	Insured person and his spouse

#### OTHER BENEFITS

**Now it has added the benefit for workers for the accidents happening while commuting to the place of work and vice versa; (w.e.f. 1<sup>st</sup> June 2010)**

#### **Unemployment Allowance (Rajiv Gandhi Shramik Kalyan Yojana):-**

Unemployment Allowance is payable to those workers facing involuntary unemployment due to closure of factory/ establishment; retrenchment or permanent invalidity arising out of non-employment injury. The daily rate of unemployment allowance is at par with the standard sickness benefits rate. Which is just above 50% of the average daily wages. This allowance is payable for a maximum period of 12 months either in one spell or in different spells of not less than one month's duration the insured persons eligibility condition has now been relaxed to three years from earlier five years, for being able to avail the unemployment allowance. Medical Care also provided during this period.

To avail this benefit the insured person should have been entitled for sickness benefit during the last four contribution periods immediately preceding the date of unemployment

**Supply of special aids.:** Insured persons and members of their families are provided artificial limbs, hearing aids, artificial dentures, spectacles (for insured person only)& artificial appliances like spinal supports, cervical collars, walking callipers, crutches, wheel chairs and cardiac pace makers, dialysis/ dialysis with kidney transplant etc. as part of medical care under the ESI scheme.

CONTRIBUTION PERIOD(C.P)	BENEFIT PERIOD (B.P)	DATE OF SUBMISSION OF RETURN
1ST April to 30th September	1st January to 30th June	11th November
1st October to 31st March	1st July to 31st December	12th May

**LIST OF DISEASES FOR WHICH EXTENDED SICKNESS BENEFIT IS ADMISSIBLE**

- |  |   |   |
|--|---|---|
| 1. Tuberculosis  | 19. Glaucoma  | 27. Dislocation of vertebra / prolapsed of intervertebral disc. |
| 2. Leprosy   | 20. Coronary Artery Diseases  | 28. Non union or delayed union of facture                       |
| 3. Chronic Emphysema   | a) Unstable Angina  | 29. Post Traumatic Surgical amputation of lower extremity.      |
| 4. Brocnhiatosis   | b) Myocardial Infraction with ejection less than 455.                                     | 30. Compound Fracture with chronic ostemyelities                |
| 5. Intersistial Lung Diseases  | 21. Congestive Heart Failure Left/ Right.   | 31. Psychosis - the following sub groups:-                      |
| 6. HIV/ AIDS   | 22. Cardiac Valvular Diseases with failure complications.                                 | a) Schizophrenia  |
| 7. Malignant Diseases  | 23. Cardimyopathies   | b) Endogenous depression  |
| 8. Diabetes Mellitus with proliferative retinopathy/ diabetic foot/ nephropathy. | 24. Heart Disease with surgical Intervention along with complications.                    | c) Manic depression   |
| 9. Monoplegia  | 25. Chronic Obstructive Lung Disease (COPD) with congestive heart failure (Cor Pulmonale) | Psychosis (MDP)   |
| 10. Hemiplegic   | 26. Cirrhosis of liver with ascitie / chronic active hepatitis                            | d) Dementia   |
| 11. Paraplegias  |   | 32. More than 20% burns with infection/ complication.           |
| 12. Hemiparesis  |   | 33. Chronic Renal Failure                                       |
| 13. Intracranial space occupying lesion  |   | 34. Reynaud's diseases/ Burger's disease.                       |
| 14. Spinal Cord Compression  |   |   |
| 15. Parkinson's disease  |   |   |
| 16. Myasthenia Gravis/ Neuromuscular Dystrophies                                 |   |   |
| 17. Immature cataract with vision 6/60 or less.                                  |   |   |
| 18. Detachment of Retina   |   |   |



### **Offences and Penalties:-**

<b><u>Offences</u></b>	<b><u>Penalties</u></b>
1) Whoever, knowingly makes any false statement or representation for the purpose of (a) claiming or increasing any benefit or payment allowable to him, or (b) avoiding any payment payable by him	Imprisonment upto 6 months or fine upto Rs. 2,000 or both
2) a) Failure to pay employees' contributions deducted from their wages	Imprisonment upto 3 years (minimum one year) and fine of Rs. 10,000/-
b) Failure to pay contributions	Imprisonment upto 3 years (minimum 6 months) and fine of Rs. 5000/-
c) Deduction of any sum from or reduces wages of an employee on account, of employers contribution	Imprisonment upto one year or fine upto Rs. 4000/- or both
d) Reduction of the wages or any privilege or benefits admissible to an employee in contravention of section 72	Same as above
e) Dismissal / discharge of an employee in contravention of section 73	Same as above
f) Failure to submit any return or submission of false return	Same as above
g) Obstruction of any inspector in allowing him to discharge his duties	Same as above
h) Contravention of any other provision of the act, rules or regulations	Same as above
3) On every subsequent offence committed after conviction for the same offence being so mentioned at 2(a) or (b) above	Imprisonment upto 5 years (minimum 2 years) and fine of Rs. 25000
4) On every subsequent offence committed after conviction for the same offence being any other offence	Imprisonment upto 2 years and fine of Rs. 5000/-

### **Penalties:-**

Different punishment have been prescribed for different types of offences in terms of Section 85: (I) (Six months imprisonment and fine), and 85-A: (five years imprisonment and not less than 2 years) and 85 C (2) of the ESI Act, which are self explanatory. Besides these provisions, action also can be taken under section 406 of the IPC in cases where an employer deducts contributions from the wages of his employees but does not pay the same to the corporation which amounts to criminal breach of trust.

### **Provision for non-payment:**

For employees' contribution : Imprisonment for 1yrs. to max. 3yrs. and/ or fine of Rs. 10,000/-

For employers' contribution : Imprisonment for 6 months to max 3rs. And/or fine of Rs. 5,000/-

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## **System Generated Challans**

As you may be aware that the IT Roll Out is going to be implemented in all the regions as well as hospitals in a short-while for which communication will be issued by ESI department. Collection of contribution from employers and their accounting will undergo a vast change once the system is fully computerized. All payments and contributions into the ESIC account will be through challans generated through system.

The existing system, whereby challans are filled in by the employers/payers and presented before the bank along with the payments will become a thing of the past.

The employer intending to make the payments are required to generate a challan form through ESI portal/module from the data base after entering the requisite details of additions and deductions. Due amount will be calculated by the system itself and after entering the amount to be paid, a print out shall be taken.

ESI will designate just one or two SBI branches in each region/SROs which alone will accept the payments through conventional challans and all other branches will accept payments through system generated challans. This is being allowed to avoid any inconvenience to the employers as it may be difficult for the employers to suddenly switch over to the new system and at the same time it will give little amount of pressure to the employers to adhere to the new system.

For system generated challans, the following data are required to be filled in the format (available on ESI website) and after filling the required information a challan can be generated through system which is required to deposit the contributions with SBI Branch.

User ID and Password has already been circulated by ESI dept. to individual employers separately. [If you have not received the same, you are requested to prepare authority letter, to collect the same from branch office of ESI].

The requisite data format is enclosed herewith for your reference and records.

### **Important**

No challan will be generated unless and until the data which are required for generation of challan is complete in all respects. (w.e.f. 1<sup>st</sup> April 2011)

Filling of declaration forms/monthly returns / temporary insurance card / biometric card etc.

As mentioned above about system generated challans and payments, similarly the personal details of employees have to be done through ESI portal/module only.

The requisite data format is enclosed herewith for your reference and records.

In order to obviate duplication of insurance number, please ensure to collect details of the previous employment of candidate and his insurance number also. (Please ask for any documentary proof for insurance number)

Please note that it is in the interest of employee to give previous details of insurance number; if you generate data for new number and at a later stage if it is found to be at variance at the time of bio

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metric card procedure then the employees and family members may not be able to get benefits from the ESI scheme.

The requisite data format which is enclosed herewith has to be filled in by the employee concerned on the very first day / date of his/her working so as to register the concerned employee with the esi dept. from the day one only.

Presently through online feeding of details of employee concerned, the system will automatically generate tic (temporary insurance card) which should affix employer's address and signatory and signed by authorized person of the employer and employee concerned and after that employee concerned and his/her family members has to do the bio metric card procedure on or before the date which is printed on his/her temporary insurance card.

**Advantages for computerized scenario of ESI to employee:-**

Once the ESI department fully upload the system at hospitals/dispensaries/doctors/ESI branches/private hospitals/ call centre etc the insured person/insured woman is no more required to visit the ESI office for any things, such as the cash payments/ maternity benefits / accident benefits / reimbursement etc will be directly credited into the bank account of employee concerned. Employee/family of employee can avail through his bio metric card medical benefits all over India with ESI Hospitals/Dispensaries/Pvt. Hospitals (with whom ESI has and may tied up)

**Advantages for computerized scenario of ESI to employer:-**

- 1) Day to day information about the ESI on computer.
- 2) No need to send employee at ESI branch for any clerical work.
- 3) No need to file six monthly returns.
- 4) No need to maintain 32-Register / accident register and any other register which are presently generated.

You will find data after putting user id and password in the insured person details which is incomplete or some employees' data may not be available, in such cases the employer is requested to check and correct the same before going for monthly payment option.

Lastly and most important for doing all the system generated things it is necessary to have a computer/laptop with internet connection and printer.

**Summary:-**

The Employees' State Insurance Act applies to all power using factories employing 10 or more persons and to all non-power using factories employing 20 or more persons. Persons whose remuneration (including overtime) does not exceed Rs. 15000/- a month are covered under the Act. The employees' State Insurance Scheme provides for sickness and extended sickness benefit, maternity benefit, disablement benefit, dependants' benefit, medical benefit, funeral benefit, and so on. The scheme is administered by a corporate body called the Employees' State Insurance Corporation. The chief executive officer of the corporation is its Director General, who is also an ex-officio member of the corporation and its standing committee. The ESIC has set-up a network of regional and local offices all over the country for implementation of the scheme.

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## **Address of ESIC Regional Offices:-**

1. The Director General,  
ESI Corporation, C. I. G. Road, New Delhi – 110 002, Ph: 011 – 23234092.
  2. The Regional Director,  
ESI Corporation, Panchdeep Bhavan, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013.  
Ph: 022 –61209777 Fax: 022 – 24921701 (Fax)  
Email : [rd-maharashtra@esic.nic.in](mailto:rd-maharashtra@esic.nic.in)
  3. The Jt. Director,  
Regional Office – Marol,  
ESI Corporation, Panchdeep Bhavan, Plot No. 9, Road no. 7, M.I.D.C, Andheri – (E),  
Mumbai – 93. Ph: 022 28225568 / 69, Fax: 022 28303542. [dir\\_marol@esic.nic.in](mailto:dir_marol@esic.nic.in),
  4. The Regional Director,  
ESI Corporation, ESI Hospital Wagle Estate, Thane – 400 607.  
Ph:- 25806133 / 34, 25805222, Fax: 25806131. [dir-thane@esic.nic.in](mailto:dir-thane@esic.nic.in),
  5. The Regional Director  
Sub Regional Office, ESI Corporation, Panchdeep Bhavan, 689/690 Bibwewadi,  
Pune – 411 037; **Tel:-** OFF:- 020-24218710 Fax:-020-24215153 Dir:- 4218710;  
Email:- [dir-pune@esic.nic.in](mailto:dir-pune@esic.nic.in)
  6. The Regional Director  
Sub Regional Office, ESI Corporation, Panchdeep Bhavan, Ganesh Peth, Nagpur- 440018  
[Tel:- 0712-2722987](tel:0712-2722987); [2729353](tel:2729353); [Email:- esicngp@nagpur.dot.net.in](mailto:esicngp@nagpur.dot.net.in); [dir-nagpur@esic.nic.in](mailto:dir-nagpur@esic.nic.in)
  7. The Regional Director  
Sub Regional Office, ESI Corporation, Panchdeep Bhavan, Aurangabad,  
[Tel:- 0240-2483144\(T/F\)](tel:0240-2483144), 024-2485949; [Email:- sro-aurangabad@esic.nic.in](mailto:sro-aurangabad@esic.nic.in)
  8. **Director Public Grievances,**  
**ESI Corporation Panchdeep Bhavan,**  
**Kotla Road, New Delhi.**  
**Fax:- 011 – 23235481**
- **For any complaint / Grievance/ Suggestion related to ESIC**  
**ESI Corporation, Panchdeep Bhawan,**  
**Room No. 108, C.I.G Marg, New Delhi – 110 002.**  
**Phone Number:- 011 – 23237964; Fax:- 011 – 23234537**

**ESI TOLL FREE NUMBER:- 1800112526 FOR ANY DETAILS / INFORMATION ON ESI.**

**ESIC website: - [www.esic.nic.in](http://www.esic.nic.in); [www.esic.in](http://www.esic.in)**

**Note : Labour Ministry has enhanced the wage limit of Rs 15,000 PM to Rs. 25,000/- PM. However Notification to this effect has not been issued.**

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**Notifications issued by different State / UT Governments Under  
Section 1(5) of ESI Act, 1948 reducing threshold of coverage to  
10 persons in their respective States / UTs.**

**CONTENTS**

Sr. No.	Name of State Govt./ UT	Gazette Notification No. & Date	Remarks
1	Andhra Pradesh	178, Part-1, Extraordinary dated 21/04/2011	
2	Tripura	No.F.21 (71) - LAB / ENF / ESI / 08 / 5740-43 dated 20/07/2011	
3	Bihar	No. ACS-01 / Ni-73 / 2010-65 dated 19/01/2011	
4	Chhattisgarh	No.12, F-10-28/2010/16 dated 4/3/2011*	Except Medical Institutions
5	Gujarat	Vol. LIII, Extraordinary No. GHR - 2012-04-ESI - 18-2011688529-M(3) dated 3/1/2012	Except Medical & Educational Institutions.
6	Haryana	No. 10 / 162 / 2010. 5lab dated 6/9/2011	
7	Jammu & Kashmir	SRO 80 dated 5/3/2012	
8	Jharkhand	133 Extraordinary No. 1653 dated 11/2/2011	
9	Karnataka	No. LD 323 LSI 2010 dated 16/3/2011	
10	Kerala	Vol. LVI SRO No.425/2011 dated 28/6/2011	
11	New Delhi	501, Extraordinary Part-II - Section-3-sub-section (ii) S.O.616 (E) dated 23/3/2011	
12	Orissa	No. SS-II-SC-42/2011/7752/LE dated 24/8/2011	
13	Pondicherry	25 No. 7237 / Lab / K / 2010 dated 2/6/2011	Except Medical institutions.
14	Punjab	Extraordinary No. 8/50/10-4HB4 / 2192 dated 14/7/2011.	
15	Rajasthan	Extraordinary, S.O. 546 dated 7/1/2011	
16	Uttarakhand	Part-12, No.31, 641. VII /11-479 (ESI)/2003 dated 7/6/2011	
17	West Bengal	Extraordinary, 10/2/2011, No.131-SS/2H-6/05 dated 1/2/2011.	
18	Chhattisgarh	F 10-4/2011 / 16 dated 25/5/2011	Medical Institutions
19	Madhya Pradesh	F No. 9-1-2004 - B-XVI dated 19/5/2011	Educational & Medical Institutions
20	Goa	No. Dated 5.09.2012	Expect education and Medical institutions
21	Tamilnadu	T.N. Govt. Gaz. Ext. Pt. II S.2 dt. 2.1.20143	
22	ASSAM,H.P.,U.P., & Maharashtra.	Awaited.	



Dear Insured Person

Bring your family to the nearest ESIC Camp

Get them the protection of **Pehchan CARD**



Avail ESI Facility *Anywhere, Anytime* in the country

Get Registered once. Rest assured for lifetime



Name: SU, Kera

009155-1911

113 Gali No. 9,  
West Pat Nagar,  
New Delhi-110008

ESIC issues two EIC cards. One for the insured person and another for his family members.

- In future, your whole family can avail ESIC's complete medical facilities anywhere, anytime with ESIC Pehchan Card.
- In the above camp, your and your family's biometric details viz. Finger Print, Photograph etc. will be taken in order to ensure biometric security. To ensure, no one from your family is left out, everybody comes to the camp.

### Advantage ESIC's New Pehchan Card

- The facility to avail treatment in any of the ESIC Dispensaries / Hospitals across the country
- Pehchan Card valid for life, as per rules
- No need of getting Pehchan Card again on change of employment or change of place of working
- More convenience for Insured Persons
- Hassle free amendment in your and your family members description
- In future, Insured Person's Medical History to be available online, with every ESIC institution
- Easy Identification of Insured person and family member

Temporary/casual workers can also avail this facility. Contact your employer for this.

For further details, please contact your employer or the nearest ESIC office



Employees State Insurance Corporation  
Plot No. 3, C.I.G. Marg, New Delhi-110008  
Website: www.esic.nic.in

# Maharashtra State New Minimum Wages Chart

for the period from 01/01/2014 to 30/06/2014

(Basic + Special Allowance) (FOR SELECTED INDUSTRIES)

(1. Respective Special Allowance (D.A.) given after industry at the top.

2. The Rates are 'Per Month')

FROM 1.1.2014 TO 30.6.2014

ADVOCATE OR ATTORNEYS		Rs.1848.00			Special Allowance
Zone		Skilled	Semi-Sk	Un-Skilled	
I		9748.00	9048.00	8548.00	
II		9348.00	8648.00	8148.00	

  

AUTOMOBILE REPAIRING		Rs.2766.40			Special Allowance
Category		Zone I	Zone II	Zone III	
Skilled		8266.40	7966.40	7666.40	
S-Skilled		7866.40	7566.40	7266.40	
Un-Skilled		7566.40	7266.40	6966.40	

  

BAKERIES		Rs.2882.25			Special Allowance
Category		Zone I	Zone II	Zone III	
Skilled		8082.25	7882.25	7682.25	
S-Skilled		7582.25	7382.25	7182.25	
Un-Skilled		7082.25	6882.25	6682.25	

  

CANTEEN & CLUBS		Rs.1624.00			Special Allowance
Zone		Skilled	S-Skilled	Un-Skilled	
I		9324.00	8624.00	8124.00	
II		9024.00	8324.00	7824.00	
III		8824.00	8124.00	7624.00	

  

CARD BOARD BOXES		Rs.2346.30			Special Allowance
Zone		I	II	III	
Skilled		6996.30	6746.30	6496.30	
Semi-Skilled		6746.30	6496.30	6246.30	
Un-Skilled		6496.30	6246.30	5996.30	

  

CEMENT & CEMENT		Rs.3376.80			Special Allowance
Zone		I	II	III	
Skilled					
Semi-Skilled					
Un-Skilled					

CHEMICAL FERTILIZERS			Rs.2607.00		Special Allowance
Zone		Skilled	Semi-Sk	Un-Skilled	
I		8207.00	7707.00	7207.00	
II		8007.00	7507.00	7007.00	
III		7807.00	7307.00	6807.00	

CINEMA EXHIBITION			Rs.2715.29		Special Allowance
Class of Employees		Multiplex	Zone I	Zone II	Touring talkies
Skilled		8215.29	7715.29	7215.29	6715.29
Semi-Skilled		7715.29	7215.29	6715.29	6215.29
Un-Skilled		7215.29	6715.29	6215.29	5715.29

CLOTH DYEING & PRINTING			Rs.2882.25		Special Allowance
Zone		Skilled	Semi-Sk.	Un-Skilled	
I		7782.25	7282.25	6982.25	
II		7482.25	6982.25	6682.25	

CONSTRUCTION OF ROADS/BUILDINGS			Rs.2898.70		Special Allowance
Zone		Skilled	Semi-Sk	Un-Skilled	
I		7848.70	7748.70	7648.70	
II		7648.70	7548.70	7448.70	
III		7448.70	7348.70	7248.70	

COTTON GINNING OR COTTON PRESSING			Rs.2593.50		Special Allowance
Class of Employees		Zone I	Zone II	Zone III	
Skilled		7793.50	7593.50	7393.50	
Semi-Sk		7293.50	7093.50	6893.50	
Un-Skilled		6793.50	6593.50	6393.50	

CYCLE MECHANIC			Rs.2488.50		Special Allowance
Zone		Skilled	Semi-Sk	Un-Skilled	
Zone I		7988.50	7488.50	6988.50	
Zone II		7488.50	6988.50	6488.50	

DAIRY			Rs.2717.00		Special Allowance
Zone		Skilled	S-Skilled	Un-Skilled	
I		8217.00	7717.00	7217.00	
II		7967.00	7467.00	6967.00	
III		7717.00	7217.00	6717.00	

## DISPENSARY

Rs.2898.70

Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		7558.70	7458.70	7358.70
II		7158.70	7058.70	6958.70
III		6658.70	6558.70	6458.70

## DRUGS &amp; PHARMACEUTICALS

Rs.1624.00

Special Allowance

Zone		Skilled	Semi-Skilled	Un-Skilled
I		9324.00	8624.00	8124.00
II		9024.00	8324.00	7824.00
III		8824.00	8124.00	7624.00

## DYES &amp; CHEMICALS

Rs.2896.90

Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		7696.90	7396.90	7096.90
II		7296.90	6996.90	6696.90
III		6696.90	6396.90	6096.90

## ENGINEERING

Rs.2898.70

Special Allowance

Zone		Zone I	Zone II	Zone III
Skilled		6628.70	6528.70	6228.70
Semi-Skilled		6528.70	6428.70	6128.70
Un-Skilled		6428.70	6328.70	6028.70

## EXERCISE BOOKS

Rs.2898.70

Special Allowance

		Zone I	Zone II	Zone III
Skilled		5978.70	5778.70	5578.70
Semi-Skilled		5878.70	5678.70	5478.70
Un-Skilled		5778.70	5578.70	5378.70

## FOUNTAIN PENS

Rs.3082.00

Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		8382.00	8132.00	7882.00
II		8182.00	7932.00	7682.00

## FACTORIES UNDER F.A.

Rs.2488.50

Special Allowance

Zone		Skilled	Semi-Sk	Un-Sk.
I		7988.50	7488.50	6988.50
II		7688.50	7188.50	6688.50
III		7388.50	6888.50	6388.50



FILM PRODUCTION

Rs.2844.00

Special Allowance

Zone		Skilled	Semi-Sk	Un-Sk.
I		8544.00	8044.00	7544.00
II		8344.00	7844.00	7344.00

FOREST AND FORESTRY

Rs.2222.00

Special Allowance

	Skilled	Semi-Sk	Un-Skilled
Highly Remote Areas	8222.00	7822.00	7422.00
Other Areas	7722.00	7322.00	6922.00

GLASS BULB

Rs.1624.00

Special Allowance/Minimum Wages are revised as per notification dt. 5.12.2013

Zone		Skilled	Semi-Sk	Un-Skilled
I		9424.00	8724.00	8224.00
II		9224.00	8524.00	8024.00
III		8824.00	8124.00	7624.00

GLASS INDUSTRY

Rs.1624.00

Special Allowance

Zone		Skilled	Semi-sk	Un-skilled
I		9324.00	8624.00	8124.00
II		9024.00	8324.00	7824.00
III		8824.00	8124.00	7624.00

HAIR CUTTING SALOON

Rs.1624.00

Special Allowance

Zone		Skilled	Semi-Sk	Un-skilled
I		9324.00	8624.00	8124.00
II		9024.00	8324.00	7824.00
III		8524.00	7824.00	7324.00

HANDLOOM

Rs.2099.50

Special Allowance

Zone		Skilled	S-Skilled	Un-Skilled
I	Upto 50 looms	6099.50	5599.50	5099.50
II	51 to 100 looms	6599.50	6099.50	5599.50
III	Above 100 looms	7099.50	6599.50	6099.50

HOSPITAL

Rs.2363.40

Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		8563.40	8063.40	7663.40
II		8363.40	7863.40	7463.40
III		8163.40	7663.40	7263.40



HOTEL & RESTAURANTS Rs.1624.00 Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		9324.00	8624.00	8124.00
II		9024.00	8324.00	7824.00
III		8824.00	8124.00	7624.00

ICE & COLO DRINKS Rs. 1981.80 Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		7981.80	7481.80	6981.80
II		7681.80	7181.80	6681.80

LAUNDRY Rs.1624.00 Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		9324.00	8624.00	8124.00
II		9024.00	8324.00	7824.00
III		8824.00	8124.00	7624.00

LIQUOR INDUSTRIES Rs.2898.70 Special Allowance

Zone		I	II	III
Skilled		7008.70	6708.70	6408.70
Semi-Sk		6908.70	6608.70	6308.70
Un-Skilled		6808.70	6508.70	6208.70

OIL MILLS Rs.2882.25 Special Allowance

Category		Zone I	Zone II
Skilled		8182.25	7882.25
S-Skilled		7682.25	7382.25
Un-Skilled		7182.25	6882.25

OPTICAL FRAMES Rs.2559.60 Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		8159.60	7659.60	7159.60
II		7959.60	7459.60	6959.60
III		7759.60	7259.60	6759.60

PAINTS & VARNISHES Rs.2898.70 Special Allowance

Zone		Skilled	Semi-Sk	Un-Skilled
I		6838.70	6738.70	6638.70
II		6638.70	6538.70	6438.70
III		6438.70	6338.70	6238.70

PAPER AND PAPER BOARD		Rs.2323.00			Special Allowance
Zone		Skilled	Semi-Sk	Un-Skilled	
I		8423.00	7923.00	7423.00	
II		8223.00	7723.00	7223.00	
III		8023.00	7523.00	7023.00	

PLASTICS		Rs. 2488.50			Special Allowance
Zone		Skilled	Semi-Sk	Un-Skilled	
I		7788.50	7288.50	6788.50	
II		7638.50	7138.50	6638.50	
III		7488.50	6988.50	6488.50	

POHA, KURMURA		Rs. 2882.25			Special Allowance
Zone		Skilled	Semi-Skilled	Un-Skilled	
I		7282.25	7132.25	6682.25	
II		7082.25	6932.25	6482.25	

POTIERIES (MATICH! BHANDI)		Rs.2173.60			Special Allowance
		Zone I	Zone II	Zone III	
Skilled		6073.60	5923.60	5773.60	
Semi-Skilled		5873.60	5723.60	5573.60	
Un-Skilled		5673.60	5523.60	5373.60	

POWERLOOMS (Employees) Above 184/-		Rs.6314.00					Special Allowance
Zone	Skilled-A	Skilled-B	Semi-Sk	Un-Skilled	Manager	Accountant	Clerk
I	6614.00	6584.00	6554.00	6544.00	6664.00	6614.00	6564.00
II	6564.00	6534.00	6504.00	6494.00	6614.00	6564.00	6514.00
III	6514.00	6484.00	6454.00	6444.00	6564.00	6514.00	6464.00

POWERLOOMS (Employees) below 184/-		Rs.4419.80					Special Allowance
Zone	Skilled-A	Skilled-B	Semi-Sk	Un-Sk.	Manager	Accountant	Clerk
I	4719.80	4689.80	4659.80	4649.80	4769.80	4719.80	4669.80
II	4669.80	4639.80	4609.80	4599.80	4719.80	4669.80	4619.80
III	4619.80	4589.80	4559.80	4549.80	4669.80	4619.80	4569.80

PREMISES WHEREIN BUFFALOES OR COWS ARE KEPT		Rs.3110.80			Special Allowance
Zone	Skilled	Semi-Sk.	Un-Sk.		
I	7010.80	6710.80	6410.80		
II	6660.80	6385.80	6110.80		
III	6310.80	6060.80	5810.80		

## PRINTING PRESS

Rs.2898.70

Special Allowance

Zone	Skilled	Semi-Sk	Un-Sk.
I	7498.70	7398.70	7298.70
II	7198.70	7098.70	6998.70
III	6598.70	6498.70	6398.70

## PUBLIC MOTOR TRANSPORT

Rs.2882.25

Special Allowance

Zone	Skilled-A	Skilled-B	Skilled-C	Semi-Sk	Un-Skilled
I	8582.25	8382.25	8182.25	7482.25	7082.25
II	8382.25	8182.25	7982.25	7282.25	6882.25

## READYMADE GARMENTS

Rs.2898.70

Special Allowance

Zone	Skilled	Semi-Sk	Un-Skilled
I	7058.70	6958.70	6858.70
II	6958.70	6858.70	6758.70
III	6658.70	6558.70	6458.70

## RICE FLOUR &amp; DAL MILLS

Rs.2882.25

Special Allowance

Zone	Skilled	Semi-Sk.	Un-Skilled
I	7482.25	6982.25	6682.25
II	7282.25	6782.25	6482.25

## RUBBER INDUSTRIES

Rs.1624.00

Special Allowance

Zone	Skilled	Semi-Sk	Un-Skill
I	9324.00	8624.00	8124.00
II	9024.00	8324.00	7824.00
III	8824.00	8124.00	7624.00

## RUBBER BALLOON

Rs.2882.25

Special Allowance

	Zone I	Zone II	Zone III
Skilled	7182.25	7082.25	6982.25
Semi-Sk	6982.25	6782.25	6682.25
Un-Skilled	6682.25	6582.25	6482.25

## SALT PAN INDUSTRY

Rs.2488.50

Special Allowance

Highly-skilled	7488.50
Skilled	7088.50
Semi-Skilled	6788.50
Un-Skilled	6488.50

<b>SAW MILLS</b>		<b>Rs.2488.50</b>			Special Allowance
		Zone I	Zone II	Zone III	
Skilled		7888.50	7688.50	7488.50	
Semi-Sk		7388.50	7188.50	6988.50	
Un-Sk.		6888.50	6688.50	6488.50	

<b>SEEPZ</b>		<b>Rs.2330.50</b>			Special Allowance
			Zone I		
Skilled			8630.50		
Semi-Sk			8130.50		
Un-Sk.			7630.50		

<b>SHOPS &amp; COMMERCIAL ESTB.</b>		<b>Rs.2181.00</b>			Special Allowance
		Zone I	Zone II	Zone III	
Skilled		7981.00	7681.00	7381.00	
Semi-Skilled		7581.00	7281.00	6981.00	
Un-Skilled		7181.00	6881.00	6581.00	

<b>SILVER ARTICLES OR ORNAMENTS INDUSTRY</b>		<b>Rs.2607.00</b>			Special Allowance
Zone		Skilled	Semi-Sk	Un-Sk.	
I		8107.00	7607.00	7107.00	
II		7807.00	7407.00	6907.00	

<b>SOAPS &amp; COSMETICS</b>		<b>Rs.1624.00</b>			Special Allowance
Zone		Skilled	Semi-Sk	Un-Sk.	
I		9324.00	8624.00	8124.00	
II		9024.00	8324.00	7824.00	
III		8724.00	8024.00	7524.00	

<b>STEEL FURNITURE</b>		<b>Rs.2898.70</b>			Special Allowance
Zone		Skilled	Semi-Sk.	Un-Sk.	
I		6738.70	6638.70	6538.70	
II		6538.70	6438.70	6338.70	
III		6338.70	6238.70	6138.70	

<b>STONE BREAKING</b>		<b>Rs. 2814.00</b>			Special Allowance
Zone		Skilled	Semi-Sk.	Un-Sk.	
I		7564.00	7064.00	6764.00	
II		7364.00	6864.00	6564.00	

**SWEEPERS OR SCAVENGERS****Rs.2593.50**

Special Allowance

Category		Zone I	Zone II	Zone III
Full time		7193.50	7043.50	6893.50

**TANNERIES & LEATHER****Rs.2898.70**

Special Allowance

Zone		Skilled	Semi-Sk.	Un-Sk.
I		6298.70	6198.70	6098.70
II		6098.70-	5998.70	5898.70
III		5898.70	5798.70	5698.70

**UTENSILS****Rs.2898.70**

Special Allowance

Zone		Skilled	Semi-Sk.	Un-Sk.
I		7398.70	7298.70	7198.70
II		7298.70	7198.70	7098.70
III		6998.70	6898.70	6798.70

**VILLAGE PANCHAYAT****Rs.1450.00**Special Allowance/ **Minimum Wages are revised as per notification dt. 7.8.2013**

Zone		Skilled	Semi-Sk.	Un-Sk.
I		8550.00	7850.00	7350.00
II		8350.00	7650.00	7150.00
III		7750.00	7050.00	6550.00

**WATCH STRAPS****Rs.2882.25**

Special Allowance

Zone		Skilled	Semi-Sk.	Un-Sk.
I		8382.25	7982.25	7682.25
II		8082.25	7682.25	7382.25
III		7782.25	7382.25	7082.25

**WOODEN FURNITURE****Rs.1624.00**Special Allowance/ **Minimum Wages are revised as per notification dt. 5.12.2013**

Zone		Skilled	Semi-Sk.	Un-Sk.
I		9224.00	8524.00	8024.00
II		9024.00	8324.00	7824.00
III		8824.00	8124.00	7624.00

**WOODEN PHOTO FRAMES****Rs.1624.00**Special Allowance/ **Minimum Wages are revised as per notification dt. 5.12.2013**

Zone		Skilled	Semi-Sk.	Un-Sk.
I		9324.00	8624.00	8124.00
II		9024.00	8324.00	7824.00
III		8824.00	8124.00	7624.00



# Special Allowance in Maharashtra State

The rate of Special Allowance for the period from

1.1.2014 to 30.6.2014

Sr. No.	Name of the Scheduled Employment	Period	Special Allowance for Zone			
			II	III	IV	
			Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps
1.	Advocate and Attorneys	P.M.	1848.00	1848.00	1848.00	
2.	Automobile Repairing	P.M.	2766.40	2766.40	2766.40	
3.	Bakeries	P.M.	2882.25	2882.25	2882.25	
4.	Bricks or Roof Tiles	P.M.	1872.00	1872.00		
5.	Canteen & Clubs	P.M.	1624.00	1624.00	1624.00	
6.	Card Board Boxes	P.M.	2346.30	2346.30	2346.30	
7.	Cashew Processing	P.M.	2184.00	(Whole State of Maharashtra)		
8.	Cement & Cement Based Industry	P.M.	3376.80	3376.80	3376.80	
9.	Chemical Fertilizers	P.M.	2607.00	2607.00	2607.00	
10.	Cinema Exhibition	P.M.	2715.29	2715.29	2715.29	2715.29
11.	Cloth Dyeing & Printing	P.M.	2882.25	2882.25		
12.	Construction of Roads/Building	P.M.	2898.70	2898.70	2898.70	
13.	Cotton Ginning & Pressing	P.M.	2593.50	2593.50	2593.50	
14.	Cycle Mechanic Work Shops	P.M.	2488.50	2488.50		
15.	Dairy	P.M.	2717.00	2717.00	2717.00	
16.	Dispensary	P.M.	2898.70	2898.70	2898.70	
17.	Drugs & Pharmaceuticals	P.M.	1624.00	1624.00	1624.00	
18.	Dyes & Chemicals	P.M.	2896.90	2896.90	2896.90	
19.	Eatable Tobacco	P.M.	2470.50	(Whole State of Maharashtra)		
20.	Engineering Industry	P.M.	2898.70	2898.70	2898.70	
21.	Exercise Books	P.M.	2898.70	2898.70	2898.70	
22.	Factories under Factories Act (Residuary)	P.M.	2488.50	2488.50	2488.50	
23.	Film Production Studio	P.M.	2844.00	2844.00	-----	
24.	Forest & Forestry	P.M.	2222.00	2222.00	-----	
			Highly Remote Area	Other Areas		
25.	Fountain Pen & Ball Pen	P.M.	3082.00	3082.00	3082.00	-----
*26.	Glass Bulb	P.M.	1624.00	1624.00	1624.00	-----
27.	Glass Industry	P.M.	1624.00	1624.00	1624.00	-----

Sr. No	Name of the Scheduled Employment	Period	Special Allowance for Zone			
			I	II	III	IV
			Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps
28.	Hair Cutting Saloon	P.M.	1624.00	1624.00	1624.00	-----
29.	Handloom	P.M.	2099.50	2099.50	2099.50	-----
30.	Hospital	PM.	2363.40	2363.40	2363.40	-----
31.	Hotel & Restaurants	P.M.	1624.00	1624.00	1624.00	-----
32.	Ice & Cold Drinks	P.M.	1981.80	1981.80	-----	-----
33.	Laundry	P.M.	1624.00	1624.00	1624.00	-----
34.	Liquor Industries	P.M.	2898.70	2898.70	2898.70	-----
35.	Oil Mill	P.M.	2882.25	2882.25	-----	-----
36.	Optical Frames	P.M.	2559.60	2559.60	2559.60	-----
37.	Paints and Varnishes	P.M.	2898.70	2898.70	2898.70	-----
38.	Paper and Paper Board	P.M.	2323.00	2323.00	2323.00	-----
39.	Plastic	P.M.	2488.50	2488.50	2488.50	-----
40.	Poha!Kurmura	P.M.	2882.25	2882.25	-----	-----
41.	Potteries (Matichi Bhandi)	P.M.	2173.60	2173.60	2173.60	-----
42.	Powerlooms (Employees who are paid Rs.184/- above basic wages)	P.M.	6314.00	6314.00	6314.00	-----
	Powerlooms (Employees who are paid less than Rs.184/- as basic wages)	P.M.	4419.80	4419.80	4419.80	-----
43.	Premises for Buffaloes or Cows	P.M.	3110.80	3110.80	3110.80	-----
44.	Printing Press	P.M.	2898.70	2898.70	2898.70	-----
45.	Public Motor Transport	PM.	2882.25	2882.25	-----	-----
46.	Ready-made Garments	PM.	2898.70	2898.70	2898.70	-----
47.	Rice, Flour-or Dal Mill	P.M.	2882.25	2882.25	-----	-----
48.	Rubber Balloon	P.M.	2882.25	2882.25	2882.25	-----
49.	Rubber Industry	P.M.	1624.00	1624.00	1624.00	-----
50.	Salt Pan Industry	P.M.	2488.50		-----	-----
51.	Saw Mills	P.M.	2488.50	2488.50	2488.50	-----
52.	Seepz	P.M.	2330.50			-----
53.	Shops & Commercial Establishments	P.M.	2181.00	2181.00	2181.00	-----
54.	Soaps & Cosmetics	P.M.	1624.00	1624.00	1624.00	
55.	Silver Industry	P.M.	2607.00	2607.00		
56.	Steel Furnitures	P.M.	2898.70	2898.70	2898.70	
57.	Stone Breaking & Stone Crushing	P.M.	2814.00	2814.00	-----	-----

Sr. No.	Name of the Scheduled Employment	Period	Special Allowance for Zone			
			I	II	III	IV
			Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps
58.	Sweeper & Scavengers	P.M.	2593.50	2593.50	2593.50	-----
59.	Tanneries & Leather	P.M.	2898.70	2898.70	2898.70	-----
60.	Tobacco (Bidi)	P.D.	87.90	87.90	-----	-----
61.	Utensils	P.M.	2898.70	2898.70	2898.70	-----
*62.	Village Panchayat Local Authority	P.M.	1450.00	1450.00	1450.00	-----
63.	Watch Straps	P.M.	2882.25	2882.25	2882.25	-----
*64.	Wooden Furniture	P.M.	1624.00	1624.00	1624.00	-----
*65.	Wooden Photo Frames	P.M.	1624.00	1624.00	1624.00	-----

Rates shown against each items corresponds to area specified against each items in the respective Scheduled Employments.

**\*Minimum Wages has been revised for the Scheduled Employments shown at SI.Nos. 26, 62, 64 and 65**

**Following Table Shows Rates of Special Allowance for the Scheduled Employment shown at Sr. Nos. 26, 64 and 65 for which rates of Minimum Wages has been revised from the dates given below:**

SI.No.	Name of Scheduled Employment and date of Revision of the Notification	Period of Special Allowance	Special Allowance Per month for Zone		
			I	II	III
			Rs.Ps.	Rs. Ps.	Rs. Ps.
1.	Glass Bulb	5.12.2013 to 31.12.2013	1232.00	1232.00	1232.00
2.	Wooden Furniture	5.12.2013 to 31.12.2013	1232.00	1232.00	1232.00
3.	Wooden Photo Frames	5.12.2013 to 31.12.2013	1232.00	1232.00	1232.00

**Date: 5.2. 2014**



# PAYMENT OF BONUS ACT, 1965 & THE RULES

## CHECKLIST

### Applicability of Act

Every factory where in **10** or more persons are employed with the aid of power or  
An establishment in which **20** or more persons are employed without the aid of power on any day during an accounting year. **Sec.1**

### Establishment

Establishment includes Departments, undertakings and branches, etc.

### Computation of available surplus

- Income taxes and direct taxes as payable.
- Depreciation as per section 32 of Income Tax Act.
- Development rebate, investment or development allowance. **Sec.5**

### Components of Bonus

**Salary** or wages includes **dearness allowance** but no other allowances e.g. over-time, house rent, incentive or commission. **Sec.2 (21)**

### Separate establishment

If profit and loss accounts are prepared and maintained in respect of any such department or undertaking or branch, then such department or undertaking or branch is treated as a separate establishment. **Sec.3**

### Disqualification & Deduction of Bonus

On dismissal of an employee for

- Fraud; or
- riotous or violent behavior while on the premises of the establishment;
- or**
- theft, misappropriation or sabotage of any property of the establishment
- or**
- Misconduct of causing financial loss to the Employer to the extent that bonus can be deducted for that year. **Secs. 9 & 18.**

### Computation of gross profit

For banking company, as per First Schedule.

Others, as per Second Schedule **Sec.4**

### Eligible Employees

Employees drawing wages upto Rs.10,000 per month or less.

For calculation purposes Rs.3,500 per month maximum will be taken even if an employee is drawing upto Rs.10,000 per month. **Sec.12**

### Eligibility of Bonus

An employee will be entitled only when he has worked for **30** working days in that year. **Sec. 8**

### Payment of Minimum Bonus

**8.33%** of the salary or Rs.100 (on completion of 5 years after 1<sup>st</sup> Accounting year even if there is no profit) **Sec.10**

### Time Limit for Payment of Bonus

Within 8 months from the close of accounting year. **Sec. 19**

### Set-off and Set-on

As per Schedule IV. **Sec. 15**

### Maintenance of Registers and Records etc.

- A register showing the computation of the **allocable surplus** referred to in clause (4) of section 2, in form A.
- A register showing the **set-on and set-off** of the allocable surplus, under section 15, in form B
- A register showing the details of **the amount of bonus due** to each of the employees, the deductions under section 17 and 18 and the amount actually disbursed, in form C. **Sec.26, Rule 4**

Act not applicable to certain employees of LIC, General Insurance, DockYards, Red Cross, Universities & Educational Institutions, Chambers of Commerce, Social Welfare Institutions, Building Contractors, etc. etc. **Sec.32.**

### PENALTY

For contravention of any provision of the Act or the Rule

Upto 6 months or with fine upto Rs.1000. **Sec.28**

# THE PAYMENT OF BONUS ACT, 1965

## ➤ General :-

The payment of Bonus Act, 1965 gives to the employees a statutory right to a share in the profits of his employer. Prior to the enactment of the Act some employees used to get bonus but that was so if their employers were pleased to pay the same.

## ➤ Object :-

The object of the Act is to maintain peace and harmony between labour and capital (i.e. employees & employers) by allowing the employees to share the prosperity of the establishment reflected by the profits earned by the contributions made by capital, management and labour.

## ➤ Applicability :-

The Act is applicable to

- a) Every factory
  - b) Every other establishment employing 20 (Twenty) or more persons.
  - c) The Government of Maharashtra by notification dt:- 11th April 1984 has made applicability of Bonus Act where 10 or more persons employed in any establishment or Factory.
- The Government can, however, apply the Act to any establishment employing less than 20 but not less than 10 persons.
  - Once the Act applies it shall continuously remain in force irrespective of number of employees fall in number i.e. once covered always covered.

## ➤ What about Public Sector?

Public sector establishment which sells any goods produced or manufactured by it or renders any services in competition with private sector and earns income from such sell or services shall be covered by the Act.

## ➤ Eligibility :-

Every employee who is drawing a salary or wages up to Rs.10, 000/- per month and has worked for a minimum period of 30 days in a particular year is entitled to get Bonus. As per above ceiling all employees drawing wages up to Rs.10,000/- per month shall be eligible for Bonus irrespective of his grade/ designation i.e. manager / part-time / casual / seasonal employee etc.(w.e.f. 01/04/2006)

## ➤ On what Salary / Wages Bonus is payable :-

For the purpose of calculation of Bonus Salary or Wages includes Basic Salary, Dearness Allowance / Special Allowance only, but does not include other allowances such as Overtime, House Rent Allowance, Conveyance, Travelling Allowance, Monthly Bonus, Contribution to Provident Fund, Retrenchment compensation, Gratuity or commission.

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➤ **Calculation of Bonus :-**

1. The employee who is drawing salary or wages not exceeding Rs.3,500/- per month is entitled to get bonus on entire salary or wages.
2. The employee who is drawing salary or wages between Rs.3,501/- per month and Rs.10000/- per month, the Bonus payable to him is to be calculated as, if his salary or wages were Rs.3,500/- per month. An employee getting a salary or wage exceeding Rs.10000/- per month is not at all entitled to get Bonus as per payment of Bonus Act.

➤ **Minimum & Maximum Bonus :-**

- 1) The employer is bound to pay his employees every year a minimum Bonus of @ 8.33% of the yearly salary or wage or Rs.100/- which, ever is higher, whether he has allocable surplus or not. If any year the allocable surplus exceeds the amount of Minimum Bonus payable to the employees, the maximum Bonus payable by the employer to his employee in that particular year is @ 20% of the yearly salary or wages.
- 2) Hence, Bonus is payable to the employee between 8.33% & 20% as per availability of allocable surplus.
- 3) An employer is disabled from paying bonus in excess of 20% even if bonus is linked with production or productivity.

1. **Available Surplus & Allocable Surplus :-**

The Bonus payable under the Act is linked with profits of the company. The employer has to calculate —Gross Profit|| of his establishment in the manner specified in section 4. Than from Gross Profit so calculated he has to deduct the sums referred to in section 6 as prior charges. The balance amount is called available surplus i.e. a percentage of available surplus calculated in accordance with the provisions of sub-section (4) of section 2 is called allocable surplus. Where, allocable surplus exceeds the amount of minimum Bonus payable to the employee, the Employer must pay to every employee in respect of that year Bonus in proportion to the salary or wages earned by the employee during the year subject to maximum of 20% of such salary or wage.

2. **What is Set On & Set Off of Allocable Surplus :-**

**Set On:-**

Where for any year the allocable surplus exceeds the amount of maximum Bonus payable to the employees, than the excess shall (subject to limit of 20% Bonus of total salary / wages) be carried forward for being set on in the succeeding year and so on to be utilized for the purpose of Bonus.

**Set Off:-**

Where for any year there is no surplus in respect of that year falls short of the amount of minimum Bonus payable i.e. 8.33% to the employees and there is no amount or sufficient amount carried forward and Set On which could be utilized for the purpose of minimum Bonus, than such minimum amount or the deficiency as the case may be shall be carried forward for being Set Off in succeeding year and so on.

3. **Deductions from Bonus :-**

1. In any year the employer has paid any amount to an employee as customary / pooja bonus than he can deduct such amount from Bonus payable to the employee for that year
2. If any employee is found guilty or misconduct causing financial loss to the employer can deduct the amount of loss from the amount of Bonus payable to the employee for the year in which he was found guilty of misconduct.

4. **Time limit for payment of Bonus :-**

1. Bonus must be paid within a period of 8 months from the close of accounting year as per Income Tax Act i.e. April to March.
2. If any dispute about the payment of Bonus pending before any authority than Bonus must be paid within one month from the date of Awards.

5. **Remedy for recovery of Bonus :-**

If any employer fails to pay Bonus to the employee, he can make the application for his recovery of Bonus to the competent Authority & Authority issues a certificate to the collector to recover the same as an arrears of land revenue i.e. Attachment of Property & Assets. However, the time limit for application to the Authority is within one year from the date on which Bonus amount became due.

6. **Productivity Bonus :-**

Bonus paid on production or productivity or under a formula different from that under the Act can be allowed but subject to the Provisions of the Act in respect of the payment of minimum or maximum Bonus. However, Attendance Bonus or any other allowances are outside the purview of payment of Bonus Act.

**If a Management has a number of departments, under takings or branches, should they be treated as separate establishments or as one composite establishment?**

If an establishment consist of different departments or undertaking or has branches, whether situated in the same place or in different places, unless a separate balance-sheet and profit and loss account are prepared and maintained in respect of them, all such departments or undertaking or branches should be treated as parts of the same establishments for the purpose of computation of bonus, and once they are treated as parts of the same establishment, they should be continued to be treated as such.

7. **Contractors Employees Bonus Payable???**

Section 32 provides that the Act shall not apply to certain classes of employees clause (vi) of the said section refers to —employees employed through contractors on building operation||. This clause is deleted by the Payment of Bonus Amendment Ordinance, 2007 with retrospective effect from 1 April 2006. The said class of employees is therefore, entitled to get bonus with retrospective effect from 1st April 2006

8. **Excluded categories :-**

**Following categories are excluded from application of the Bonus Act:**

1. L.I.C. of India
2. Reserve Bank of India
3. Unit Trust of India
4. Universities & other Educational Institutions
5. Any other establishments permitted by Government for a specified period and subject to specified conditions.

9. **Newly set-up establishment :-**

The newly set-up establishment is exempted from paying Bonus to its employees in the first 5 (Five) years, if it does not make any profit. If however, employer derives profit in any of the first five years, it loses the exemption under the Act and he has to pay Bonus for that year. The provisions of Set-On & Set-Off are not applicable in such cases.

10. **Disqualifications for receiving Bonus :-**

Employee is disqualified from receiving Bonus if he is dismissed from the service for (A) Fraud (B) Riotous or Violent behavior while on the premises of the establishment (C) Theft, misappropriation or sabotage of any property of Establishment.

11. **Agreement or Settlement of Bonus:-**

Employees can enter into an agreement or a settlement with their employer for granting them bonus under a formula different from that under the Act, i.e. bonus linked with production or productivity; but subject to the provisions of the Act in respect of payment of minimum and maximum bonus.

12. **Attendance Bonus:-**

As attendance bonus which was being paid by the establishment was outside the purview of the Payment of Bonus Act, 1965, workmen of the establishment can claim the bonus payable under the act over and above the attendance bonus

13. **Is Seasonal Worker entitled to get Bonus?**

Section 8, relates to the eligibility for Bonus. The Only requirement of that section is that the employee should have worked in an establishment for not less than thirty working days in an accounting year. Therefore, if a seasonal worker has worked in an establishment for more than thirty working days, he shall be entitled to get bonus.

14. **Records to be maintained :-**

1. A register in —Form No. A|| showing Computation of Allocable Surplus.
2. A register in —Form No. B|| showing Set-On & Set-Off of the allocable surplus.
3. A register in —Form No. C|| showing details of the Bonus due to each of the employee & deductions under Section 17 & 18 and the amount actually disbursed.

## Annual Return:-

Purpose	When to Submit	Form/ Return	By Whom	To Whom	Relevant Section / Rule
1	2	3	4	5	6
Submission of Annual Return	Within 30 days after the expiry of time limit specified under the act	<b>Form – D</b>	Every employer	Labour Officer of the concerned area	Section 26 read with rules 5.

## Offences / Punishments:-

If any persons contravenes the provision of the Act or any rule made there under or fails to comply with any directions given to him he would be punished with imprisonment up to six (6) months or with fine up to Rs.1,000/- or both.

## Recent Court Judgement:-

### 1) Religious Institute & Trading

The institute is a religious institute and it has a temple. Over 20 persons are employed but the establishment has halls which are given for seminars, marriage purpose etc. It is not even registered under the Shops and Estb. Act. The rent earned from hiring out the hall is quite huge and the employees are not being paid any bonus although the salaries are paid regularly

### Are not the employees entitled for Bonus?

The Institute appears to be an establishment not covered under the Shops & Estb. Act and it is not at all a factory or commercial establishment. The Bonus Act applies to every factory and other establishments in which more than 20 persons are employed. Being a religious institutions one cannot call it a commercial establishment. But at the same time the commercial outlook and approach of the institution cannot be ignored if the money earned from letting out of the hall for marriages and other culture functions it is required to be examined whether the trust is making profits out of the annual income. The institution may have developed the hall and designed with profit out of the annual income. The institution may have developed the hall and designed with profit motive although it may or may not make profit. If the temple is not earning profits and whatever income which is derived is spent for development of religious and renaissance of religious, culture activities you cannot treat it as a commercial venture. The fact that it is attached to a ashram or a temple, it cannot be treated as an integral of the religious institutions, it all depends on the merit of each case. If the letting out of the hall is with a commercial outlook certainly the employees employed therein are entitled for bonus.

1980 – AIR (S.C) – 604 – Workmen of Tirumala Tirupati Devasthanam v. Management & Ors.

2011 – I CLR – 919 – Shri Vatavrikasha Swami Maharaj Devasthan, Akkalkot v. State of Maharashtra through its Secretary to the Ministry of Industry, Labour & welfare, Mantralaya & Ors.

## Summary:-

The Payment of Bonus Act applies to all factories and establishments employing 20 or more persons on any day during an accounting year. The term —employee|| includes any person (other than an apprentice) employed on a salary or wage not exceeding Rs. 10,000 per month in any industry doing any skilled, unskilled, manual, supervisory, managerial, administrative, technical, or clerical work or hire or reward.

# **THE MUMBAI LABOUR WELFARE FUND**

## **ACT, 1953**

### **Applicability:-**

Applicable to the whole of Maharashtra

### **Establishments:-**

Means a Shops, Commercial Establishments, Residential Hotel, Restaurant, Eating House, Theatre, or other places of public amusements or entertainment to which this Act applies or such other establishments to which the Act applies by Notification, in which more than 5 employees work on any day during the preceding 12 months including exempt establishment u/s. 4

### **Employee:-**

1. **Includes:** - Person employed for hire or reward in any kind to work, manual, clerical, supervisory or technical in an establishment.
2. **Excludes:** - (1) Person in Managerial Capacity, (2) Person in Supervisory Capacity whose wages excess Rs. 3500/- or (3) Apprentices engaged under the Apprentices Act.

### **Unpaid Accumulation:-**

Payment due to the employee not made to them within 3 years which includes wages and gratuity payable but does not includes the Provident Fund Contribution.

### **Welfare Fund:** - Fund consists of

- (a) Fines from the Employees.
- (b) Unpaid Accumulations transferred to the Fund (bb) Penal Interest paid u/s. 6B (bbb) any contribution paid u/s. 6BB.
- (c) Voluntary Donations.
- (d) Fund Transferred u/s. 5 of Sec. 7
- (e) Sum Borrowed u/s. 8.
- (f) Loan, grant in aid or subsidy by State Govt.

### **Contribution:-**

1. Payable in respect of employees by the employer, employee and State Govt. to the board which Forms part of the Fund.
2. Contribution is payable every Six months in respect of employee and employer at the rate of:-
  - a) In respect of employees whose names stand on register of establishment as on 30<sup>th</sup> June and on every 31<sup>st</sup> Dec. and thereafter.
    - i) If drawing wages up to and inclusive of Rs. 3000/- per mensem Rs. 6/-
    - ii) If drawing more than Rs. 3000/- per mensem Rs. 12/-
  - b) In respect of employer for employees mentioned above is thrice the amount of contribution payable by the employees.



**Provision:** - State Govt. May increase the rate of employee's contribution once in every 3yrs. which shall not exceed 30% of rate of contribution.

3. Employer to pay both his employees contribution before 15th day of July and 15th day of January.
4. No Deduction of employer's contribution by employer from the wages of employees.
5. Payment of the board by cheque, money order or in cash.

**Interest on unpaid accumulation or fine after notice of demand:-**

Notice shall be sent by the welfare commissioner on failure of employer to pay the unpaid accumulation or fine realised by the employee or amount of contribution u/s. 6BB.

On employer failure to pay within the time i.e. not less than 30 days from the date of notice is liable to pay simple interest:-

- 1) In case of Failure to pay unpaid accumulation and fine &
- 2) In case of Failure to pay Contribution amount

The Rate of interest will be 1 ½ % applicable for the first 3 months. & 2% of the amount for each completed month for the continuous default in the payment.

**Application of Fund:-** The money in the Fund may be utilized by the Board to defray expenditure on the following:-

- a) Community & Social education centers including reading rooms & libraries;
- b) Community necessities;
- c) Games & Sports;
- d) Excursions, tours & holiday homes,
- e) Entertainment and other forms of recreations;
- f) Home industries and subsidiary occupations for women and unemployed persons,
- g) Corporate activities of a social nature;
- h) Cost of administering the Act (includes the salaries, allowances, pensions, provident fund and gratuity and other fringe benefits of the staff) appointed for the purpose of the Act; and
- i) Such other objects as would in the opinion of the State Government improve the standard of living and ameliorate the social conditions of labour.

**Penalty: -**

Person wilfully obstructing the inspector from discharging his duty or exercising the power under the Act or fails to produce the records or registers or other documents on demand for inspections shall on conviction be punished.

- a) For the first offence with imprisonment for a term which may extend to 3 months or fine which may extend to 500/- or both.
- b) For subsequent offences imprisonment for a term which may extend to 6 months or fine which extends to 1000/- or both.

**Submission:-**

The Form A-1-Cum-Return along with cheque to be submitted at....

**The Welfare Commissioner, Maharashtra Labour Welfare Board, Hutatma Babu Genu Mumbai  
Gimi Kamgar Krida Bhavan, Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013.**

# LABOUR WELFARE FUND (PAN INDIA)

S. No.	State	Employee Contribution	Employer Contribution	Total	Period -1	Period -2	Return submission date	Remarks	Cheque to be drawn In favour	Status
1	Andhra Pradesh	2	5	7	Jan-Dec	—	By Jan 30th	Yearly	Welfare Commissioner A.P Labour Welfare Rn rri	Confirmed by Bipin on 20th July - Mail Only DO
2	Delhi	0.75	225	3	Jan-June	July-Dec	15th July & 15th Jan	Half Yearly	Delhi Labour Welfare Fund	Confirmed by Rajnion 20th Julv - Mail Only DO
3	Gujarat	3	6	9	Jan.June	July-Dec	15th July & 15th Jan	Half Yearlv	Gujarat Labour Welfare Fund Board	Confirmed by Gopalon 21st Julv - Mail
4	Karnataka	3	6	9	Jan-Dec	—	By Jan 15th	Yearly	Welfare Commissioner, Karnataka Labour Welfare Board.Banoalore.	Confirmed by Chandra on 20th July - Mail
5	Kerala	4	8	12	Jan.June	July-Dec	15th July & 15th Jan	Half Yearlv	The Labour Welfare Fund Commissioner	Confirmed by Vinilon 19th Julv - Marl
6	Maharashtra	12	36	48	Jan-June	July-Dec	15th July & 15th Jan	Half Yearlv	Maharashtra Labour Welfare Fund	
7	Goa	5	15	20	Jan-June	July-Dec	15th Julv	Monthly	Goa Labour Welfare Fund	
8	Madhya Pradesh	6	18	24	Jan-June	July-Dec	15th July & 15th Jan	Half Yearly	Welfare Commissioner, Labour Welfare Board,Bhopal(MP)	Confirmed by Reena on 21st Julv - Mail
9	Chhatisgarh	1	3	4	Jan.June	July-Dec	15th July & 15th Jan	Half Yearlv	Welfare Commissioner, Labour Welfare Board.Ralour(CG)	Confirmed by Reena on 21st Julv - Mail
10	Orissa	NA	NA	NA	NA	NA	NA	NA		Confirmed by N.C.Nhapatra- 17A
11	Punjab	1	2	3	Aprii-Sep	Oct-Mar	By 15th Oct & t5thAor	Half Yearlv		Confirmed by RCOM L. consul Mr Pramieet Singh
12	Haryana	10	20	30	Monthly	Monthly	Every Month	Monthly	Welfare Commisrnoner (Govt Of Haryana) Payable at Chandioarh	Confirmed by Rajinion 20th July - Mail. <i>Only</i> DD "
13	Hrmachal Pradesh	NA	NA	NA	NA	NA	NA	NA		
14	Rajasthan	NA	NA	NA	NA	NA	NA	NA		
15	TamiiNadu - A&N Island	5	10	15	Jan-Dec	—	By Jan 30th	Yearly	Secretary T.N Labour Welfare Board	
16	Uttar Pradesh	NA	NA	NA	NA	NA	NA	NA		Not Applicable.Confirmed by Mllenara Sinah on 20th Julv- Mail
17	West Bengal	3	6	9	Jan.June	July-Dec	15th July & 15th Jan	Half Year:1Y	Welfare Commissioner, W. B	Confirmed by Suvrad/p on 22nd Julv - Mall. Only DO.
18	Bihar	NA	M	NA	NA	M	NA	NA		
19	Jharkhand	NA	NA	NA	NA	NA	NA	NA		
20	Chandigarh (UT)	1	2	3	Aprii-Sep	Oct- ar	By 15th Oct & 15th Apr	Half Yearly	Applicable from 28.05.09	Confirmed by RCOM L. consut. Mr Pramieet Sinah
21	Uttaranchal	NA	NA	NA	NA	NA	NA	NA		
22	Jammu & Kashmrr	NA	NA	NA	NA	NA	NA	NA		Confirmed by ACOM L. OOIsut. Mr.Pramieet Singh

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# EMPLOYEES' PROVIDENT FUNDS & MISC. PROVISIONS ACT, 1952 & THE SCHEMES

## CHECKLIST

### Eligibility

Any person who is employed for work of an establishment or employed through contractor in or in connection with the work of an establishment.

### Applicability

- Every establishment which is factory engaged in any industry specified in Schedule 1 and in which 20 or more persons are employed.
- Any other establishment employing 20 or more persons which Central Government may, by notification, specify in this behalf.
- Any establishment employing even less than 20 persons can be covered voluntarily u/s 1(4) of the Act.

### Payment of Contribution

- The employer shall pay the contribution payable to the EPF, EDLI and Employees' Pension Fund in respect of the member of the Employees' Pension Fund employed by him directly by or through a contractor.
- It shall be the responsibility of the principal employer to pay the contributions payable to the EPF, EDLI and Employees' Pension Fund by himself in respect of the employees directly employed by him and also in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor.

### Benefits

Employees covered enjoy a benefit of Social Security in the form of an unattachable and unwithdrawable (except in severely restricted circumstances like buying house, marriage/education, etc.) financial nest egg to which employees and employers contribute equally throughout the covered persons' employment.

This sum is payable normally on retirement or death. Other Benefits include Employees' Pension Scheme and Employees' Deposit Linked Insurance Scheme.

## Rates of Contribution

SCHEME	EMPLOYEE'S	EMPLOYER'S	CENTRAL GOVT'S
<b>Provident Fund Scheme</b>	<b>12%</b>	<b>Amount &gt; 8.33%</b> (in case where contribution is 12% of 10%)  <b>10%</b> (in case of certain Establishments as per details given earlier)	<b>NIL</b>
<b>Insurance Scheme</b>	NIL	<b>0.5%</b>	<b>NIL</b>
<b>Pension Scheme</b>	NIL	8.33% (Diverted out of Provident Fund)	<b>1.16%</b>

### Clarification about Contribution

After revision in wage ceiling from Rs.5000 to **Rs.6500** w.e.f. 1.6.2001 per month, the government will continue to contribute **1.16%** upto the actual wage of maximum Rs.6500 per month towards Employees' Pension Scheme. The employer's share in the Pension Scheme will be Rs.541 w.e.f. 1.6.2001. Under Employees' Deposit-Linked Insurance Scheme the contribution @ **0.50%** is required to be paid upto a maximum limit of Rs.6500.

The employer also will pay administrative charges @ **0.01%** on maximum limit of Rs.6500 whereas an exempted establishment will pay inspection charges @ **0.005%** on the total wages paid.

#### Notes:

The above clarification is given by taking wages upto a maximum of Rs.6500 towards wage (basic+DA).

Since an excluded employee i.e. drawing wages more than Rs.6500 can also become member of the Fund and the Schemes on joint request and if, for instance, such an employee is getting Rs.10,000 per month, his share towards provident fund contribution will be Rs.1200 e.g. 12% and employer's share towards provident fund contribution will be Rs.659 and Rs.541 towards Employees' Pension Fund.

### Damages

- Less than 2 months .....@ 5% per annum
- Two months and above but less than four months .....@10% per annum
- Four months and above but less than six months .....@ 15% per annum
- Six months and above .....@ 25% per annum

### Penal Provision

Liable to be arrested without warrants being a cognizable offence.

Defaults by employer in paying contributions or inspection/administrative charges attract imprisonment upto 3 years and fines upto Rs.10, 000 (S.14).

For any retrospective application, all dues have to be paid by employer with damages upto 100% of arrears.

# **THE EMPLOYEES PROVIDENT FUNDS & MISCELLANEOUS PROVISION ACT, 1952**

The Employees Provident Funds and Miscellaneous provisions Act, 1952 is enacted to provide a kind of social security to the industrial workers. The security, however, differs from the security provided to them under the Workmen's Compensation Act or the Employees' State Insurance Act. The Employees' Provident Funds and Miscellaneous Provisions act mainly provides retirement or old age benefits, such as :-

- 1) Provident Fund,
- 2) Superannuation Pension, Individual Pension, Family pension and
- 3) Deposit linked insurance.

Provision for Terminal benefit of restricted nature was made in the Industrial Disputes Act, 1947, in the form of payment of retrenchment compensation. But this benefit is not available to a worker on retirement, on reaching the age of superannuation or voluntary retirement.

The Employees' Provident Funds and Miscellaneous Provision Act, 1952 is intended to provide wider terminal benefits to the industrial workers. For example, the act provides for payment of terminal benefits in various contingencies such as retrenchment, closure, and retirement on reaching the age of superannuation, voluntary retirement, resignation and retirement due to incapacity of work.

## **Provident Fund:-**

- 1) Provident Fund is a social Security Benefit to employees.
- 2) It is a compulsory saving by an employee during his employment.
- 3) It is meant for old age
- 4) This is required to be availed on retirement from service.
- 5) An employee who contributes to provident fund is also eligible to receive a matching contribution from his employer.
- 6) Your provident fund is named as —Employees Provident Fund||

## **Employees Provident Fund Act / Scheme:-**

- 1) Employees' Provident Fund is set up under the Central Act viz. Employees' Provident Fund and Miscellaneous Provisions Act, 1952, in the year 1952
  - 2) It is applicable throughout the country (except Jammu & Kashmir)
  - 3) It is applicable to almost all establishments falling under the industries / class of establishments, wherein 20 persons are employed
  - 4) In the case of cinema theatres workers it is applicable to such establishments wherein 5 persons are employed.
  - 5) Benefits to an employee are provided through the schemes framed under the Act.
  - 6) Provident Fund benefits are provided under the Employees' Provident funds Scheme, 1952
  - 7) Pensions benefits are provided under the Employees' Pension funds scheme, 1952
  - 8) Insurance benefits are provided under the Employees' Deposit Linked Insurance Scheme, 1976
  - 9) A member of Employees' Provident fund is automatically eligible for pension and Insurance benefits without paying any additional amount of contribution.
-

### Special Features of the Act / Scheme:-

- 1) The provident fund, pension and insurance benefits are protected against attachment. It cannot be assigned or charged and shall not be liable to attachment under any decree or order of any court.
- 2) Employees' Provident fund as also Provident Fund of exempted establishments is a recognized provident fund under the Indian income tax act, 1961
- 3) An employee is eligible to avail the rebate on income tax on his provident fund contributions subject to ceiling prescribed under the Income tax act.
- 4) Non-payment of employees provident fund dues by an employer may lead to recovery action by regional provident fund commissioner such as prosecution, attachment of Bank account / property, arrest and detention.
- 5) Non-payment of employees contributions recovered from the wages of the employees would constitute 'criminal breach of trust' punishable under section 406/409 IPC
- 6) Employees' Provident fund dues paid after the due date (20<sup>th</sup> of the following month) will result in payment of interest and penalty by the employer.
- 7) Employees provident fund account of an employee can be transferred to any place in the country.
- 8) Employees provident fund may be withdrawn partially for certain specified purposes such as housing, marriage, illness etc.
- 9) All provident fund claims of the member are disposed by EPF office within 30 days.
- 10) Members are given the benefit of filling nomination of provident fund / pension and employees deposit linked insurance.
- 11) The annual employees provident fund balance is informed to every employee by the Employees' Provident Fund before 30<sup>th</sup> September of each year
- 12) The employees provident fund organization has completed its Golden Jubilee in the year 2002
- 13) The Employees' Provident fund organization is marching ahead to achieve its goal for total computerization and inter connection of all its offices in the country so as to ensure service delivery within 2-3 days and anywhere, at any time service and issue of social security no. to all its members.

### Applicability:-

- i) Every establishment which is a factory engaged in any industry specified in Schedule 1 and in which 20 or more persons are employed and
  - ii) Any other establishment employing 20 or more persons which Central Government may by notification, specify in this behalf (Infancy period of 3 yrs has been withdrawn by ordinance, w.e.f. 22-09-1997)
  - iii) Any establishment employing even less than 20 persons can be covered voluntarily u/s 1(4) of the Act.
  - iv) Any establishment registered under Co-operative Societies Act, 1912, or any State Act of Co-operative Societies, Employing **50 or more employees** and working without the aid of power.
  - v) The Employees' Provident Fund act is applicable to the cinema theatre employing 5 or more workers.
- A. If an establishment consists of different departments / branches, whether located in the same place or in different places, all such departments or branches are treated as part of the same establishment.
- B. The Act continues to apply even if the number of employees falls below 20 employees



### **Non Applicability:-**

Any establishment registered under Co-operative Societies Act, 1912, or any State Act of Co-operative Societies, Employing **less than fifty employees** and working without the aid of power.

1. To any establishment under the control of Central / State Government, having their own scheme / rules for Contributory Provident Fund or Pension for its employees.
2. To any establishment set up under central, Provincial or State Act having its own scheme / rules for P. F. and Pension for its own employees.
3. To any establishment, which is exempted by the Central or State Government by notification because of its financial position.
4. To apprentices appointed under Apprentices Act 1961 or under Standing Orders of the establishment.
5. To employees whose pay **exceeds Rs. 6500/-** at the time of joining service.

### **In case of Disputes regarding Applicability of the act to an establishment or as to the quantum of the money due from any employer**

If any disputes arises regarding the applicability of the Act to an establishment or as to the amount of moneys due from any employer under the Act or any scheme, the Central Provident Fund Commissioner, any Additional Central Provident Fund Commissioner, any Deputy Provident Fund Commissioner any Regional Provident Fund Commissioner, or any Assistant Provident Fund Commissioner may decide the same by holding an enquiry.

### **Eligibility:-**

1. Any person who is employed for work of an establishment or employed through contractor in or in connection with the work of an establishment where salary is less than Rs. 6500/-p.m. and optionally covered where salary exceeds Rs. 6500/- p.m.
2. Any person who is classified as disabled employee under new para 82 of the Employees Provident fund Scheme, 1952 and working in the private sector, with monthly wages upto Rs. 25000/- p.m. provided they are appointed on or after 01.04.2008
3. Any person who is classified as International Worker under new para 83 of the Employees Provident Fund Scheme, 1952.

### **Coverage:-**

### **Following Documents are required for deciding Final Date of Coverage under ESI Act / EPF Survey:**

1. Date of 1<sup>st</sup> Trial Production.
2. 1<sup>st</sup> Electricity Bill.
3. Details of Gala Purchase (viz. copy of the Agreement)
4. 1<sup>st</sup> Sale Bill
5. 1<sup>st</sup> Purchase Bill (Machinery Purchase Bill etc.)
6. VAT, TIN & Professional Tax. Certificate.
7. Books of accounts (Ledger, cash books etc.) since beginning.
8. Balance sheet/P& L account (in case of Limited company Annual Report since beginning)
9. Shops & Establishment Registration Certificate/ Factory Licence.
10. Partnership deed (in case of Partnership firm) & Memorandum of Association & Articles (in case of Limited Co.)
11. Salary / Wage register & Attendance Register since beginning.
12. Month wise strength of number of employees since beginning.
13. List of Directors/partners/owners along with their residential addresses.
14. Name of the Bankers, Address of the Bank and Name of the Person responsible for financial affairs.

### **Following Points Jointly Are Taken into Consideration While Clubbing The Units:-**

1. Unit of Ownership (i.e. Management & Control)
2. Unit of Labour (i.e. transferability of employees)
3. Geographical Proximity (i.e. vicinity, bonafides in keeping the unit a part)
4. Source of Finance (i.e. whether source of finance is same)
5. Supervision & Control (i.e. whether managed by same person)
6. Service Conditions of Workmen (i.e. rules applicable, employment contract, if any)
7. Functional Integrality (i.e. integrated whole- part & parcel of main unit, primary & dominant activity, subsidiary, minor, incidental)
8. Unit of Purpose (i.e. production & business, interrelated business)
9. General (i.e. books of accounts / similarity of nomenclature)

### **Voluntary Coverage:-**

If the employer and the majority of employees agree by a settlement to be bound by the provisions of the act and make application to the effect to the Central Provident Fund Commissioner u/s. 1(4)

### **Clubbing of Two Establishment:-**

In such cases the tests are :- 1) Unity of ownership, 2) Unity of Management, 3) Unity of Control, 4) Unity of Finance, 5) Unity of Labour, 6) Unity of employment, 7) Functional integrality, 8) Continuity of process, 9) Inter-transferability of employees.

In the associated Cement Company's case of a company owned a cement factory and also a lime stone quarry which supplied lime stone **exclusively** to the factory. The quarry was situated near the factory and it was a feeder to the factory. Without lime stone from the quarry the factory could not work. There was a manager of the quarry but he was under the manager of the factory. It was accordingly held that since there was unity of ownership, unity of management, supervision and control, unity of finance and employment, the two must be regarded as not being separate establishments and must be deemed as one establishment within the meaning of clause (iii) of Sec. 25.

### **Time Limit for Issue of Code number:-**

Code number to an establishment is issued within 30 days by the Regional Provident fund Commissioner, on receipt of the following:-

- 1) The employer should submit the application in the prescribed form. It can be collected from the EPF office or can be downloaded from the EPFO website viz. –[www.epfindia.gov.in](http://www.epfindia.gov.in)|| guidance / assistance can be availed from any office of the Employees' Provident Fund Organisation.
- 2) The application along with the proof of set up of establishment etc to be submitted by the employer, duly enclosing a bank demand draft/ pay order towards the Employees' Provident Fund dues along with the prescribed initial returns (i.e Form 5A/9 etc.)
- 3) The establishment will come into the compliance fold from the date of application of the act to it.

### **A contribution of P.F is to be deducted on:-**

1. On Basic Wages.
2. Dearness Allowances.

### **To Compute 20 or more Employees Following Employees are Counted:-**

The permanent, temporary, full time, part time, casual, time - rated, piece - rated employees, contract employees, persons employed in various departments, head office, branches, sales offices, godowns or any other different places etc. and sales representatives are counted for computing the employment strength. Apprentices engaged under the Apprentices Act. 1961 are not counted for the purpose of applicability.

### **Excluded Employee:-**

- 2) An employee who, having been a member of the Fund, has withdrawn the full amount of his contribution in the Fund (a) on retirement from service after attaining the age of 55 years or (b) migration from India for permanent settlement abroad; or for taking employment abroad;
- 3) An employee whose pay at the time he is otherwise entitled to become a member of the fund, exceeds Rs. 6500/- per month
- 4) A person who, according to the Certified Standing Orders, is an apprentice, or who is declared to be an apprentice by the authority specified in this behalf by the appropriate Government.

### **Other Categories of Employees Covered:-**

- 1) Part Time Employees are also to be covered under the Employees Provident Fund
- 2) Employees of News Paper Establishment:- the wages / salary ceiling of Rs 6500/-pm for eligibility does not apply to the employees of the news paper establishment as per para 80 of the Employees Provident Fund Scheme. The Wages / Salary ceiling for employees of News Paper Establishments has been upheld by the Supreme Court.
- 3) In case of cine workers the maximum wages / salary ceiling for eligibility is Rs. 15000/-pm instead of Rs. 6500/- pm vide Para 81 of the scheme

### **Contribution:-**

Employee's Contribution 12% and  
Employers Contribution 12% plus 1.61% = 13.61 %

From employers contribution out of 12% contribution 8.33% is deposited in the Employees' Pension Fund subject to a ceiling that the contribution payable by the employer be limited the amount payable on his pay of Rs. 6500/-pm hence maximum contribution under Employees Pension Fund will be Rs. 541/-. And balance 1.61% includes administrative charges and EDLI.

### **Provident Fund Challans Consist following Accountants and Rate of Contribution:-**

<b><u>A/c. No.</u></b>	<b><u>Employers Contribution</u></b>	<b><u>Employee Contribution</u></b>	<b><u>Total Contribution</u></b>
I	3.67%	12%	13.67%
II	1.10%	----	1.10%
X	8.33%	----	8.33%
XXI	0.50%	----	0.50%
XXII	0.01%	----	0.01%
<b><u>Total Contribution</u></b>	<b><u>13.67%</u></b>	<b><u>12%</u></b>	<b><u>25.61%</u></b>

**Is it permissible for any member to contribute at a rate higher than the rate of 12% ?**

A Member, if he so desires, may contribute an amount exceeding 12% as the case may be but the employer shall not be under an obligation to pay contribution over and above his contribution payable under the Act.

### **Contractors Obligations:-**

A contractor has to recover contribution of the employees, employed by him and pay it to the principle employer together with employer's contributions in equal amount as well as administrative charges.

The wages of any employee should not be reduced by the employer to meet any liability by the employer to pay contribution of P. F. or pension or any charges under the Act or the total of benefits like gratuity, old age pension etc.

### **Nomination by a Member:-**

Each member has to make a nomination to receive amount standing to his credit in the Fund in the event of his death. If he has a family, he has to nominate one or more persons belonging to his family and none other. If he has no family he can nominate any person or persons of his choice but if he subsequently acquires a family, such nomination becomes invalid and he will have to make a fresh nomination of one or more persons belonging to his family. A nomination can be modified by the member at any time.

### **Benefits:-**

Employees covered enjoy a benefit of Social Security in the Form of an unattachable, unwithdrawable (except in severely restricted circumstances like buying house, marriage/education etc.) Financial nest egg to which employees and employers contribute equally throughout the covered person's employment. This sum is payable normally on retirement or death. Other Benefits include Employees' Pension Scheme and Employees' Deposit Linked Insurance Fund.

### **Penal Provision:-**

Liable to be arrested without warrant being a cognizable offence

Defaults by employer in paying contributions or inspection/ administration charges attract imprisonment up to 3 years and fines up to Rs. 10000/- (S.14)

For any retrospective application, all dues have to be paid by employer with damages up to 100% of arrears. Contribution payment liability upon the employer for both the shares payable, but for restrictive provisions contained in para.32 of the EPF scheme 1952, the employer is RESTRAINED from recovering —EMPLOYEE SHARE|| of contribution for the past period.

**I. Benefits:- Provided under the Scheme:-**

**There are Three kinds of Benefits Provided under the Scheme:-**

- a) Withdrawl Benefit
- b) Benefit of non-refundable advances
- c) Benefit of financing of Life Insurance Policies.

**(i) Withdrawl Benefit:-**

- a) A member can withdraw the full amount standing to his credit in the Fund in following circumstances immediately:-
  - 1) Retirement after attaining the age of 55 yrs.
  - 2) Retirement due to incapacity of work
  - 3) Migration for permanent settlement abroad
  - 4) Mass Retrenchment
  - 5) Voluntary Retirement
  - 6) Closure of Establishment
  - 7) Transfer to an establishment not covered under the Act
  - 8) Discharge with payment of retirement compensation, etc.
  
- b) In all the other cases of leaving servicers he can withdraw the full amount if he remains unemployed after the waiting period of two months unemployment.

**(ii) Benefit of Non-Refundable Advances:-**

Non refundable advances from the amount standing to the credit of a member in the Fund can be sanctioned for the following purposes:-

- 1) Purchase of Dwelling Site
- 2) Purchase of Dwelling House/Flats
- 3) Construction of House
- 4) Illness viz Hospitalisation for more than a Month, major surgical operation, or suffering from T.B., Laprosy, Paralysis, Cancer, Heart Ailment etc.
- 5) Marriage of a self /son/ daughter/sister/brother
- 6) Post Matriculation Education of Son/Daughter.
- 7) Damage to the property due to natural calamity (Floor / Riot / Earthquake)
- 8) Member affected by cut in the supply of electricity
- 9) Members who is physically handicapped
- 10) Investment in Varishtha Pension Bima Yojana

**(iii) Benefit of Financing of Life Insurance Policies:-**

- 1) Where a member desires that premium due on a policy of Life Insurance taken by him on his own life should be financed from his Provident Fund Account  
(Provided that no such payment shall be made unless the premium is payable yearly)

[(A member employee can also withdraw full amount standing to his credit. In fund (para 69)....]

- A) On Resignation.
- B) On Retirement from the service on attaining the age of 55yrs.
- C) On Retirement on account for permanent or total incapacity to work.
- D) Immediately before Migration from India for permanent settlement abroad or for taking up employment abroad.

- E) On Termination due to voluntary retirement scheme, retrenchment, closure of the factory / establishment.
- F) Withdrawal within one year before the retirement:- It permit withdrawal of upto 90 per cent of the amount standing at his credit, at any time after attainment of the age of 54 years by the Member or within one year before his actual retirement on superannuation, whichever is later.
- G) Option for withdrawal at the age of 55yrs for investment in Varishtha Pension Bima Yojana:-  
On an application from a Member in such form as may be prescribed, permit withdrawal of upto 90% of the amount standing at his credit at any time after attaining the age of 55yrs by the Member, to be transferred to the Life Insurance Corporation of India for investment in Varishtha Pension Bima Yojana

**RATE OF INTEREST ON PF ACCUMULATION AS DECLARED BY CENTRAL GOVERNMENT**

Year	Rate of Interest	Year	Rate of Interest
1979-80	8.25%	1996-97	12.00%
1980-81	8.50%	1997-98	12.00%
1981-82	8.50%	1998-99	12.00%
1982-83	8.75%	1999-2000	12.00%
1983-84	9.15%	2000-01	11.00% (12% up to June 01)
1984-85	9.75%	2001-02	9.50%
1985-86	10.15%	2002-03	9.50%
1986-87	11.00%	2003-04	9.00% + 0.5 (bonus)
1987-88	11.50%	2004-05	9.50%
1988-89	11.80%	2005-06	8.50%
1989-90	12.00%	2006-07	8.50%
1990-91	12.00%	2007-08	8.50%
1991-92	12.00%	2008-09	8.50%
1992-93	12.00%	2009-10	8.50%
1993-94*	12.00%	2010-11	9.50%
1994-95	12.00%	2011-12	8.25%
1995-96	12.00%	2012-13	8.50%
2013-14	8.75%		

Compound interest, at a rate determined by the Central Government from Time to Time, is paid on the amount standing to the credit of a member as on 1st day of April every year.

From 1st April 1993, the yearly interest to be computed on monthly running balance

**Rate of Damages on Delayed Payment of Contribution**

- |                                    |       |                |
|------------------------------------|-------|----------------|
| A) Up to 2 Months                  | ----- | @5% per annum  |
| B) Above 2 Months & up to 4 months | ----- | @10% per annum |
| C) above 4 Months & up to 6 Months | ----- | @15% per annum |
| D) Above 6 Months                  | ----- | @25% per annum |

**Simple Interest @ 12% P.A. is charged separately on delayed payment of contribution**



### Documents Required for Getting Recognition to the PF trust from the Commissioner of Income Tax:-

1. Applications u/r 77 of the I.T Rules, 1962 (in duplicate with Rs. 2/- court fee stamp duly attested by the employer first and then trustees)
2. Trust deed on Rs. 100/- stamp paper (original + two photocopies) duly attested by the trustees.
3. Provident Fund Rules (in duplicate)
4. List of Name and addresses of the Trustees.
5. Copy of the Resolution passed by the Board of Directors for formation of the provident fund trust (in duplicate)
6. Certificate from Company stating PAN no.

### Employees' Deposit Linked Insurance Scheme, 1976, (E. D. L. I)

The purpose of the scheme is to provide life insurance benefits to the employees of the establishments covered by the E. P. F. & M. P. Act, 1952. As such, the scheme is applicable to the employees of all factories and other establishments covered by the said Act.

### Benefits

Vide Notification No. 8 published in Gazette of India Part II-Section 3-Sub-section (i) dated 08.01.2011, in paragraph 22, after sub-paragraph (2), of the Employees' Deposit Linked Insurance Scheme, 1976 a new sub-Para 22A has been inserted, namely:

–(22A) On the death of an employee, who is a member of the Fund or a provident fund exempted under Section 17 of the Act, as the case may be, who was in the employment of the same establishment for a continuous period of twelve months, preceding the month in which he died, the persons entitled to receive the provident fund accumulations of the deceased shall, in addition to such accumulations be paid an amount, equal to :-

- i. The average monthly wages drawn (subject to a maximum of rupees six thousand five hundred) during the twelve months preceding the month in which he died, multiplied by twenty times, or :-
- ii. The amount of benefit under sub-paragraph (i),  
**Whichever is higher."**

In view of the above amendments, family members of deceased employee are entitled for higher EDLI benefits of Rs.1,30,000/-, if he has served for more than 12 months with same establishment.

### A comparative table between existing and the latest amendments is given below:-

<b>Existing Provisions</b>	<b>Latest Amendments w.e.f. 08<sup>th</sup> Jan 2011</b>
Family members of the deceased employees, are entitled to EDLI benefits subject to a maximum of Rs.1,00,000/-	Family members of the deceased member who has served in the same establishment for more than 12 months are entitled for higher EDLI benefits subject to maximum of Rs.1,30,000/- However, deceased member who has served for less than 12 months, his family members are entitled for EDLI benefit as per existing provisions i.e. maximum of Rs. 1,00,000/-.

For claiming EDLI Benefit Form No 5 IF to be submitted to the PF Authority.

**Note:-** EDLI Contribution from the Regional PF Commissioner can be obtain and subsequently this coverage can be taken from any Government or Private Insurance Companies.

**Whether it is permissible to exempt any establishment from the operation of the EDLI Scheme?**

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, permits the Central Government subject to specified conditions, to exempt any establishment from the operations of all or any of the provisions of the scheme if the employees of such establishments are, without making any separate contribution or payment of premium, in enjoyment of life insurance benefits **which are more favourable than the benefits admissible under the scheme.**

**Employees' Pension Scheme, 1995**

**1. Definition: -**

Employees' Pension Scheme is a survivor, old age and disability pension scheme. The Earlier Family Pension Scheme, 1971 offered only one type of benefit, namely survivors benefit, i.e. payment of pension to widow/widower on death of the member in service. On the other hand, the new scheme caters for three types of contingencies:-

1. Survivor pension : If death occurs during service period
2. Old Age Pension : Pension on Superannuation.
3. Permanent Disability Pension : In the event of member suffering permanent disability while in service Minimum pension amount will be Rs. 250/- pm. Even if not rendered pensionable service provided that he/ she has made atleast one month's contribution to the pension fund.

**2. What is Meaning of (a) Actual Services, (b) Past Services, (c) Pensionable Services, (d) Eligible Services, and (e) Pensionable Salary?**

- a. Actual Service means the service rendered from 16.11.1995 or from the date of joining, whichever is later, to the date of exit.
- b. Past Service means the service rendered from the date of joining the Family Pension Fund till 15.11.1995
- c. Pensionable Service means the service for which contributions have been received or are receivable
- d. Eligible Service means the actual service plus past service.
- e. Pensionable Salary means the average monthly pay drawn in the span of 12 months preceding the date of exit from the membership of Employees' Pension Fund.

**3. Characteristics: -**

In the scheme three scales of pensionary benefits have been offered according to the length of service

1. **For service below 10 years.**

If the member renders less than 10 yrs. of pensionable service on the date of exit or on attaining the age of 58 yrs. whichever is earlier, he is entitle for withdrawal benefit as per Table 'D' or he may opt for scheme certificate.

Return of contribution on exit from employment- Table- D

Example: Suppose a member exits form employment after four years of service his wage on exit is Rs. 4000/- Return of contribution will be calculated as Rs. 4000 x 3.99 of wages on exit i.e. Rs. 15960/-

## RETURN OF CONTRIBUTION ON EXIT FROM THE EMPLOYMENT

**TABLE – D**

(BENEFIT ON LEAVING SERVICE BEFORE BEING ELIGIBLE FOR MONTHLY SERVICE)

Yr. of Service	Proportion of wages at exit	Yr. of Service	Proportion of wages at exit	Yr. of Service	Proportion of wages at exit
1	1.02	4	3.99	7	7.13
2	1.99	5	5.02	8	8.22
3	2.98	6	6.07	9	9.33

2. **Service above 10 years but below 20 years.**

In this first instance pension will be calculated by applying the formula, i.e.-

$$\frac{\text{Pensionable salary} \times \text{pensionable service}}{70}$$

Say, a member has done 18 years of pensionable service. Pensionable Salary determined as Rs. 4000/- Pension payable to him will be Rs. 1029/-

3. **Service over 20 years:-**

Full pension according to the formula stated above. It is to be noted here that for rendering 20 years of pensionable service or more, member's pensionable service shall in all cases be increased adding 2 years. In other words, 20 years actual pensionable service will be treated as 22 years of pensionable service for calculation of pension.

4. **Special provisions for exiting members :-**

Special provisions have been made for calculation of pension in case of member who was a member of the ceased Family Pension Scheme 1971 and who has attained the age of 48 yrs. on the 16th November, 1995 or a member who has attained the age of 48 yrs but less than 53 yrs. on 16th November, 1995, member who has attained the age of 53 yrs. or more on the 16th Nov. 1995. In the aforesaid cased the formula for calculating pension will be as follows:-

A) Member has not attained the age of 48 yrs on 16.11.1995:

Pension is determined by the above formula i.e.

$$\frac{\text{Pensionable salary} \times \text{pensionable service}}{70}$$

For the period of pensionable service rendered from the 16th Nov 1995 or Rs. 635/- whichever is more plus past service benefits as under:-

Sr. no	Year of Past Service	*The past service benefit payable on completion of 58 yrs of age on 16.11.95	
		Salary up to Rs. 2500/- pm.	Salary up to Rs. 2500/-pm.
	(1)	(2)	(3)
1.	Up to 11 yrs	80	85
2	More than 11 yrs but up to 15 yrs.	95	105
3	More than 15 yrs	120	135
4	Beyond 20 yrs	150	170

\*To arrive at past service benefit, payable on the completion of 58 yrs. of age on 16.11.1995 under column (2) & (3) above, shall be multiplied by the factor given in Table -B corresponding to the period between 16.11.1995 and date of attainment of age 58.

Subject to a minimum of Rs. 800/- per month provided the past service is 24 yrs. if the member's aggregate service is less than 24 yrs. pension and the benefit computed as above will be reduced proportionately to a minimum of Rs. 450/- per month.

- B) Member has attained the age of 48 yrs. but less than 53 yrs on 16.11.1995  
Pension as determined by the above mentioned formula i.e.

$$\frac{\text{Pensionable salary} \times \text{pensionable service}}{70}$$

For the period of service rendered form 16-11-1995 or Rs.438/- per month whichever is more plus past service benefit as laid down in Para 12(3) subject to a minimum of Rs. 600/- per month, in case the past service is 24 yrs. if it is less than 24 yrs, pension payable and the past service benefit taken together shall be proportionately less subject to a minimum of Rs. 325/-pm.

- C) Member has attained the age of 53 yrs. or more on 16.11.1995  
D) Pension as determined by the above mentioned formula i.e.

$$\frac{\text{Pensionable salary} \times \text{pensionable service}}{70}$$

For the period of service rendered form 16.11.1995 till the date of exit or Rs. 335/- pm whichever is more plus past service benefit as provided in para 12(3) subject to minimum of Rs. 500/-pm (both together) in case past service period is 24yrs. if it is less than 24 yrs. pension payable and the past service benefit shall be proportionately lesser subject to a minimum of Rs. 265/-pm.

##### 5. Early Pension on Cessation of Employment:-

Old age pension on account of superannuation/retirement is normally payable on attaining the age of 58yrs. However, member cannot opt for taking earlier than 58 yrs. on his exit from employment but under no circumstances pension will be payable before the age of 50 yrs. A member who desires to draw monthly pension from a date earlier than 58 yrs. of age will be allowed to draw a monthly reduced pension due on the date of exit form employment. If the member is subsequently employed in a covered establishment, his pensionable service in the scheme certificate will be taken into account for working out his full pensionable service.

## 6. Scheme Certificate:-

There are occasions when a member may leave employment and or may move from a covered establishment to an uncovered establishment before he reaches the date of superannuation, he may opt for a scheme Certificate. The certificate will indicate his pensionable salary and the amount of pension due on the date of exit from employment. If the member is subsequently employed in a covered establishment, his pensionable service in the scheme certificate will be taken into account for working out his family pensionable service.

## 7. Widow Pension:-

- 1) Widow pension is of the three categories- i) of death of the member during service ii) on the death of the member after leaving service but before attaining the age of 58 yrs. and iii) in case of death of the member after commencement of payment of monthly members pension.
- 2) Widow on death of the member during the service is equal to monthly member's pension.
- 3) The essential conditions for grant of widow pension are as follows:-
  - a) The death of the member occurred while in service.
  - b) The member has contributed at least one month's contribution.
  - c) The member had not attained the age of 58 yrs.
  - d) The death of the member had taken place before the commencement of monthly member's pension.

### Example1:-

Mr. 'X' a worker in an establishment became member of the Employees Pension Scheme on 2nd January 1996. He died in February 1996 after a short illness. His wages at the time of death was Rs. 1500/- pm. He left behind his widow aged 22 yrs. and a child aged 1yr. what will be the widow pension in this case?

It is confirmed that pension contribution for Mr. 'X' was paid by the employer for the month of January 1996. Widow Pension entitlement

i) Pensionable service One month ; pensionable salary Rs. 1500/- (Either)

ii) Pension according to the formula:

$$\frac{\text{Pensionable salary} \times \text{pensionable service}}{70} \quad \text{i.e.}$$
$$\frac{1}{12} \times \frac{1500}{70} = \text{Rs. 1.78}$$

or iii) Minimum pension payable as per para16 (2) (a) (i) of the scheme - Rs. 450/- p.m.

or iv) The amount indicated in table 'C' Rs. 718/- per month - whichever is more.

Since (iv) is more than (ii) & (iii), widow pension will be fixed at Rs. 718/- per month for life

Or remarriage of the widow, whichever is earlier.

v) For the child, 25% of the widow pension will be granted as monthly pension i.e. 25% of Rs.718 = Rs. 179.50 or Rs. 180/-pm. Till 25yrs. of age.

### **Example 2:**

Mr. 'Y' joined family pension scheme in January 1972. He died while in service, say, on 30 March 1998. He was drawing a salary of Rs. 2500/- pm till death.

He had attained the age of 48 yrs. at the time of his death. He left behind the widow, two sons- one aged 16yrs. one 7 years and one daughter aged 20 yrs. what would be the widows pension and children pension, payable?

- i) Mr. 'Y' had done 26 yrs. 3months of pensionable service at the time of his death. In calculation of eligible service for pension, fraction of three months will be ignored as per explanation to Para 9(a) of the Scheme and thus eligible service will be taken as 26 yrs only. The average 12months salary at the time of his death was Rs. 2500/- Hence member's monthly pension will be:

**(Either)**  $\frac{\text{Pensionable salary} \times \text{pensionable service}}{70}$

$$\text{i.e. i) } \frac{26 \times 2500}{70} = \text{Rs.928.57 or Rs. 929/-pm.}$$

Or ii) In terms of Para 16(a) (ii) - Rs. 250/-pm.

Or iii) Table 'C' - Rs. 1087 - whichever is more.

The amount at (iii) being more than (i) & (ii), the widow pension payable will be Rs. 1087/- for life or remarriage of the widow, whichever is earlier

### **8. Children Pension. :-**

- i) The member left behind three children one daughter aged 20 yrs, two sons aged 16 yrs and 12yrs, elder son will get pension. The daughter will get pension for 5 yrs by which time she will be 25 yrs of age after 5 yrs. of the vesting of pension. After the daughter ceases to be the beneficiary, the youngest child, then aged 12yrs, will start receiving pension till the age of 25 yrs.
- ii) The amount of children pension will be @ 25% of widow pension for each of the two children, viz.  
25% + 25% of Rs. 1087 or Rs.272 + Rs. 272 for two children.

### **9. Widow Pension after Commencement of Monthly Pension:-**

- 1) In case of death of the member after vesting of pension, the amount of widow pension is payable @50% of the monthly member's pension subject to minimum of Rs. 250/-p.m. for example  
Mr. 'Z' a pensioner dies at the age of 66 yrs. leaving behind his widow aged 62 yrs.  
Mr. 'Z' drawing pension @Rs. 1000/-pm. The widow pension in this case will be Rs. 500/-pm.
- 2) In case the member leaves behind any child less than 25 yrs of age, children pension is payable for each equal to 25% of the widow pension subject to a minimum of Rs. 115/- pm.



## Summary of Benefits to existing members of para 12(3) , 12(4) & 12(5):-

Vide para of E.P.S. 1995	Age of employees as on 16.11.95	Pension amount of service after 16.11.95 till date		Past service benefit till 15.11.1995		If aggregate service less than 24 yrs. then the minimum MMP Payable
		Amount as per calculation	Minimum pension payable	Min. past service benefit payable for 24 yrs. past service	If PSB is less than 24 yrs.	
12 (3)	Upto 47 yrs.	Do	Rs. 635/-	Rs. 800/-	On proportionate basis of the min. PSB	Rs. 450/-
12(4)	48 yrs. to 52 yrs	Do	Rs. 438/-	Rs. 600/-	Payable or as per calculation whichever is more	Rs. 325
12(5)	53 yrs.	Do	Rs. 335/-	Rs. 500/-		Rs. 265/-

### 10. Payment / withdrawal of Provident Fund Amount :-

On retirement from service after attaining 55 years of age.

1. On retirement due to total incapacity for work caused by bodily or mental infirmity.
2. On migration from India for permanent settlement abroad or for taking employment abroad.
3. On termination of service
4. On retrenchment.
5. On termination under voluntary retirement scheme.
6. On closure of an establishment
7. On transfer from a factory that is covered to an establishment not covered.
8. On discharge.
9. On the death of a member.

In case of death of a member, the amount is payable to the nominee and in the absence of nominee, to the members of the deceased's family except the following:-

- a) Sons of the deceased employee or the sons of deceased sons who attained majority.
  - b) Married daughters whose husbands are alive of the deceased employee or his deceased son.
10. If it becomes payable to a person charged with murder, the payment stands suspended till the conclusion of the proceedings. If convicted, the amount is payable to eligible members. If acquitted, it is payable to him.

### Procedure of Payment:-

1. Every employee shall forward an application in Form 19 for payment of PF amount at his credit,  
In cases specified under clauses within Five days to the commissioner duly attested.
2. In case of death, the application is to be sent within 5 days of its receipt by the employer.
3. If the applicant is unable to send the application through the employer, he can send it directly to the commissioner who will forward it to the employer for re-submission to him within five days.

#### 11. Payment of Pension Through Banks:-

The pension is disbursed through Nationalised Banks of the respective state. The member/pensioner are required to open an account in the Bank where pension is desired and indicate the option in the application in Form 10-D.

#### **PAYMENT OF PENSION THROUGH BANKS:-**

Region	Nominated Bank	Region	Nominated
Andra Pradesh	Andra Bank & SBI	Maharashtra	Bank of India, PNB, SBI
Bihar	PNB	North East Region (Assam)	PNB & SBI
Delhi	PNB & SBI	Orissa	Bank of India & SBI
Gujarat	Dena Bank & SBI	Punjab	PNB & SBI
Haryana	PNB & SBI	Rajasthan	SB of Bikaner, Jaipur & PNB
Karnataka	Canara Bank	Tamilnadu	Indian Bank & SBI
Kerala	Canara Bank & SBI	Uttar Pradesh	PNB & SBI
Madhya Pradesh	PNB & SBI	West Bengal	PNB & Union Bank of India
Himachal Pradesh	PNB & SBI	In addition to above:- HDFC, UTI, & ICICI Bank for all Regions	

#### **Mode of Recovery of Provident Fund Dues:-**

Any amount of contribution, damages, accumulations required to be transferred, or administrative charges due from an employer may be recovered from him in any of the following modes:-

- Attachments and sale of the movable or immovable property of the establishments of employer.
- Arrest of the employer and his detention in prison
- Appointing a receiver for the management of the movable or immovable properties of the establishment of employer.

The recovery shall be made by the recovery officer pursuant to a Recovery Certificate issued by the authorised officer specifying the amount of arrears.

#### **Other Mode of Recovery of Provident Fund Dues:-**

Besides, the modes aforesaid, the authorised officer may recover the amount by any of the following modes:-

- Recovery from any person of amount due from him to employee who is in arrears
- Application for release of money, to the court in whose custody there is money belonging to the employer
- Recovery by distraint and sale of movable property.

## **PENALTIES**

<b>Offences / Contraventions</b>	<b>Penalty</b>
Whoever makes any statement knowing it to be false or by means of misrepresentation with intention to avoid making of payment towards Employees Provident Fund or deposit Linked Insurance Fund.	Imprisonment up to 1 year or fine of Rs. 5000/- or both.
Commission of default in the payment of administrative charges towards Employers Provident Fund or payment of inspections charges	Imprisonment up to 3years and fine of Rs. 5000- (minimum imprisonment for 6 months)
Commission of default in making payment of Employee's contribution u/s. 6 of the Act	Imprisonment up to 3 years and fine of Rs. 10000/- (Minimum imprisonment for 1 year)
Commission of default in payment of contribution or administrative charges or inspection charges towards the Deposit Linked Insurance Fund	Imprisonment up to 1 year and fine of Rs. 5000/- or both (minimum imprisonment for 6 months)
Commission of default or contravention in the compliance of any of the rule and provisions of the Act	Imprisonment up to 1 year or fine up to Rs. 4000
Commission of default or contravention of any of the conditions under which exception u/s. 17 was granted.	Imprisonment up to 6 months and fine up to Rs. 5000/-
Commission of any further and subsequent repetition of offence after previous conviction / offence.	Imprisonment up to 5 years and fine up to Rs. 25000/- (minimum imprisonment 2 years.)

## PF ACCOUNTS IDLE FOR 36 MONTHS OR MORE MONTHS WILL NOT FETCH INTEREST

The decision by the Employee Provident Fund Organisation (EPFO) to stop paying interest on accounts that have not been operated for 36 months or more is expected to cover 60 per cent of the accounts. According to EPFO estimates, there were 30.5 million inoperative accounts across 120 offices. In all, the agency had 47.1 million subscribers at the end of March 2009, which is estimated to have increased during the last financial year. However, latest data on the total number of subscribers was not available. In all, the agency estimated that Rs 15,416 crore was lying in inoperative accounts (see table).

While 85 per cent of the inoperative accounts have a balance of less than Rs 5,000, such accounts having less than Rs 1,000 are 51 per cent. The balances in some of these are as low as Rs 1 or Rs 2, but maintaining these accounts cost around Rs 100. EPFO said over 11 per cent of the inoperative accounts had less than Rs 100. The low balance in inoperative accounts was the result of subscribers giving up on their jobs, while the ones with more funds may have been the result of members choosing to leave the balance and opting to open a new account while switching jobs.

—As long as someone is in employment, the employer pays a 1.1 per cent fee on the amount deducted. But the moment, the deduction stops, the fee also ends, as it cannot be levied on the employee. So, EPFO ends up spending money to keep the account running,|| said an official. Although one option was to levy an annual maintenance charge of Rs 100 on the inoperative accounts, EPFO has decided against it. Instead, yesterday, the Central Board of Trustees decided that from April 1, 2011, EPFO will stop paying interest for inoperative accounts from the 37th month. It was also decided that in case these accounts remain dormant and, if any member claims it, with proper identity, the balance in the account will be paid to the subscriber. Also, in case an establishment defaults in payment of contribution for 36 months, accounts would be made operative on payment of the dues and the interest on it.

**NOW PF MEMBER CAN VIEW ONLINE PF BALANCE CREDITED IN THEIR ACCOUNT**  
**(where ever online view is implemented by the respective PF office)**

**Procedure for viewing PF Balance:-**

1. Visit <http://www.epfindia.gov.in>
2. Go to Know your EPF Balance.
3. Select office
4. BANDRA- MH-BAN
5. Submit
6. Enter company Code number and then enter your PF number
7. Enter your name and mobile number
8. Finally submit
9. You will receive SMS from EPF office about your PF Bal

**Writeup on special provisions for International Workers**

Global Demographic pressures coupled with free market economy have led to increasing labour mobility, raising concerns regarding provisions of adequate social security cover to Indian employees deployed abroad. To safeguard the interest of such Indian workers, the government of India has negotiated social security agreements (SSAs) with some countries with the objective of providing exemptions to Indian employees from the mandatory social security contributions in those countries, thus eliminating dual coverage SSA is a bilateral instrument to protect the social security interests of employees and it covers three important benefits, namely, detachment, totalisation and portability. At present India has entered into social security agreement with Belgium, France, Germany, Luxembourg, Switzerland, Denmark, Korea, Netherland and Hungary and also has entered into comprehensive economic agreement with Singapore.

International Workers from non-SSA countries can withdraw on retirement of services only on attainment of 58 years of age.

To, implement the bilateral SSAs, enabling provisions for international workers were introduced through para 83 in the Employee's Provident Fund Scheme, 1952 and para 43-A in the Employees Pension Scheme, 1995 effective from 01 October 2008. This special provisions provide the legal frame work of the definition of international workers, the applicability of this provisions, contributions payable and benefits available to international workers.

Subsequently, this provisions were amended with effect from September 11, 2010, whereby withdrawals of PF accumulations by international workers is permitted only after 58 years of age, and withdrawal benefits under EPS, 1995, is available only to those covered under an SSA. Also, the employers contributions of 8.33% (to the pension fund) is now payable on full salary, and restricted to this ceiling amount of Rs. 6500/-

An international workers means:-

- An Indian employee having worked or going to work in a foreign country with which India has entered into a social security agreement and being eligible to avail the benefits under a social security programme of that country, by virtue of the eligibility gained or going to gain, under the said agreement;
- An employee other than an Indian employee, holding other than Indian passport, working for an establishment in India to which the act applies.

Contributions in respect of International Workers are payable on full salary, i.e. not restricted to the ceiling of Rs. 6500/-. The contribution is calculated on the basis of monthly pay containing the following components actually drawn during the whole month whether paid on daily, weekly, fortnightly or monthly basis:-

- Basic wages
- Dearness allowance (all cash payments by whatever name called paid to an employee on account of a rise in the cost of living)
- Retaining allowance
- Cash value of any food concession

#### **Benefits available to an International Worker under the EPF Scheme 1952.**

- **Final withdrawal:-**
  - i) **To member;-**
    - On retirement & attaining the age of 58 yrs.
    - On retirement on permanent disability due to bodily or mental infirmity (includes TB, Leprosy and Cancer)
    - On the grounds as specified in the SSA
  - ii) **To survivor(s), on death of the member.**
- **Partial withdrawals/ advances:-**  
For housing, marriage, hospitalization, education etc.

#### **Benefits available to an international worker under the EPS 1995**

- Pension payment for life on Retirement / Superannuation
- Pension Payment for life on disablement during employment
- Withdrawal benefit (for service less than 10 years after totalisation) only for members covered under SSA
- Exportability and totalisation of benefits as per the SSA.

The provisions of Inoperative accounts will not be applicable to International Workers. However, the International Worker will continue as such till he avail the benefits of final withdrawal.

**CHAPTER – II**  
**PROVISIONS OF PARA 83 OF EPF SCHEME, 1952**

**83 Special provision – in respect of international workers:-**

The Scheme, shall, in its application to international workers as defined in this paragraph, be subject to the following modifications, namely:-

- 1) For clause (f) of paragraph 2, the following clause shall be substituted namely:-  
(f) excluded employee means an international worker, who is contributing to a social security programme of his country of origin, either as a citizen or resident, with whom India has entered into a social security agreement on reciprocity basis and enjoying the status of detached workers for the period and terms, as specified in such an agreement;
- 2) After clause (j) of paragraph 2, the following clause shall be substituted, namely:-  
(ja) –International Worker|| means,-
  - (a) An Indian employee having worked or going to work in a foreign country with which India has entered into a social security agreement and being eligible to avail the benefits under a social security programme of that country, by virtue of the eligibility gained or going to gain, under the said agreement;
  - (b) An employee other than an Indian employee, holding other than air Indian Passport, working for an establishment in Indian to which the Act applies;
- 3) For paragraphs, 26, 26-A and 26-B, the following paragraphs shall be substituted, namely:-

**26. Class of International Workers entitled and required to join the Fund :-**

- 1) (a) every international worker (other than an excluded employee), employed as on first day of October, 2008 in an establishment to which this Scheme applies, shall be entitled and required to become a member of the Fund with effect from the first day of November 2008.
- 2) Every International Worker (Other than in excluded employee), employed after the 1<sup>st</sup> October 2008 in an establishment to which this Scheme applies, who has not become a member of the fund from the date of his joining the establishment.

Where the Scheme applies to an establishment on the expiry or cancellation of an order of exemption under section 17 of the act, every international worker who, but for the exemption would have become and continued as a member of the fund shall become a member of the fund forthwith.

- 
- 3) An excluded employee of an establishment to which this Scheme applies shall, on ceasing to be such an employee, be entitled and required to become a member of the fund from the date he ceases to be such employee.
  - 4) On re-election of a class of international workers exempted under paragraph 27-A to join the fund or on the expiry or cancellation of an order under that paragraph, every international



worker, who but for such exemption would have become and continued as a member of the fund, shall forthwith become a member thereof.

- 5) Every international Worker who is a member of a private provident fund maintained in respect of an exempted establishment and who, but for the exemption, would have become and continued as a member of the fund shall, on joining an establishment to which this Scheme applies, become a member of the Fund forthwith.

#### **26-A. Retention of Membership:-**

A member of the fund shall continue to be a member until he withdraws under paragraph 69 the amount standing to his credit in the Fund or is covered by a notification of exemption under section 17 of the act or an order of exemption under paragraph 27 or 27-A or the benefits are settled in terms of the relevant provisions under the social security agreement entered into between India and his country' of origin.

#### **26-B. Resolution of doubts:-**

If any question arises as to whether an International Worker is entitled or required to become or continue as member, or as to the date from which he is entitled or required to become a member, the decision thereon of the Regional Commissioner shall be final:

Provided that no decision shall be given unless both the employers and the international Worker have been given an opportunity of being heard.

4. In paragraph 29, in sub-paragraph (1), after the points, the following provision shall be insterted, namely:-

Provided further that where wages are paid in a currency other than in the Indian Rupee, the rate of conversion of that currency shall be the telegraphic transfer buying rate offered by the State Bank of India established under the State Bank of India act, 1955 (23 of 1955) for buying such currency on the last working of the month for which the wages are due.

5. For paragraph 36, the following paragraph shall be substituted, namely:-

#### **"36. Duties of employer –**

(1) Every employer of an establishment to which this Scheme applies shall send to the commissioner within fifteen days from the application of the Scheme to such establishment, a consolidated return in such form as the Commissioner may specify, of the International workers (indicating distinctly the nationality of each and every International workers) required or entitled to become members of the Fund showing the basic wage, retaining allowance (if any) and dearness allowance including the cash value of any food concession paid to each of such International Worker:

Provided that of there is no International Worker who is required who is required or entitled to become a member of the Fund, the employer shall send a 'NIL' return.

(2) Every employer shall send to the Commissioner, within fifteen days of the close of each month, a return –

- (a) in Form 5, of the International Workers qualifying to become members of the Fund for the first time during the preceding month together with the declaration in Form 2 furnished by such qualifying International Workers (Indicating distinctly the nationality of each and every International Worker), and
- (b) in such form as the Commissioner may specify, of the International Workers (indicating distinctly the nationality of each and every International Worker) leaving service of the employer during the preceding month:

Provided that if there is no International Worker qualifying to become a member of the Fund for the first time or there is no International Workers leaving service of the employer during the preceding month, the employer shall send a 'NIL' return.

6. For paragraph 69, the following paragraph shall be substituted, namely:-

**"69. Circumstance in which accumulations in the Fund are payable to an International Workers –**

- (1) An International Worker may withdraw the full amount standing to his credit in the Fund-
  - (a) on retirement from service in the establishment at any time after the attainment of 58 years;
  - (b) on retirement on account of permanent and total incapacity for Work due to bodily or mental infirmity duly certified by the medical officer of the establishment, or where an establishment has no regular medical officer, by a registered medical practitioner designated by the establishment:

**2A EPF 14 Provided that –**

- (i) where an establishment has been closed, the certificate of any registered medical practitioner may be accepted;
  - (ii) where the establishment is 'covered by the Employee's State Insurance Scheme, medical certificate from a medical officer of the Employee's State Insurance Dispensary with which or 'from' the Insurance Medical practitioner with whom the employee is registered under the Scheme, shall be produced;
  - (iii) Where by mutual agreement of employers and employees, a-Medical Board exists for any establishment or a group of establishments, a certificate issued by such Medical Board may also be accepted for the purposes of this sub-paragraph.
- (2) It Shall be open to the Regional Commissioner to demand from the member a fresh certificate from a Civil-Surgeon or any doctor acting on his behalf where the original certificate produced by him under clause (b) of sub-paragraph (1) gives rise to suspicion regarding its genuineness:

Provided that the entire fee of the Civil Surgeon or any doctor acting in his behalf shall be paid from the Fund in case the findings of the Civil Surgeon or any doctor acting on his behalf agree with the original certificate, and that where such doctor acting in his behalf agree with the original certificate and that where such findings do not agree with the original certificate, only half of the fee shall be paid from the Fund and the remaining half shall be debited to the member's account.

- (3) A member suffering from tuberculosis or leprosy or cancer, even if contracted after leaving the services of an establishment on grounds of illness but before payment has been authorized, shall be deemed to have been permanently and totally incapacitated for work.
- (4) In respect of a member covered under a social security agreement entered into between the Government of India and any other country, on such grounds as may be specified in that agreement.

7. For paragraph 72, the following paragraph shall be substituted, namely:-

**“72. Payment of Provident Fund-**

- (1) When the amount standing to the credit of a member. Becomes payable, it shall be the duty of the Commissioner to make prompt payment as provided in the scheme.
- (2) The due amount shall be payable to the member covered under a social security agreement entered into between the Government of India and any other country, in the manner and as per the terms specified in the agreement.
- (3) In all the other cases, the amount due shall be payable to the credit of the payee's bank account in India,

8. After paragraph 78, the following paragraph shall be namely:-

**“78-A. performing certain special functions under social security agreements-**

The Commissioner shall perform all such functions as are assigned to the Employees Provident Fund Organization under a social security agreement entered into between by the Government of India and other country, in the manner and as per the terms specified therein.

**CHAPTER – III**  
**PROVISIONS OF PARA 43(A) OF EPF SCHEME, 1995**

**43. Payment of pension in the case of a person charged with the offence of murder.-**

- (1) If a person, who in the event of the death of a member of the pension fund is eligible to receive pension of the deceased under paragraph 12 or paragraph 16, is charged with the offence of murdering the member or for abetting the commission of such an offence, his claims to received pension shall remain suspended till the conclusion of the criminal proceedings instituted against him for such offence.
- (2) If on the conclusion of the criminal proceedings referred to in sub-paragraph (1), the person concerned is:
  - (a) Convicted for the murder or abetting in the murder of the member, he shall be debarred from receiving pension which shall be payable to other eligible members if any, of the family of the member; or
  - (b) Acquitted of the charge of murder or abetting the murder of the member, pension benefit shall be payable to him.

**43-A. Special provisions in respect of International Workers.-**

The Scheme, shall, in its application to International Workers as defined in this paragraph, be subject to the following modifications, namely;

- (1) After clause (vii) of paragraph 2, of the following clause shall be inserted, namely:
  - (viiia) **“International Worker” means,-**
    - (a) an Indian employee having worked or going to work in a foreign country with which India has entered into a social security agreement and being eligible to avail the benefits under a social security programme of that country, by virtue of the eligibility gained or going to gain, under the said agreement;
    - (b) an employee other than an Indian employee, holding other than an Indian passport, working for an establishment in India to which the Act applies;
- (2) For clause (xv) of paragraph 2, the following clause shall be substituted, namely;-
  - (xv) –pensionable service‘ means the service rendered by the member of which contributions have been received or are receivable and the period of coverage earned in another country and considered as eligible under a relevant social security agreement.
- (3) Sub-paragraphs (2), (3) and (4) of paragraph 3, shall be omitted,
- (4) Proviso to sub-paragraph (2) of paragraph 4, shall be omitted.
- (5) For sub-paragraph (1) of paragraph 10, the following sub-paragraph shall be substituted, namely;
  - (1) The pensionable service of the member covered by an international social security agreement shall be determined with reference to the contributions received or are receivable on his behalf in the Employees‘ Pension Fund:

Provided that for the purposes of determining the pensionable service of a member covered by an international social security agreement, the period of service rendered under a relevant social security programme shall be added to the pensionable service under this sub-paragraph only for the purposes mentioned under such an agreement.

## TIPS FOR EMPLOYER (COMPANY)

- A) In view of the above and for proper compliance, it will be desirable for the employer to take a declaration form (Form no 2 as prescribed in the scheme) from an employee who is newly appointed.
- B) By virtue of the provision contained in proviso to para 26A(2) read with para 29(2) of the EPF Scheme, 1952, the employer will have option to restrict his contribution obligation to prescribed pay ceiling of Rs. 6500/-pm in the event the employee covered chooses to contribute on salary exceeding the prescribed pay ceiling.
- C) The employee covered will have to indicate his intention in writing which need be forwarded to the EPF authorities by the employer. As per provision contained in para 26A of the Employees Provident Funds Schemes, 1952 a member of the fund shall continue to be a member until he withdraws the amount in full and final settlement from the fund. As such, the accumulated amount shall qualify for interest payment in terms of provisions contained in para 60 of the Employees' Provident Funds Scheme, 1952. If account is remained idle for more than three years the later on it will not fetch interest.
- D) There is no provision in the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 or the Scheme framed there under for opting out from the membership of the fund. As such discontinuance of the membership sought for will not be permissible.

## **TIPS FOR PF MEMBER:-**

### **A) Do"s For A Member:-**

- 1) While joining an establishment, furnish details of previous employment, if any, with previous Provident Fund A/c. number and Scheme Certificate.
- 2) In case of existing Provident Fund / Pension A/c apply for transfer of previous balance to the present a/c. number vide form no 13.
- 3) Fill up Form no 2 to nominate and furnishing Family details
- 4) Ensure that enrolment to Employees Provident Fund / Employees pension scheme is done immediately on joining the establishment.
- 5) Provident fund is deducted at statutory rate from the total wages i.e. basic, D. A and retaining food allowance, if any
- 6) If desirous of enhancing rate of contribution, inform the higher rate opted for the Employees Provident Fund Organization through employer and allow the employer to deduct at enhanced rate from the wages.
- 7) If the wages drawn is more than Rs. 6500/- intimate your desire to contribute on the whole amount of Employees Provident Fund Organization through employer, Employer can also contribute on the whole amount drawn as wages under intimation to Employees Provident Fund Organization.

### **B) Don"ts for a Member:-**

- 1) Don't give false clarification and incorrect particulars to Employer and Employee's Provident Fund Organization
- 2) Don't Fall victim to middlemen / agents. Employees' Provident Fund Organization does not have any agent.

### **CIT v. Aimil Ltd | 2010-TIOL-125-HC-DEL-IT|**

#### **Contribution toward provident fund and ESIC by employer and employee is allowable if it is deposited before due date of filing of the return.**

Aimil Ltd, (the assessee), filed its return of income on 30.10.2002 for assessment year (A.Y.) 2002-2003. During the A.Y. 2002-03, the assessee failed to deposit employer contribution and employees contribution towards provident fund and ESI within due date stipulated in the relevant enactment, but the same has been deposited by the assessee in the exchequer of the Government before the due date of filing of return of Income under section 139(1) of the Income-tax Act.

During the assessment proceedings, the Assessing Officer (AO) observed the delay and made an addition on account of employer contribution under section 43B of the Act as well as employees contribution under section 36(1)(va) of the Act. The assessee preferred an appeal against the order of the AO before the Commissioner of Income-tax -(Appeals) (CIT-(A)) CIT(A), on production of evidentiary proof of payment of employer contribution and employees contribution towards provident fund and ESI, allowed the claim of the assessee on the ground that the same has been deposited before due date of filing of return. The AO preferred an appeal against the order of the CIT(A) before the income tax appellate tribunal (the tribunal).

1 The Tribunal placed a reliance on the order of the apex court in case of CIT v. Vinay Cement Ltd , and held that disallowance cannot be made, if the employer and employee contribution toward provident fund and ESIC is deposited before due date of filing of the return. Aggrieved with the order of the Tribunal, the department filed an appeal before the High Court.

The High Court observed that the deduction in respect of employee's contribution to Provident Fund or ESI Fund under section 36(1)(va) of the Act is subject to the restriction contemplated by the second

proviso to section 43B of the Act which *inter alia* allows the deduction of employee contribution to provident fund or ESI fund unless it has not been deposited into Provident fund or ESI fund within due date specified in relevant Act.

**The second proviso to section 43B of the Act has been deleted by Finance Act 2003 with effect from A.Y. 2003-2004. Consequently, the payment of employee contribution to Provident fund or ESI fund would be treated at par with other items of section 43B of the Act. Accordingly, the High Court observed that the deduction in respect of payment of employee contribution to Provident fund or ESI fund will be allowed if it has been deposited into the relevant fund on or before the due date of filing of return. The High Court further observed that amendment is curative in nature and would apply retrospectively w.e.f 1.4.1988 (A.Y. 1988-89).**

### **Summary:-**

The Employees' Provident Funds and Miscellaneous Provisions Act provides for three schemes:

- a) The Employees' Provident Fund Scheme.
- b) The Employees' Pension Scheme, and
- c) The Employees' Deposit-Link Insurance Scheme.

The Act stipulates statutory contribution to the provident fund by the employees and employers, a compulsory pension scheme for all provident fund subscribers, and a deposit - link Insurance scheme in which only employers are required to pay contribution at a specified rate to the fund. All the three schemes are administered by the Central Board of Trustees. The Central Provident Fund Commissioner is the chief executive officer of the Employees' Provident Fund Organisation and secretary to the Central Board of Trustees.



## **EPF if paid before due date of filing return is allowable: 43B** **Income Tax Act**

The Assessing Officer disallowed the payment made by the assessee to the Provident Fund Authority on account of employee's contribution towards Provident Fund since there was delay.

On first appeal, the Commissioner (Appeals) held that since the money had already been paid by the assessee employer and was no longer in the hands of assessee it could not be taken as income.

On appeal by revenue, the Tribunal confirmed the decision of Commissioner (Appeals). On further appeal by the revenue, high Court held that any sum received by the assessee from his employees towards contributions to the Provident Fund is the income of the assessee, however, section 36(1)(va) makes it a deduction in the event the contribution thus received is deposited on or before the due date.

The due date referred to in section 36 (1)(va) must be read in conjunction with section 43B(b) and a reading of the same would make it amply clear that the due date as mentioned in section 36 (1)(va), is the due date as mentioned in section 43B(b) i.e., payment / contribution made to the Provident Fund Authority any time before filing the return for the year in which the liability to pay accrued along with evidence to establish payment thereof.

The Assessing Officer proceeded on the basis that 'due date', as mentioned in section 36(1) (va) is the due date fixed by the Provident Fund Authority, whereas in the matter of culling out the meaning of the word 'due date', as mentioned in the said section, the Assessing Officer was required to take note of section 43B(b) and by not taking note of the provisions contained therein committed gross error, which having been rectified by the Appellate

Authority and confirmed by the Tribunal, there is no scope of interference.

CIT Vs. Kichha Sugar Co. Ltd. [(2013) (Uttarakhand), Uttarakhand High Court, Dtd. 20.05.2013, in favour of assessee]

# EMPLOYEE'S PROVIDENT FUND ORGANISATION

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Email: [acc.mhch@epfindia.gov.in](mailto:acc.mhch@epfindia.gov.in), [ro.bandra@epfindia.gov.in](mailto:ro.bandra@epfindia.gov.in) , Ph.: 022-26474747 / 26476476.

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# PAYMENT OF GRATUITY ACT, 1972 & THE RULES

## CHECKLIST

### Sec. 1

#### **Applicability**

Every factory, mine, oil field, plantation, port, railways, company, shop, establishment or educational institutions employing 10 or more employees

### Sec. 2(g)

#### **Wages for Calculation**

@ 15 days' wages for every completed year as if the month comprises of 26 days at the last drawn wages.

### Sec. 2(e)

#### **Employee**

All employees irrespective of status or salary

Entitlement  
On completion of five years' service except in case of death or disablement

#### **Qualifying period**

On rendering of 5 years' service, either termination, resignation or retirement.

### Sec. 4

#### **Calculation Piece-rated employee**

@ 15 days wages for every completed year on an average of 3 months' wages

#### **Calculation Seasonal employee**

@ 7 days' wages for every completed year of service.

### Rule 4

#### **Display of Notice**

On conspicuous place at the main entrance in English language or the language understood by majority of employees of the factory, etc.

### Sec. 4(3)

#### **Maximum Ceiling**

**Rs.10, 00,000**  
w.e.f  
24/05/2010

### Rule 9

#### **Mode of payment**

Cash or, if so desired, by Bank Draft or Cheque

### Sec.6 Rule 6

#### **Nomination**

To be obtained by employer after expiry of one year's service, in Form 'F'

### Rule 9

#### **Penalties**

- Imprisonment for 6 months or fine upto Rs.10,000 for avoiding to make payment by making false statement or representation.
- Imprisonment not less than 3 months and upto one year with fine on default in complying with the provisions of Act or Rules.

### Sec.8 Rule 8

#### **Recovery of Gratuity**

To apply within 30 days in Form I when not paid within 30 days

### Sec. 4(6)

#### **Forfeiture of Gratuity**

- On termination of an employee for moral turpitude or riotous or disorderly behavior.
- Wholly or partially for willfully causing loss, destruction of property etc.

### Sec. 13

#### **Protection of Gratuity**

Can't be attached in execution of any decree

# THE PAYMENT OF GRATUITY ACT, 1972

An employee expects and deserves, as a matter of right, some reward when he retires after a long meritorious service. The enactment of the payment of gratuity act, 1972 has fulfilled this expectation of an employee. This act has come into existence since 16th Sept 1972.

## What is Gratuity?

Gratuity is a sort of an award which an employer pays out of his Gratitude, to an employee for his long and meritorious services, at the time of his retirement, or termination of his services. Payment of Gratuity is however, compulsory for employers subject to **Eligibility**. (stated as below)

Under the act an employee become, entitle to earn gratuity after putting in service of minimum five years. When an employee dies while in service his nominee or heirs are entitle to get gratuity even if the employee had put in less than 5 yrs. service. **The rate of gratuity is 15 days salary every year of service but the total amount of gratuity cannot exceed Rs. 350000/- ; recently from 24th May 2010, Central Govt. by Gazette Notification enhance the limit upto Rs. 10,00,000/- (Rupees Ten Lac)**

## Object:-

The payment of gratuity act, 1972 has been passed with the object of providing a uniform scheme for payment of gratuity to industrial workers throughout the country.

## Applicability:-

1. Every factory (as defined in Factories Act), mine, oilfield, plantation, port and Railway Company.
2. Every shop or establishment to which Shops & Establishment Act of a state applies in which 10 or more persons are employed at any time during the year and
3. Any establishment employing 10 or more persons as may be notified by the Central Government.
4. Once act applies, it continues to apply even if employment strength falls below 10.
5. The Act also has been made applicable to :-
  - a) Motor Transport undertaking, b) Clubs, c) Inland Water Transport Establishments
  - d) Local Bodies and e) Solicitors Officers.

## Eligibility:-

1. Any employee has to render minimum five years' of service.
  2. At the time of retirement or resignation or on superannuation, an employee should have rendered continuous service of not less than five yrs.
  3. In case of death or disablement, the gratuity is payable, even if he has not completed 5 yrs of service.
-

### **Notice of Opening, Change or closure of An Establishment:-**

An employer has to send a notice in Form A to the Controlling Authority of the area within 30 days of the Rules as becoming applicable. In addition to that, Form B is to be submitted within 30 days of any change in the name, address, employer or nature of business whereas an employer has to send Form C intending to close down the business atleast 60 days before intended closure.

### **It is permissible Opt for Better Gratuity Scheme:-**

An employee can, no doubt opt for scheme other than the payment of Gratuity Act, if it appears to be better, but on adoption of that, he has to abide by the Scheme in to. The supreme court has held that sub-section (5) of section 4 of the payment of gratuity act does not contemplate that the employee would be at liberty to opt for better terms of the contract, by keeping option open in respect of a part of the statute. While reserving his right to opt for beneficial provisions of the statute, he has to opt for either of them and not the best of the terms of the statute as well as those of the contracts. He cannot have both, such a constructions would defeat the purpose for which sub-section (5) of section 4 has been enacted. Impugned judgement cannot sustain and is set aside.

### **What is Continuous Service ???**

The term 'completer year of service' means continues service for one year.

An employee is said to have rendered continuous service, if:-

- a) He has been in uninterrupted service, including service interrupted by sickness, accident, absents from duty with or without leave, lay-off, strike, or lock-out or cessation of work not due to the employee's fault.

**Note:-** if an employee having been superannuated is a re-employed by the employer without any break in service, he will be eligible for payment of service.

- b) In case of mine or non seasonal establishment working for less than 6 days in week, he has actually worked for atleast 190 days (in Mine) during the period of 12 months or 95 days, during the preceding 6 months, he shall be deemed to have rendered continuous service for a period of one year or 6 months, respectively.
- c) In case of any other non-seasonal establishment he has actually worked for atleast 240 days during the preceding 12 months or 120 days during the preceding 6 months, he shall be deemed to be have rendered continuous service for a period of 1 year or 6 months, respectively.
- d) In case of seasonal establishment, he has actually worked for at least 75% of the days on which the establishment was is operation.

**Notes:-** for this purpose an employee shall be deemed to have actually worked on a day on which :-

- i. He has been laid off under an agreement or in accordance with standing orders;
  - ii. He has been on leave with full wages, earned in the previous year;
  - iii. He has been absent due to temporary, disablement cause by accident arising out of, and in the course of, his employment, and
  - iv. In the case of female, she has been on maternity leave not exceeding 12 weeks
-

## Retrenched Employee entitled to get Gratuity:-

Retrenchment means termination of service and termination of service is covered by the definition of retirement under the Act. Retrenchment of an employee falls within the scope of section 4(1) (b) of the act under which gratuity is payable to an employee on his retirement. Therefore the employee is entitled to get gratuity.

### Benefits:-

1. Gratuity is payable on the basis of all emoluments earned by the employee, i.e. basic wages plus Dearness Allowances / Special Allowances.
2. The quantum of gratuity is to be computed at the rate of 15days a wages (7days wages in case of seasonal establishments) based on rate of wages last drawn by the employee concerned for every completed year of service or a part thereof exceeding 6 month
3. The total amount of gratuity payable shall not exceed the prescribed limit i.e. Rs. 10,00,000/- (after publication of notification)
4. In case where higher benefit of gratuity is available under any gratuity scheme of the Co. the employee will entitled to higher benefit.

### Calculation of Gratuity:

1. **Gratuity =  $\frac{\text{Monthly Salary / Wages Last Drawn}}{26} \times 15 \text{days} \times \text{no. of yrs. of Service}$**
2. **Piece rated employee –**  
 **$\frac{\text{Daily wage is average (total wages drawn in last 3 months preceding termination)}}{\text{No. of Days Worked}} \times 15 \text{ Days} \times \text{No. of Years of Service}$**
3. **Seasonal employee – based on 7days wages for each season.**
4. **Max. Gratuity Payable under the Act is Rs. 10,00,000/- (w.e.f. 24th May2010)**

**Q Since the payment of gratuity is not a regular feature, as such, we face difficulty in calculation of gratuity. Kindly appraise the method of calculation of gratuity?**

A Section 4 of the Payment of Gratuity act, 1972 deals with calculation of gratuity, The Explanation to the Act Inserted by Act No. 22 of 1987 (w.e.f. 1-2-1987) provides that the completion of continuous services of five years shall not be necessary where the termination of the employment of the employee is due to death or disablement.

**Example:** Mr. Jatin Joined an establishment in January 1985 at Rs. 5,000/- per month. His wages were raised to Rs. 15,000 per month in December, 2005. He retired on 31<sup>st</sup> December, 2005. The amount of gratuity payable to him shall be calculated as under:

Mr. Jatin retired on: =31-12-2005  
= -----X 15 X 20



Joined on : 01-01-1985

Total Service : 20 years

His last drawn monthly salary was Rs. 15,000.

The gratuity for the period of 20 years

= 15 days wages X 20 Monthly wages last drawn comprises of 26 days.

Hence the calculation will result as follows

$$= \frac{15000}{26} \times 15 \text{ (days per completed year of service)} \times 20 \text{ yrs.}$$

**=Rs. 173077.00 will be payable toward Gratuity to Mr. Jatin**

### **Forfeiture of Gratuity:-**

1. The employee may wholly or partially forfeit the gratuity payable to him if his services are terminated on account:-
  - a) For his riotous or disorderly conduct or any other act of violence on his part or.
  - b) For any act which constitutes an offence involving moral turpitude.

**Note:-** If a workman who was dismissed for assaulting another workman, in a factory, is not entitled to payment of any amount of gratuity.

2. The employee partly forfeits the gratuity payable to him if his services are terminated for any act, wilful omission or negligence, causing any damage or loss to, or destruction of, property belonging to the employer, to the extent of damage or loss caused.

### **Recovery of Gratuity:-**

1. **On account of his death:** - If the employee has a family, he must nominate one or more members of the family and none other. If the employee has no family, he can nominate any person or persons of his choice. However, if the employee acquires a family after nominating any person or persons of his choice, such nomination becomes invalid and the employee has to make a fresh nomination of one or more members of his family.
2. The employee who is eligible for payment of gratuity and dies than his nominee or legal heir has to send a written application to the employer in Form J (For Nominee) & Form K (For Legal Heir) within 30 days from the date gratuity becomes payable.
3. If the employer does not take any action on the application, the employee has to apply to the Controlling Authority in Form N within 90 days of the occurrence of the cause for the application for issuing necessary direction to the employer for making payment of gratuity.
4. If gratuity is not paid by the employer Controlling Authority issues certificate to collector who recovers the amount as arrears of land revenue together with compound interest.

### **Deduction of Gratuity – Not Permissible**

The Gratuity of an employee can be forfeited or withheld only when he/she is dismissed for the prescribed misconduct like willful omission or negligence causing any damage or loss to, or destruction of, property belonging to the employer shall be forfeited to the extent of the damage or loss so caused or if the services of such employee have been terminated for his riotous or disorderly

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conduct or any other act of violence on his part, or if the services of such employee have been terminated for any act which constitutes an offence involving moral turpitude. In one case, the Calcutta High Court has also held that even if a workman gives an undertaking for making deductions, the gratuity of an employee cannot be withheld.

### **Time Limit of Payment:-**

The Employer should pay the gratuity within 30 days from the date it becomes payable or after such date along with simple interest @10% p.a. (or as notified from Govt from time to time) on the amount of Gratuity, unless the delay is on the part of payee.

### **Protection:-**

Gratuity payable under the Act cannot be attached in execution of any decree or order of any civil, revenue or criminal court.

**Note:** - If the employee is dead then the gratuity becomes payable to the heirs of the employee and the same becomes attachable in the hands of the employer as the employer is legally bound to pay the said gratuity to the legal heirs of the employee.

### **Liability for payment of gratuity to contract workers – whether principal employer or the contractor**

Q. In addition to regular employees, we are engaging contractors also. Some of the contractors' employees have completed five years' services. My query pertains as to whether the principal employer or the contractor is liable for payment of gratuity to the employees of the contractor?

Ans:- In one case, the Kerala High Court has held that neither the Contract Labour (R&A) Act, 1970 nor the Payment of Gratuity Act, 1972 provided that the principal employer can be held liable to pay the gratuity to the workers engaged through the contract. However, the Madras High Court has held that although liability for payment of gratuity is that of the contractor but by virtue of section 21(4) of the Contract Labour (R&A) Act, the principal employer can be directed to make payment of gratuity to the employees of the contractor and recover the same from the contractor. In another case, the Madras High Court has held that when the contractor, who engaged the workmen, does not pay the amount of gratuity to them, the principal employer is liable to pay all dues including gratuity to such workers as per provision of section 21(4) of Contract Labour (Regulation & Abolition) Act, 1970.

### **Penal Provision:-**

1. If any person, for the purpose of avoiding any payment to be made under the Act, knowingly makes or causes to be made any false statement or false representation he would be punished with imprisonment up to 6 months, or with fine up to Rs. 10000/- or, with both.
2. If any employer contravenes, or makes default in complying with any provisions of the act or any rule or order made there under, he would be punished with imprisonment up to 1 year, or with fine up to Rs. 20000/- or with both.

### **Handy tips for Employer:-**

- 1) It is advisable for the employer to obtain nomination from the employee in **Form „ F"**
- 2) Form G when employee acquired family later
- 3) And any change of nomination to be submitted in form H, in duplicate.

As it renders easy for the employer to disburse the gratuity amount. If he neglects to obtain nomination and employee dies without nomination, it is likely that the family members of the deceased employee may approach the employer with conflicting claims to the gratuity compelling the employer to be dilemma and to resort to the legal processes.

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### **Display of Abstract of the Act:-**

Every employer must display an abstract of the act and the Rules made there under in English and in the language understood by the majority of the employees at a conspicuous place at or near the main entrance of the establishment.

## **Obligations of Employers under PAYMENT OF GRATUITY ACT**

The payment of Gratuity Act, 1972 and the Rules made thereunder cast certain obligations upon the employers and failure to discharge these obligations entail penalties. These obligations are as follows:-

### **To give Notice of Application of the Act to the controlling Authority**

The application of the Act to an establishment does not depend upon the vigilance of the controlling authority and the issue of notice. Rather, the relevant provisions of rule 3 call upon the employer to give notice of its application to the controlling authority. The Act, therefore, comes into operation by its own vigour. It applies if the conditions stated in the Act are satisfied. Its operation is not dependent on any decision being taken by the authorities under the Act. It requires the employer to give notice in Form A within 30 days of its application to the Controlling Authority.

### **To make Payment of Gratuity to the Employee or his/her Nominee**

- (1) Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years—
  - (a) On his superannuation, or
  - (b) On his retirement or resignation, or
  - (c) On his death or disablement due to accident or disease

### **To determine the amount of Gratuity**

As soon as gratuity becomes payable, the employer shall determine the amount of gratuity and give notice in writing to the person to whom the gratuity is payable and also to amount of gratuity so determined.

The employer shall arrange to pay the amount of gratuity within thirty days from the date it becomes payable to the person to whom the gratuity is payable.

If the amount of gratuity payable is not paid by the employer within the specified period of thirty days, the employer shall pay, from the date on which the gratuity becomes payable to the date on which the gratuity becomes payable to the date on which it is paid, simple interest at such rate, not exceeding the rate notified by the central government from time to time for repayment of long term deposits as the government may, by notification specify: provided that no such interest shall be payable if the delay in the payment is due to the fault of the employee and the employer has obtained permission in writing from the controlling authority for the delayed payment on this ground.

## **To Deposit the Gratuity of a deceased Employee under Certain Circumstances**

In the case of death of an employee, gratuity payable to him shall be paid to his nominee or, if no nomination has been made, to his heirs, and where any such nominee or heir is a minor, the share of such minor, shall be deposited with the Controlling Authority who shall invest the same for the benefit of such minor in such bank or other financial institution, as may be prescribed, until such minor attains majority.

## **To give Notice of Opening, Change or Closure of Establishment**

Under rule 3 of the Payment of Gratuity (central) Rules, 1972, within thirty days of the rules becoming applicable to an establishment, the employer is required to submit a notice in Form 'A' to the Controlling Authority of the area, sub-rule (2) of the said rule further enjoins upon the employer to submit another notice in Form 'B' to the Controlling Authority of the area within thirty days of any change in the name, address, employer or nature of business. Sub-rule (3) further lays down the business, he has to submit a notice in Form 'C' to the Controlling Authority of the area at least sixty days before the intended closure.

## **To Display Notice**

Yet another statutory obligation under rule 4(1) is to display a notice conspicuously at or near the main entrance of the establishment in bold letters in English and in language understood by the majority of the employees specifying the name of the officer with designation authorised to receive notices under the Act or the Rules. A fresh notice is required to be displayed as per rule 4(2) of the rules immediately after the notice referred to in sub-rule (1) becomes illegible or requires a change.

## **Intimation to Authority about Payment of Gratuity**

An employer is required to send intimation regarding details of payment to the Controlling Authority of the area.

## **Penalties**

- (1) Whoever, for the purpose of avoiding any payment to be made by himself under this Act or to enabling any other person to avoid such payment, knowingly makes or causes to be made any false statement or false representation shall be punishable with imprisonment, for a term which may extend to six months, or with fine which may extend to ten thousand rupees or with both.
- (2) An employer who contravenes, or makes default in complying with any of the provisions of this Act or any rule or order made thereunder shall be punishable with imprisonment for a term which shall not be less than three months but which may extend to one year, or with fine which shall not be less than two thousand rupees but which may extend to twenty thousand rupees, or with both:

Provided that where the offence relates to non-payment of any gratuity payable under this Act, the employer shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to two years unless the court trying the offence, for reasons to be recorded by it in writing, is of opinion that a lesser term of imprisonment or the imposition of a fine, would meet the ends of justice.

In one case, *Prashant Swarup vs. Union of India*, 2009 LLR 159 (Jhar. HC), it has been held that prosecution of an employer for non-payment of gratuity within six months can be launched by

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any person authorised by the appropriate Government hence the High Court will not interfere because the Payment of Gratuity Act never intended that only Controlling Authority under the Act can be approached for non-payment of gratuity since prosecution of an employer can also be launched by an authorized person.

## **Break in service and gratuity**

**Q. Some of our employees are very irregular and even remain absent for months together. Under Payment of Gratuity Act, it is provided that the employee should have served for a particular year. What will be the position with regard to deduction of gratuity if an employee has not worked for the whole year? Where gratuity can be paid proportionately?**

**A.** No. The law has recognized for break in service for Payment of Gratuity Act and the break in service is verified by section 2 (A) of the payment of Gratuity Act. Section 2(c) of the Payment of Gratuity Act as amended in 1984 defines the expression 'continuous service' as defined in section 2A of the Act. Under that section, an employee is said to be in 'continuous service' for a period if he has, for that period, been in uninterrupted service including service which may be interrupted on account of absence from duty without leave (not being absence in respect of which an order treating the absence as break in service has been passed in accordance with the standing orders, rules or regulations governing the employees of the establishment, lay-offs, strike or lock-out or cessation of work not due to any fault of the employee, whether such uninterrupted or interrupted service was rendered before or after the commencement of the Payment of Gratuity Act. In one case, the Bombay High Court has held that no deduction can be made from gratuity even if employee was occupying quarter.

Chairman-cum-Managing Director M/s. Western Coalfields Ltd. and Others vs. Appellate authority under Payment of Gratuity Act, 1972 and Regional Commissioner (Central) and Another, 2009 LLR 547 (SN) (Bom. HC).

### **Obligations of Employer:**

- 1) Pay gratuity to the employees as required by the provisions of the Act and the rules framed there under
- 2) Determine the gratuity as soon as it becomes payable, and give notice of the same to the employee concerned and the controlling authority. In case of dispute regarding the amount determined, the admitted amount of gratuity must be deposited with the Controlling Authority. If the latter decides that any more gratuity is due to the employees, the same must be deposited with him.
- 3) Obtain an insurance in the prescribed manner for his liability for payment of gratuity under the Act, or establish an approved gratuity fund in the prescribed manner.

### **Obligations of Employee:**

- 1) An employee eligible for payment of gratuity under the Act, or any person authorised in writing to act on his/her behalf, has to apply to the employer within such time and in such form as may be prescribed under the rules for payment of gratuity as soon as it becomes due.
  - 2) Every employee, after completing one year of service, has to nominate members of his / her family who may receive gratuity in case of his / her death.
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**Summary:-**

The Payment of Gratuity Act applies to every factory, mine, oilfield, plantation, port, railway company, and shop or establishment in which ten or more persons are employed. An employee is a person (other than an apprentice) employed for wages in any capacity including administrative and managerial. There is no wage ceiling for its applicability. Gratuity at the rate of 15 days wages for every completed year of service, is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years. The act authorises the appropriate government to appoint any officer as a controlling authority for the administration of the Act.

**FORM 'A'**

**[See sub-rule (1) of Rule 3]**

**Notice of Opening**

1. Name and address of the Establishment
2. Name and designation of the Employer
3. Number of Persons employed
4. Maximum number of persons employed on any day during the preceding twelve months with date
5. Number of Employees covered by the Act
6. Nature of Industry
7. Whether Seasonal
8. Date of opening
9. Details of Head office/branches:
  - (a) Name and address of Head office
  - (b) Number of employees
  - (c) Name and address of other branches in India.

1.

2.

3.

I verify that the information furnished above is true to the best of my knowledge and belief.

Place.....

Signature of the Employer

With name and designation.

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# **STATUTORY COMPLIANCE:-**

## **VARIOUS RETURNS: A GUIDELINE**

**In General:-** I am in the opinion that a making related compliances under Labour Law and the Rules Framed there under is a combustion Job for those who are engaged in personal / H. R. Department. Followings are the guide lines for them so as to make the accessible for the procedure provided under the status.

### **MONTH WISE CHECKLIST FOR SUBMISSION OF VARIOUS RETURNS**

MON TH & LAST DATE	NAME OF THE STATUTE	FORM	NAME OF RETURN/ COMPLIANCE	TO BE SENT TO
<b>JANUARY</b>				
15	THE EMPLOYMENT EXCHANGE (CNV) ACT, 1959	ER-I	QUARTERLY RETURN	ASST. EMPLOYMENT OFFICER, CHURCHGATE
15	THE MUMBAI LABOUR WELFARE FUND ACT, 1953	A - I	STATEMENT OF CONTRIBUTION OF DEC. ALONG WITH CHEQUE	WELFARE COMMISSIONER, ELPHINSTONE ROAD,
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
30	THE CONTACT LABOUR (R & A) ACT. 1970	XXIV	HALF YEARLY RETURN BY CONTRACTOR	ASST. LABOUR COMMISSIONER TARDEO
31	THE FACTORIES ACT, 1948	27	ANNUAL RETURN	DIRECTORATE OF INDUSTRIAL SAFETY & HEALTH, TARDEO
31	THE MATERNITY BENEFIT ACT, 1961	11	ANNUAL RETURN	DIRECTORATE OF INDUSTRIAL
31	THE (NATIONAL & FESTIVAL HOLIDAYS) ACT, 1963	V	ANNUAL RETURN	SAFETY & HEALTH, TARDEO / LABOUR OFFICER, TARDEO
<b>FEBRUARY</b>				
1	THE MINIMUM WAGES ACT, 1948	III	ANNUAL RETURN	LABOUR INSPECTOR, TARDEO
15	THE CONTRACT LABOUR (R & A) ACT, 1970	XXI	ANNUAL RETURN- BY EMPLOYER	ASST, LABOUR COMMISSIONER, TARDEO
15	THE PAYMENT OF WAGES ACT, 1936	V	ANNUAL RETURN	DIRECTORATE OF INDUSTRIAL SAFETY & HEALTH, TARDEO / LABOUR OFFICER, TARDEO
28	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
<b>MARCH</b>				



30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
<b>APRIL</b>				
15	THE APPRENTICESHIP ACT, 1961	APP-2	HALF YEARLY RETURN MARCH ENDING	DY. APPRENTICESHIP ADVISOR SION
15	THE EMPLOYMENT EXCHANGE (CNV) ACT, 1956	ER-1	QUARTERLY RETURN	ASST. EMPLOYMENT OFFICER, CHURCHGATE
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
30	THE EMPLOYEES PROVIDENT FUND ACT, 1952	3A & 6A	ANNUAL INDIVIDUAL RETURNS & RETURN OF CONTRIBUTIONS	REGIONAL PF COMMISSIONER BANDRA/ MALAD/ THANE
<b>MAY</b>				
12	THE EMPLOYEES STATE INSURANCE ACT, 1948	6	SUMMARY OF CONTRIBUTION IN QUADRUPPLICATE A/W CHALLANS	RESPECTIVE LOCAL OFFICE.
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
<b>JUNE</b>				
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
<b>JULY</b>				
15	THE EMPLOYMENT EXCHANGE (CNV) ACT, 1959	ER- I	QUARTERLY RETURN	ASST. EMPLOYMENT OFFICER, CHURCHGATE
15	THE FACTORIES ACT, 1948	28	HALF YEARLY RETURN	DIRECTORATE OF INDUSTRIAL SAFETY & HEALTH, TARDEO
15	THE MUMBAI LABOUR WELFARE FUND ACT, 1953	A -I	STATEMENT OF CONTRIBUTION OF JUNE	WELFARE COMMISSIONER, ELPHINSTONE ROAD,
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
30	THE CONTRACT LABOUR (R & A) ACT, 1970	XIV	HALF YEARLY RETURN BY CONTRACTOR	ASST, LABOUR COMMISSIONER, TARDEO
<b>AUGUST</b>				
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
<b>SEPTEMBER</b>				
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
<b>OCTOBER</b>				
15	THE APPRENTICESHIP ACT, 1961	APP-2	HALF-YEARLY RETURN SEPT. ENDING	DY. APPRENTICESHIP ADVISOR SION
15	THE EMPLOYMENT	ER-1	QUARTERLY RETURN	ASST. EMPLOYMENT OFFICER,



	EXCHANGE (CNV) ACT, 1956			CHURCHGATE
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
30	THE FACTORIES ACT, 1948	3	APPLICATION FOR RENEWAL OF LICENCE	DIRECTORATE OF INDUSTRIAL SAFETY & HEALTH, TARDEO
31	THE CONTRACT LABOUR (R & A) ACT, 1970	VII	APPLICATION FOR RENEWAL OF LICENCE	ASST, LABOUR COMMISSIONER, TARDEO
<b>NOVEMBER</b>				
12	THE EMPLOYEES STATE INSURANCE ACT, 1948	6	SUMMARY OF CONTRIBUTION IN QUADRUPPLICATE A/W CHALLANS	RESPECTIVE LOCAL OFFICE.
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
30	THE (NATIONAL & FESTIVAL HOLIDAYS) ACT, 1963	I & IV	APPLICATIONS FOR APPROVAL OF HOLIDAYS WITH LIST	LABOUR OFFICER, TARDEO
<b>DECEMBER</b>				
15	THE BOMBAY SHOPS & ESTABLISHMENTS ACT, 1948	B	RENEWAL OF REGISTRATION CERTIFICATE	RESPECTIVE MUNICIPAL WARD OFFICE
30	THE PROFESSION TAX ACT, 1975	FORM III	MONTHLY RETURN A/W CHEQUE	ANY SCHEDULE BANK
30	THE PAYMENT OF BONUS ACT, 1965	D	ANNUAL RETURN	ASST, LABOUR COMMISSIONER, TARDEO

## Useful Website:-

Area	Description	website
income Tax	Official Web Site e-Filing Tax Information NetWork ITAT	<a href="http://www.incometaxindia.gov.in/">http://www.incometaxindia.gov.in/</a> <a href="https://incometaxindiaefiling.gov.in/">https://incometaxindiaefiling.gov.in/</a> <a href="http://www.tin-nsdl.com/">http://www.tin-nsdl.com/</a> <a href="http://itat.nic.in/">http://itat.nic.in/</a>
Service Tax	Official Web Site	<a href="http://www.servicetax.gov.in/">http://www.servicetax.gov.in/</a>
Corporate Law	MCA LLP	<a href="http://www.mca.gov.in/">http://www.mca.gov.in/</a> <a href="http://www.llp.gov.in/">http://www.llp.gov.in/</a>
Supreme Court	Official Web Site	<a href="http://www.supremecourtindia.nic.in/">http://www.supremecourtindia.nic.in/</a>
RBI	Official Web Site	<a href="http://www.rbi.org.in/home.aspx">http://www.rbi.org.in/home.aspx</a>
Ministry of Finance	Official Web Site	<a href="http://www.finmin.nic.in/">http://www.finmin.nic.in/</a>
Provident Fund	Official Web Site	<a href="http://www.epfindia.nic.in/">http://www.epfindia.nic.in/</a>
ESIC	Official Web Site	<a href="http://www.esic.nic.in/">http://www.esic.nic.in/</a>
Maharashtra VAT	Official Web Site	<a href="http://www.mahavat.gov.in">http://www.mahavat.gov.in</a>
Central Board of Customs	Official Web Site	<a href="http://www.cbec.gov.in/">http://www.cbec.gov.in/</a>
Directorate General of Foreign Trade	Official Web Site	<a href="http://www.dgft.gov.in/">http://www.dgft.gov.in/</a>
Right to information	Official Web Site	<a href="http://www.rti.gov.in">http://www.rti.gov.in</a>
Central Vigilance Commission	Official Web Site	<a href="http://www.cvc.nic.in">http://www.cvc.nic.in</a>

### **Important note – Disclaimer**

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