

Employees' Provident Fund Organisation, India

Ministry of Labour & Employment, Government of India



What is EPF



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EPFO is one of the largest social security companies in the world in terms of the volume of financial transactions. It currently maintains 24.77 crore accounts (Annual Report 2019-2020).

The Employees Provident Fund came into existence with the issuance of the Employees Provident Fund Ordinance on November 15, 1951. The EPFO was replaced by the Employees Provident Fund Act, 1952. The law is now referred to as the Employees' Future Funds and Miscellaneous Provisions Act, 1952 which extends throughout India. The laws and schemes enacted there are governed by a tripartite board called the Central Board of Trustees, the Employees Provident Fund, which consists of government representatives (both central and state), employers and employees.

The Central Board of Trustees operates a contributing futures fund, pension scheme and an insurance scheme for employees employed in the organized sector in India. The Board is supported by the Employees PF Organization (EPFO), which has offices at 138 locations across the country. The company has a well-organized training course where the officers and employees of the company as well as the representatives of the employers and employees attend the training and seminars. EPFO is under the administrative control of the Ministry of Labor and Employment, Government of India

Structure of EPFO Organization (Annual Report 2019-2020) The Board operates three schemes - EPF Scheme 1952, Pension Scheme 1995 (EPS) and Insurance Scheme 1976 (EDLI).

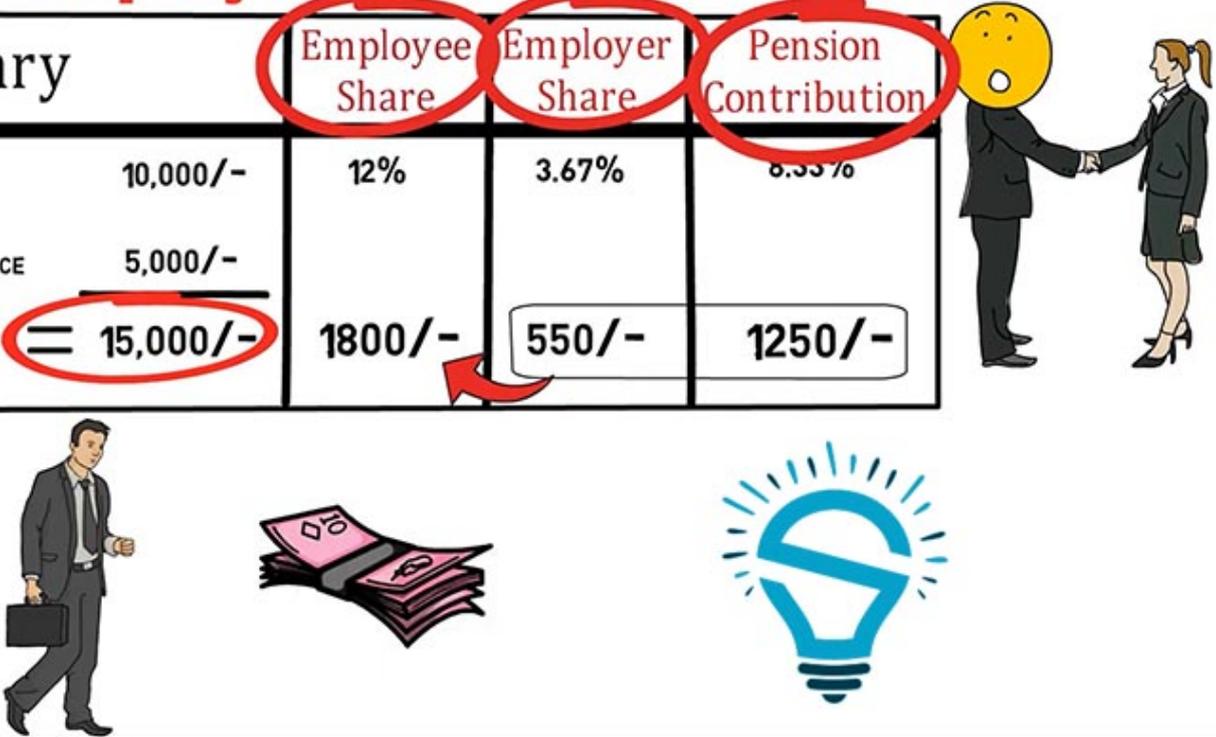
The full name of EPF is Employee Provident Fund which in Bengali means Employee Provident Fund. For those who work in various companies, hospitals, schools, etc., a portion of their monthly income is deposited in the Employee Provident Fund for the future. This work is done by the HR department of the company. The HR department will open your EPF account and give you the UAN number and password. At present this service has been implemented all over India. The Employees Provident Fund Organization (EPFO) provides many services online. In order to use these services, the EPFO member must have a UAN enabled.

What is Pension Contribution in EPF

If the number of employees in a company exceeds 20, it is mandatory to have EPF facility in that company. An EPF account is like a bank account. Where the company or organization saves money for your future. The Employees Provident Fund is mainly made up of three sectors: Employee Shares, Employer Shares and Pension Contributions. 12% of the combined amount of Basic Salary and Dearness Allowance is deposited in your Employee Provident Fund, the company or organization also deposits the same amount in Provident Fund, but 6.37% of that amount is deposited in Employer Shares and the remaining 8.33% is deposited in Pension Confusion.

Employees' Provident Fund

Salary		Employee Share	Employer Share	Pension Contribution
BASIC SALARY	10,000/-	12%	3.67%	8.33%
+ DEARNESS ALLOWANCE	5,000/-			
	= 15,000/-	1800/-	550/-	1250/-



Suppose your basic salary is Rs.10000 and your DA i.e. Dearness Allowance is Rs.5000 then the total is Rs.15000. 12% of that 15000 rupees i.e. 1800 rupees will be deposited in employee shares. 3.37% i.e. about 550 rupees will be deposited in employee sharing and the remaining 8.33% i.e. about 1250 rupees will be deposited in pension contribution. The total amount will be 1800 rupees, which is equal to the share of the employer.

If you need money while working, you can withdraw a certain amount of money in advance. The remaining deposit can be withdrawn after retirement as per the pension scheme.

Now the question is how much money can you withdraw in advance? You will be able to withdraw approximately 70% to 75% of the amount of money saved in Employee Shares and Employer Shares at the time of application in advance. Which will be deducted from employee shares and employer shares and credited to your bank account. But you can't withdraw pension contribution money in advance while you are working. However, after two months of retirement, you will be able to withdraw the full amount of your deposit.

Defined contributions and defined benefits from EPFO

Under the EPFO, a portion of employees' income is deducted each month and secured for the future. There will be some changes in the EPFO system to change the salaries of people working in the private sector. This change will come from a change in the structure of the EPFO. Some suggestions have been given by the Ministry of Labor in this regard. So that EPFO can be continued and funding can be made more relevant. The Cabinet Committee recommended that the existing system of defined benefits should be replaced by a system of defined contributions. Under the defined contribution, EPF members will be given benefits according to their contribution.

- There are over 23 lakh pensioners under EPFO. Those who are paid a pension of ₹ 1000 per month. Where his contribution is less than a quarter of the PF. Officials say it will be difficult to manage if the system continues in the future. For this reason, defined contribution measures will now be adopted.
- The Central Board of Trustees of EPFO had a demand to increase the minimum pension from Rs.1000 to Rs.2000 under the pension scheme. But it was not implemented. Implementing a minimum pension of Rs 2,000 will cost the government an additional Rs 4,500 crore and a pension of Rs 3,000 will cost the government Rs 14,595 crore. Investments in the stock market under the EPFO have also resulted in negative returns due to the Covid-19 epidemic. Out of the EPFO corpus of Rs 13.7 crore, only Rs 4600 crore has been invested in the stock market.

Currently, the online service of Employees Provident Fund has been launched. Any working or retired person will be able to know the information of his provident fund deposit through the online service.

epfindia.gov.in This website has been launched to provide more benefits to the beneficiaries of Provident Fund. Anyone can make any inquiries regarding his provident fund through this website without any interference from any agency or government. This has largely prevented provident fund fraud.