



Employee Provident Fund

Provident Fund, alternatively called as “Retirement Fund”. It is used to provide the lumpsum or monthly payments at the time of retirement. An individual look for three types of safety from the investment.

- Building wealth
- Regular income from a pension when he/she retires
- To protect the future of family

Key Fact Statement

1. A provident fund is a government-backed retirement plan aimed at providing the financial security to the employees during the retirement years
2. Both the employee and employer contribute to the fund that aims to provide financial cushion
3. A provident fund is managed by the government, with set of minimum and maximum contribution levels.

Schemes under EPFO

- Employees' Provident Funds Scheme 1952 (EPF)
- Employees' Pension Scheme 1995 (EPS)
- Employees' Deposit Linked Insurance Scheme 1976 (EDLI)

Benefits of Provident Fund

1. Long-Term Financial Planning
2. Compounding benefit on the monthly investments
3. No one time investment, hence reduced monetary pressure
4. Assistance in case of financial emergency
5. Retirement Security and healthy life-style upon retirement
6. Support to family, in case of sudden demise

Types of Provident Fund

Original Name	Employees Provident Fund (EPF)	Public Provident Fund (PPF)	General Provident Fund (GPF)
Alternative Name	Recognized Provident Fund (RPF)		Statutory Provident Fund (SPF)
Current Interest Rate	8.15%	7.1%	7.1%

Nature of PF	Applicability	Contribution	Whether Tax Saving Investment?	Taxation on Interest earned	Taxation on amount redeemed post retirement	Taxation on amount withdrawn before maturity
EPF/ RPF	Public and Private Employees	Employer – 12% of (Basic + DA) Employee – 12% of (Basic + DA) Note - Incremental contribution is possible	Yes, to the extent of Employees' contribution	No taxation till employee is working	No taxation	Yes, against the amount invested in the 5 years immediately before the withdrawal. TDS Rate - 10%
PPF	Common Public	Rs.500 – Rs.150000	Yes	No taxation	No taxation	No
GPF/ SPF	Government Employees		Yes	No taxation	No taxation	No

Applicability of Employees Provident Fund Act

1. Factories or establishments employing more than 20 employees.
2. This Act once applicable will always be applicable.
3. Employee means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of an establishment and who gets his wages directly or indirectly from the employer and includes the person employed by or through the contractor, engaged as an apprentice.
4. There is no condition as to a minimum number of days for which employee should be in employment for the eligibility of EPF
5. Employees with salary more than Rs.15000/- may decide not to opt for EPF contribution.
6. Salary means “Basic + DA + Retaining Allowance (if any) + Cash value for Food Concession”

Due Dates & Penalty for non-compliance

Nature	Due Date	Penalty
PF Payment	15th of the following month	<ul style="list-style-type: none">• 5% p.a. - First 2 Month• 10% p.a. - Next 2 Months• 15% p.a. - Next 2 Months• 25% p.a. - Post 6 Months
PF Return	15th of the following month	12% p.a.

In case of delay in payment of EPF contribution beyond due date, it will be considered as disallowable expenditure under Income Tax Act.

UAN and EPFO Portal

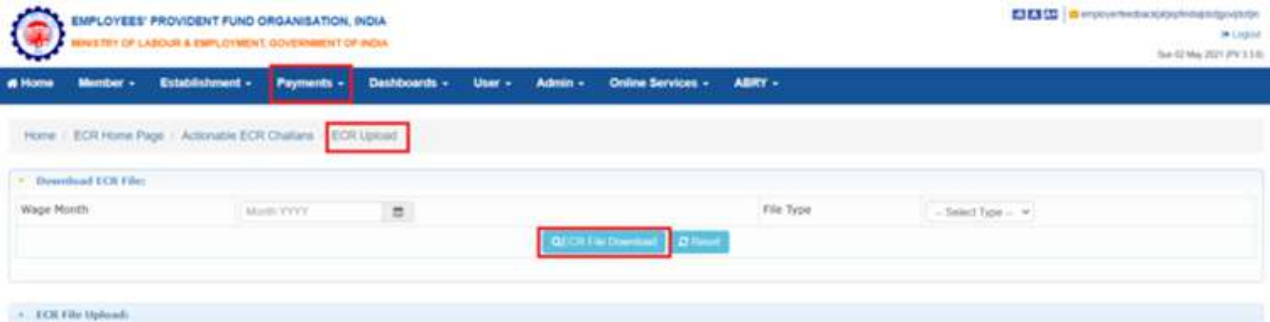
- Online access to PF accounts
- Can execute operations such as withdrawal and checking their EPF balance
- EPFO assigns each member a 12-digit number known as the UAN.
- Even if an employee changes employers, his or her UAN remains the same.
- The Universal Account Number (UAN) simplifies access to the EPFO member portal.
- When a member’s job changes, his or her member ID changes, and the new ID is linked to the UAN. Employees must, however, activate their UAN to use the services online.

PF Forms

Form	Purpose
Form 2	For nominating and declaring
Form 5	For registering
Form 5 IF	For availing a claim under EDLI scheme
Form 10C	For availing withdrawal benefits or scheme certification
Form 10D	For availing monthly pension
Form 11	For transferring EPF account.
Form 14	For purchasing LIC policy.
Form 15G	For availing tax-saving benefits on interest.
Form 19	For settling employees provident fund.
Form 20	For settling employees provide a fund in case of death.
Form 31	For EPF withdrawal.

EPF Payment Procedure

1. Login to EPFO Portal
2. Download the ECR File -
 - Navigate to Payment and click on 'ECR/Return Filing'.
 - Next, click on 'ECR Upload', go to 'Download ECR File', select the wage month for which you want to file PF return, select the file type as 'ECR' and click on 'ECR File Download'.
 - An ECR file containing the list of employees against their UAN will be downloaded.



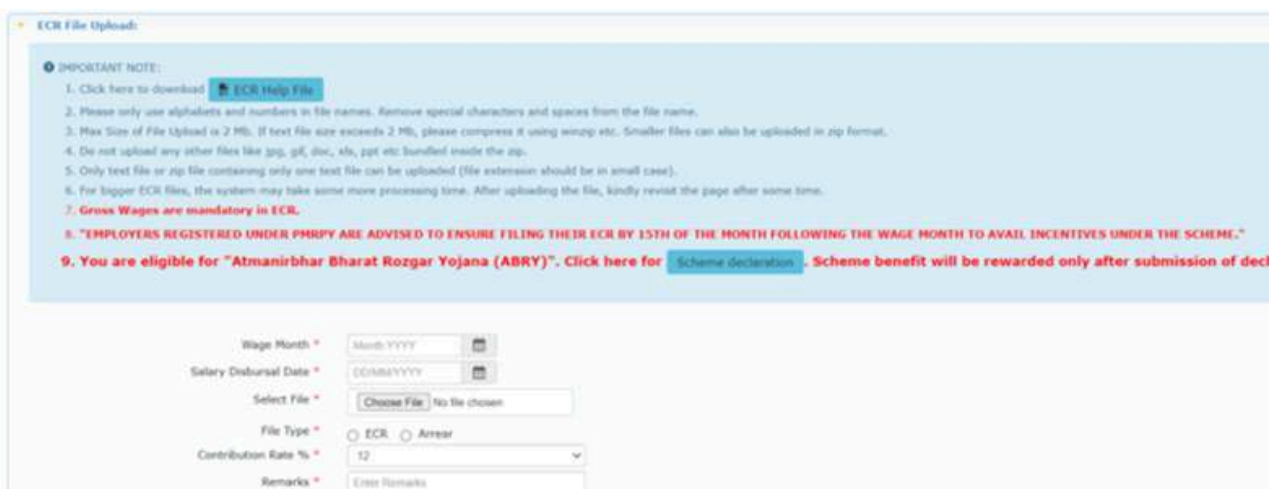
3. Enter wage details - Fill in the details regarding:
 - a) Gross wages: Gross wages are the
 - b) EPF wages: Basic Wages + Dearness Allowance
 - c) EPS wages: Basic Wages + Dearness Allowance
 - d) EDLI wages: Same as EPS wages
 - e) EPF Contribution remitted: 12% of EPF wages (or as decided by organization)
 - f) EPS Contribution remitted: 8.33% of EPS wages
 - g) EPF EPS difference remitted: Difference between (e) and (f)
 - h) NCP Days: Non-Contributing Period i.e. Absent days
 - i) Refund of Advances

4. Save as Text Document

Next, save the excel file as a CSV file. Make sure to delete the first column with the particulars. Now, open the CSV file and remove all the extra commas, if any. Next, replace all the commas (,) between two fields with #~# and save the file as a text document.

5. Upload the ECR file

Now, login to the EPFO Portal, got to Payments> ECR Filing> ECR Upload. Select the Wage Month for which you are filing the return and other required details and upload the Text file.



6. Generate TRRN and make payment

Next, verify the ECR uploaded and a Temporary Return Reference Number (TRRN) will be generated. Further, click on "Prepare Challan" and fill in the EPF and EDLI charges as applicable. Also, enter the number of employees, excluded number of employees and their salary. Now, click on "Generate Challan"> "Finalize" and make the payment by clicking on "Pay".

All about “PF Withdrawal”

Sl. No.	Particulars of reasons for withdrawal	Limit for withdrawal	No. of years of service required
1	Medical purposes	Lower of below: 1. Six times the monthly basic salary, or 2. The total employee’s share plus interest	No criteria
2	Marriage	Up to 50% of employee’s share of contribution to EPF	7 years
3	Education	Up to 50% of employee’s share of contribution to EPF	7 years
4	Purchase of land or purchase/ construction of a house	For land – Up to 24 times of monthly basic salary plus dearness allowance. For house – Up to 36 times of monthly basic salary plus dearness allowance, The above limits are restricted to the total cost.	5 years
5	Home loan repayment	Least of below: 1. Up to 36 times of monthly basic salary plus dearness allowance, or 2. Total corpus consisting of employer and employee’s contribution with interest, or 3. Total outstanding principal and interest on housing loan	10 years
6	House renovation	Least of the below: 1. Up to 12 times the monthly wages and dearness allowance, or 2. Employees contribution with interest, or Total cost.	5 years
7	Partial withdrawal before retirement	Up to 90% of accumulated balance with interest	Once the employee reaches 58 years and withdrawal should be before one year of retirement or superannuation (retirement fund for employees by the company)

Documents required for PF withdrawal

- Universal Account Number (UAN)
- Bank account information of the EPF subscriber
- Identity and address proof
- Cancelled cheque with IFSC code and account number

Off-line Process for PF withdrawal

Step 1	Individuals must fill up a 'new composite claim form' or a 'composite claim form' and submit it to the EPFO office under their jurisdiction.
Step 2	A composite claim form needs to be attested by their employer.

On-line Process for PF withdrawal

Step 1	Individuals must have an active Universal Account Number (UAN).
Step 2	The mobile number used to activate the UAN should be active as well.
Step 3	UAN should be linked with Aadhaar. They would also need the PAN and respective bank details with their IFSC code.
Step 4	After ensuring all the prerequisites are in place, they must log into the UAN online portal.
Step 5	Individuals need to verify their KYC details and then proceed as per instructions.



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