CHAPTER 07 · COMPLIANCE MANUAL · 2024 EDITION

PROVIDENT FUND (PF)

*This chapter is an extract from **The RST Compliance Manual**, a regulator-mapped reference for Indian business entities curated by the partners of R S T & Co.*

The provident fund is a combined contribution from the employee as well as the employer that is deducted from the salary every month and put away in a PF account where it grows into a sizeable sum that can be availed after retirement.

7.1 Applicability

Every establishment which is engaged in any one or more of the industries specified in Schedule I of the Act or any activity notified by Central Government in the Official Gazette.

Employing 20 or more persons

Cinema Theatres employing 5 or more persons

Note:

The co-operative societies employing less than 50 persons & working without the aid of power.

The establishment to which this Act applies shall continue to be governed by this Act, even if the number of employees falls below 20 at a later date.

Voluntary registration can be availed with the consent of Employee & Employer.

7.2 Compliances

7.2.1 Due date for FILING & PAYMENT

15th of following month

Return is to be filed through electronic means mandatorily from 1st April’2012 in ECR (Electronic Challan cum Return) form.

Filing of Annual Return is exempted from FY 2012-13.

7.2.2 Deduction & Payments Computation Chart

Contributor	Particulars	Rate On Emoluments#
Employee	EPF	12%*
Employer	EPS – Pension	8.33%
Employer	EPF	3.67%
Employer	EDLI charges	0.50%
Employer	EPF Admin charges	1.10%
Employer	EDLI Admin charges	0.01%

#Emoluments refer to Basic wages, Dearness allowance, cash value of food concession and retaining allowance. However, the amount of Emoluments is Restricted to Rs.15,000/- for EPS and EDLI Calculation Purpose.

Rate of contribution by Employee shall be 10%* in case of following -

Any establishment covered prior to 22.9.1997 in which less than 20 persons are employed.

Any sick industrial company as defined in clause(0) of sub-section (1) of section 3 of the sick industrial companies (special provisions) Act 1985 and which has been declared as such by the Board for Industrial and Financial Reconstruction.

Any Establishment which has at the end of any financial year accumulated losses equal to or exceeding its entire Net worth.

Any Establishment engaged in manufacturing of (a) Jute, (b) Beedi, (c) Brick, (d) Coir (other than spinning sector),(e) Guar Gum Industries/Factories.

7.3 Consequences of default

Interest US 7Q @ 12% p.a. needs to be paid for late remittance of PF amount for the period of delay.

Damages u/s 14B up to 25% of PF amount (5%/ 10%/ 15% Or 25% based of days of delay)

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***End of Chapter.** For the complete Compliance Manual, additional chapters, or a tailored briefing for your finance and compliance teams, contact **info@rstandco.co.in**.*