



Exempted establishments have to file online monthly return through new updated software launched by Employees' Provident Fund Organisation

Background

In 1952, the Indian Government introduced a mandatory savings scheme, for non-government employees, known as the Employees' Provident Fund Scheme (EPFS). In this scheme, both the employee and the employer are required to make a contribution to the Employees' Provident Fund (EPF).

The government also permitted employers to establish and manage their own private PF trusts, subject to the conditions prescribed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act) and the Income Tax Act, 1961 (IT Act). Such establishments are known as exempted establishments under the EPF Act.

As part of e- governance programme of Employees' Provident Fund Organisation (EPFO), an online e-Return format was launched on 12 January 2014 for the establishments having relaxation or exemption from the provisions of the EPFS under the EPF Act. The salient features of the return were highlighted in the circular¹ issued by EPFO on 27 March 2014.

Recently, EPFO has issued another circular² in this regard which states that in order to streamline the monitoring and supervision of the performance of exempted Trusts under the EPF Act and various Schemes framed thereunder, a new software has been launched on 27 May 2017.

Highlights of the circular

- All the exempted Trusts have been advised to submit the pending online returns from October 2016 till date.
- The returns for every wage month are to be filed by 15th of the month following the month of payment of contributions for the wage month. Hence all returns pending upto the wage month of April 2017 may be filed online latest by 15 June 2017.
- The performance of all the exempted Trusts/ Establishments will be monitored on regular basis and ranks will be assigned and the same shall be published periodically on the EPFO website.

¹ EPFO Circular http://www.epfindia.com/site_docs/PDFs/Circulars/Y2013-2014/Exem_OnlineE_Return_27552.pdf

Accessed on 5 June 2017

² EPFO Circular http://www.epfindia.com/site_docs/PDFs/Circulars/Y2017-2018/Exem_OnlineFilingReturn_ExEstt_29052017.pdf

Accessed on 5 June 2017

- The various items of data required for filing new online returns are:-
 - Claims (Numbers) received during the month and settled with percentage of settlement.
 - Date of transfer of contributions to the Trust.
 - Investment of surplus funds in securities/ bonds as per pattern of investment within stipulated time.
 - Rate of interest declared for the previous financial year.
 - Date of filing returns online.
- Non filing of returns for three consecutive months will result in cancellation of exemption granted to the establishment.

Our comments

The software launched by EPFO for filing returns aims to streamline and monitor the performance of the exempted establishments and to improve the functioning of the exempted establishments under the EPF Act.

It is imperative for establishments who are running private PF trusts to make proper compliances under the EPF Act and review their compliances on a regular basis to enjoy continued exemption.



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