



Employees' Provident Fund Organisation issues fresh circular on the implications of non-filing of online returns by exempted Provident Fund Trusts

Background

In 1952, Government of India introduced a mandatory savings scheme, for non-government employees, known as the Employees' Provident Funds 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 in-house 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.

The Employees' Provident Fund Organisation (EPFO) issued a circular¹ to direct all the exempted establishments to ensure online filing of e- returns through the portal before 15 June 2017 to streamline the monitoring and supervision of the performance of exempted Trusts under the EPF Act and various Schemes framed thereunder.

The EPFO has issued another circular² to its field offices on the due date of filing prescribed returns as well as the implications of not filing the online returns.

Key highlights of the circular

- The Regional Provident Fund Commissioner (RPFC)/Officer in- charge of the field offices shall ensure due filing of prescribed returns by 25 July 2017.
- If any establishment is found not complying with the due date, then such establishments should be immediately inspected.
- Subsequent to the inspection, necessary action for cancellation of exemption should be initiated against the defaulting establishments after giving an opportunity of hearing.

Our comments

The latest instructions by EPFO for filing online returns aim at streamlining and monitoring the performance of the exempted establishments and improve the functioning of the exempted establishments under the EPF Act.

It is imperative for establishments who are running in-house PF Trusts to comply with the provisions mentioned under the EPF Act and review their compliances on a regular basis to enjoy continued exemption.

¹ EPFO Circular http://www.epfindia.com/site_docs/PDFs/Circulars/Y2017-2018/Exem_OnlineFilingReturn_ExEstt_29052017.pdf
Accessed on 24 July 2017

² EPFO Circular http://www.epfindia.com/site_docs/PDFs/Circulars/Y2017-2018/Exem_OnlineReturn_7247.pdf
Accessed on 24 July 2017

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