

# Employees' Provident Fund Organisation issues a circular on settlement of Provident Fund/Pension claims for Japanese expatriates

# **Background**

Government of India amended the refund clause for International Workers (IWs) via notification dated 5 October 2012. According to the amended clause, the IWs who are covered under a Social Security Agreement (SSA) between India and any other country can withdraw their accumulated Provident Fund (PF) balances under Employees' Provident Funds Scheme, 1952 (EPFS) on ceasing to be an employee in an establishment covered under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF Act).

In the context of the above background, the Employees' Provident Fund Organisation (EPFO) issued a circular<sup>2</sup> providing a clarification on payment of PF/Pension accumulations to Japanese expatriate workers.

# Highlights of the circular

The Japanese Chamber of Commerce and Industry in India (JCCII) recently initiated a dialogue with India's Ministry of Commerce and Industry, and Ministry of Labour, about refund of PF accumulations not being given to Japanese expatriate workers who left India before India-Japan SSA became effective on 1 October 2016.  In the above context, now instructions have been given to the field offices of EPFO to process the PF/Pension withdrawals for those Japanese expatriates who had left India before 1 October 2016.

## **Our comments**

The clarification issued by EPFO will facilitate those expatriates who had left India before 1 October 2016 in getting refunds of their PF/Pension accumulations.

<sup>&</sup>lt;sup>1</sup> Notification - http://egazette.nic.in/WriteReadData/2012/E\_507\_2012\_020.pdf <sup>2</sup> EPFO Circular - http://www.epfindia.com/site\_docs/PDFs/Circulars/Y2017-2018/WU\_Clari\_Japan\_11311.pdf Accessed on 6 September 2017

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