



EPFO and PFRDA Notification and circular pursuant to relief measures announced by Government of India

The Ministry of Labour and Employment, Employees' Provident Fund organisation (EPFO) and Pension Fund Regulatory and Development Authority (PFRDA) have issued notifications and circulars to give effect to the relief measures announced by Government of India.

Gist of the Notifications and Circulars

1. Extension in the due date for payment of Provident Fund contributions for the wage month of March 2020

EPFO has issued a circular¹ dated 15 April 2020 extending the due date for filing of Electronic Challan cum Return (ECR) for the wage month of March 2020.

Considering the unprecedented situation created by COVID-19 and lockdown announced by the Central Government from 24 March 2020 midnight onwards to prevent the spread of Covid-19, the competent authority has decided to allow grace period of 30 days from 16 April 2020 to 15 May 2020 for filing of Electronic Challan cum Return (ECR) to the employers of those establishments which have disbursed the wages for March, 2020 to their employees.

Thus, employers may deposit PF contribution and file the ECR for the wage month of March 2020 by the extended due date.

¹ EPFO Circular – Extension of due date for payment of contributions and administrative charges/Inspection charges due for wage month March 2020 from 15 April 2020 to 15 May 2020 to establishments disbursing wages for March 2020

Accessed on 22 April 2020

2. Non-refundable advance provided to the PF member

The Ministry of Labour and Employment, Government of India issued a notification² dated 27 March 2020 and allowed a non-refundable advance from the provident fund account of a member not exceeding the basic wages and dearness allowances of that member for three months or up to seventy-five per cent of the amount standing to his credit in the Fund, whichever is less.

Thus, a PF member can claim a non-refundable advance from her provident fund account to the extent of lower of the following:

- 3 months basic wages and dearness allowance; or
- Up to 75 per cent of the accumulations in the member's provident fund account

Further, in order to clarify the questions on advance, EPFO has issued Frequently Asked Questions (FAQs) on 31 March 2020 and 4 April 2020 on the provisions relating to non-refundable advance for COVID-19 outbreak.

² Notification – Notified in official gazette on 27 March 2020

Accessed on 22 April 2020

Some of the key questions which have been addressed by EPFO in the FAQs are as follows:

- **Q: Who is eligible for the advance from EPF to fight COVID-19 Pandemic?**

Ans. Any member of EPF Scheme, 1952 with UAN (Universal account number) employed in any establishment or factory covered under EPF & MP Act, 1952.

- **Q: Is EPF member required to produce any certificate or document for availing this advance?**

Ans: No certificate or documents are to be submitted by member or his/her employer for availing the benefit.

- **Q: How can I claim this amount? Do I need to submit claim form to EPFO Office?**

Ans: Like claim for all other types of advances, the claim for this advance also can be filed Online if your UAN is validated with Aadhaar and KYC of Bank account and Mobile number is seeded in UAN.

- **Q: Can an employee working in an exempted establishment get the advance to fight COVID-19 pandemic from PF Trust?**

Ans: The "Terms and conditions of exemption" in Para 27AA of EPF Scheme, 1952, provides that any amendment to EPF Scheme, 1952, which is more beneficial to the employees becomes applicable to exempted establishments pending formal amendment of Trust Rules. So, employees of an exempted establishment can withdraw from his PF account maintained with the PF Trust of the establishment by making application to the PF Trust

- **Q: What is the income tax rate for advance to fight COVID-19 pandemic?**

Ans. Income Tax is not applicable on any advance availed under EPF Scheme.

- **Q: An employee had availed advance recently for illness. Can he avail advance to fight COVID-19 pandemic?**

Ans: Yes. This advance can be availed irrespective of advances availed earlier.

3. New Scheme - Pradhan Mantri Garib Kalyan Yojana

Pursuant to announcement by Government of India, EPFO has issued scheme guidelines³ of Pradhan Mantri Garib Kalyan Yojana (PMGKY) for the poor to help them fight the battle against COVID-19 pandemic.

As part of the said package, the Central Government proposes to pay 24 percent of the monthly wages into PF accounts for next three months for employees with wages below INR 15,000 per month, who are employed in establishments having up to one hundred employees, with 90 per cent or more of such employees earning monthly wages less than INR 15,000.

On 10 April 2020, EPFO has also issued FAQs on benefit under this scheme. Some of the key highlights of the scheme and questions which have been addressed by EPFO in the FAQs are as follows:

- For any establishment to be eligible for benefits
 - The establishment should already be covered under the EPF Act; and
 - The total number of employees employed in the establishment should be up to 100, with 90% or more of such employees drawing monthly wages less than INR 15,000.
- The Scheme will be in operation for the wage months March 2020, April 2020 and May 2020.
- The employer shall continue to pay the EDLI contributions and EPF administrative charges for all employees as well as the EPF & EPS contributions for ineligible employees.
- The definition of 'employee' as defined in section 2(f) of the EPF Act, as well as other definitions in EPF Act are mutatis mutandis applicable to this Scheme.
- Each eligible establishment has to file only one valid ECR for each of the three months in respect of its total employees- both eligible and ineligible employees.

³ Scheme Guidelines issued by EPFO

Accessed on 22 April 2020

4. Partial withdrawal from National Pension System (NPS) towards treatment of specified illnesses

In view of the decision of Government of India which has declared COVID-19 as a pandemic, Pension Fund Regulatory and Development Authority (PFRDA) has issued a circular⁴ and declared COVID-19 as a critical illness which is life threatening in nature. Accordingly, partial withdrawal will be permitted from NPS to fulfill financial needs towards treatment of COVID-19 illness of member, his / her spouse, children including adopted child or dependent parents.

Thus, the partial withdrawals shall be permitted to fulfil financial needs of the subscribers, if required to him/ her against the request placed for partial withdrawals towards treatment of illness of subscriber, his legally wedded spouse, children, including a legally adopted child or dependent parents as mentioned in 8(1)(A)(d) of PFRDA (Exits and withdrawals under NPS) Regulations, 2015.

The following documents are required to be provided to claim partial withdrawal:

- Medical certificate; and
- Formal request for partial withdrawal

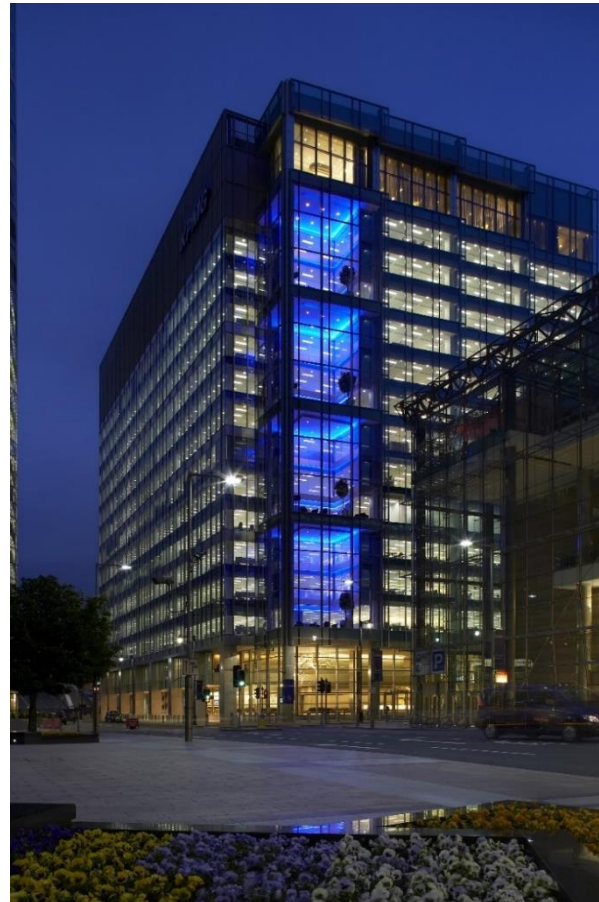
Our Comments

The notification and circular issued by the regulators (EPFO and PFRDA) provided the much-needed relief to the industry and PF members and NPS subscribers, which are currently under stress due to the growing impediment imposed by the COVID-19 situation.

The decision to provide the partial withdrawal in PF and NPS would be a relief for the employees and subscribers of NPS.

Eligible employer may take the benefits provided by the GOI via PMGKY Scheme.

⁴ PFRDA Circular – Permission of Partial withdrawals towards treatment of specified illnesses dated 9 April 2020 - Accessed on 22 April 2020



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