Provident fund

(Basic rules)

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[For Bhatia R K & Associates]

Employer Coverage:-

*Establishments employing 20 or more employees

*Cooperative societies Employing 50 or more employees & working without thtaid of power.

*Any other establishment on voluntary basis.

An establishment continues to be covered under the act, irrespective of the fall in employees' strength.

Rate of Contribution

√ 12% of basic & DA, in case of 175 establishments.

√ 10% in case of following:-

- √ Brick
- √ Beedi
- √ Jute
- √ Guar gum factories
- √ Coir industry other than spinning sector
- √ Declared sick units by BIFR

A matching contribution from employees is also to be recovered.

The following are the charges of PF

Account No.	Details	Employees	Employer
1	PF contribution account	12	3.67
2	PF Admin account		1.10
10	Pension Fund account		8.33
21	EDLIS account		0.50
22	EDLIS admin account		0.01
	Total	12	13.61

Inspection Charges

Establishments exempted under PF scheme: - 0.18%

Establishments exempted from EDLI scheme: - 0.005%

Interest Liability: - 12% on such remittance for the period of Delay.

Penalty/ Damages: - 17% to 37% based on delay.

Duties of Employer:

1. Deposit the amount on or before 15th of every month.
2. File monthly returns in form 12A, 5, and 10.
3. Maintain contribution card of each employee in form 3A
4. File an annual return in form 3A & 6A

Important:-

For the calculation of 12% of Basic salary, the maximum limit of basic is Rs.6500, i.e. the employer is liable to contribute only on Rs. 6500.However, if the employee may so desire, and he can contribute more than 12%.