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KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2nd FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI
BENGALURU - 560 004
Reg. No. TU 507 / 20-3-1962

Date : 01-03-2018

CIRCULAR No.14/2018

To
All Members of the Association

THE SENIOR CITIZENS WELFARE FUND RULES, 2016.

1. The Government of India, in exercise of its power conferred on it, by Section 128 of the Finance Act, 2015, have notified "**The Senior Citizens Welfare Fund Rules, 2016**". A copy of the Notification dated 18.3.2016, issued by the Ministry of Finance, Department of Economic Affairs, Government of India, is enclosed.
2. The Finance Act, 2015 and the Finance Act, 2016 stipulate that, notwithstanding anything contained in any other law, for the time being in force, any credit balance in any of the accounts under the EPF and MP Act, 1952, remaining unclaimed for a period of 7 years, from the date of declaration, as 'Inoperative Accounts', shall be transferred by the respective Institution holding them to the Senior Citizens Welfare Fund.
3. Rule 3(6) of the Senior Citizens Welfare Fund Rules, stipulates that, the Institution shall identify the unclaimed amounts on annual basis and make transfers to the Fund on or before the 1st day of March, each year.
4. Rule 7 of the Senior Citizens' Welfare Fund Rules stipulates a under:

Publication of Information -

- i) Each institution shall, before crediting the unclaimed amount to the Fund publish the information relating to accounts in which unclaimed deposits are lying, in the matter provided under this rule.
- ii) The Institution shall, identify the unclaimed amount and prepare a list of the accounts containing details of the unclaimed amount by the 30th day of September of each financial year.
- iii) The Institution shall, try to contact each of the account holder of the unclaimed amount, by all reasonable means of communication,

including written notice, e-mail and telephone, on at least two occasions, within a span of a period of sixty days.

- iv) The Institution shall, display the list prepared under sub-rule (2) for the general information of the public, on the notice boards of the relevant offices and on the website of the Institution concerned for at least a period of sixty days, inviting claims, if any.
5. The above Rules are applicable to the Provident Fund maintained by the EPF Commissioner and also Establishments exempted under the Provident Fund Act. Copies of the Instructions issued by the Provident Fund Organisation on 13.10.2017 and subsequently on 23.10.2017 are enclosed, for the information of the Members.
6. The Members may ensure that the instructions of the Provident Fund Organisation are complied with by their Establishment.

for KARNATAKA EMPLOYERS' ASSOCIATION

**sd/-
(B.C. PRABHAKAR)
PRESIDENT**


भारत का राजपत्र
The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

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नई दिल्ली, शुक्रवार, मार्च 18, 2016/फाल्गुन 28, 1937

No. 180]

NEW DELHI, FRIDAY, MARCH 18, 2016/PHALGUNA 28, 1937

MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 18th March, 2016

G.S.R. 322(E).—In exercise of the powers conferred by section 128 of the Finance Act, 2015, 20 of 2015 the Government hereby makes the following rules, namely:—

1. Short title, extent and commencement.—

- (1) These rules may be called Senior Citizens' Welfare Fund Rules, 2016.
- (2) They shall come into force from the date of their publication in the Official Gazette.

2. Definitions.—

- (1) In these rules, unless the context otherwise requires,—
 - (a) "Act" means the Finance Act, 2015.
 - (b) "Government" means the Government of India.
- (2) Words and expressions used in these rules and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Establishment of Fund.—

- (1) The Central Government hereby establishes a Fund to be called the Senior Citizens Welfare Fund for promoting the welfare of the Senior Citizens and for such other purposes as specified in Chapter VII of the Act.
- (2) The Senior Citizens Welfare Fund shall be an interest bearing account in the Public Account of the Union of India and shall be administered by the Committee.
- (3) Every institution shall transfer the unclaimed amounts, including those under the following schemes, to the Fund namely:—
 - (a) Small savings and other savings schemes of the Central Government including the Post Office Savings Accounts, Post Office Recurring Deposit Accounts, Post Office Time Deposit Accounts,

Post Office Monthly Income Accounts, Senior Citizens' Savings Scheme Accounts, Kisan Vikas Patras, National Savings Certificates (all issues), Sukanya Samridhi Accounts and discontinued Small Savings Schemes;

- (b) Accounts of Public Provident Funds under the Public Provident Fund Scheme, 1968 maintained by the Institutions concerned; and
 - (c) Accounts of Employees' Provident Fund under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- (4) Every Institution shall prepare list of unclaimed amounts lying as unclaimed deposits in the accounts and notify to the public in the manner provided under rule 7.
- (5) All unclaimed amounts, referred to in sub-rule (2), shall be transferred by the institution to the Fund within one year from the date of notification of these rules in the Official Gazette:

Provided that the period so specified may be extended by such further period or periods, as the Central Government in the Ministry of Finance may deem fit, on a request for grant of such extension by the institution.

- (6) The Institution shall identify the unclaimed amounts on annual basis and make transfers to the Fund on or before the 1st day of March, each year.
- (7) The transfers by the Institutions shall be made on a net basis, namely, the unclaimed deposits minus the claims accepted in accordance with the law for the time being in force, of the accounts whose balances have already been transferred to the Fund.

4. Administration of Fund.—

- (1) The nodal Ministry for the administration of the Fund shall be the Ministry of Social Justice and Empowerment.
- (2) The Fund shall have its secretariat located in the Ministry of Social Justice and Empowerment.
- (3) The Fund shall be administered by a Committee consisting of—
 - (a) The Secretary in the Ministry of Social Justice and Empowerment who shall be the ex-officio Chairperson;
 - (b) An official not below the rank of a Deputy Secretary to the Government of India, to be nominated by the Department of Financial Services – Member;
 - (c) An official not below the rank of a Deputy Secretary to the Government of India, to be nominated by the Ministry of Health and Family Welfare – Member;
 - (d) An official not below the rank of a Deputy Secretary to the Government of India, to be nominated by the Ministry of Rural Development – Member;
 - (e) An official not below the rank of a Deputy Secretary to the Government of India, to be nominated by the Ministry of Housing and Urban Poverty Alleviation – Member;
 - (f) An official not below the rank of a Deputy Secretary to the Government of India, to be nominated by the Ministry of Labour and Employment-Member;
 - (g) Officials not below the rank of a Deputy Secretary to the Government of India, to be nominated by the Ministry sponsoring the proposal and by other Ministries concerned with the specific proposal;
 - (h) Financial Adviser, Ministry of Social Justice and Empowerment;
 - (i) An official, not below the rank of Joint Secretary to the Government of India, to be, nominated by the Ministry of Social Justice and Empowerment – Member Secretary;
- (4) The Committee shall meet at least twice a year.
- (5) The Committee shall take decision as to the utilisation of the amount in the Fund for the purposes specified in the rule 6.

- (6) The Committee shall provide Ministry-wise details of budgetary allocation required for the following financial year, to the Central Government in the Ministry of Finance:

Provided that the allocations shall be made by the Ministry of Finance, keeping in view the estimated and absorptive capacity for the authorised purpose and to ensure the perpetuity of the Fund.

- (7) The Committee may regulate its rules of business, in addition to, and without prejudice to anything provided under these rules, for the conduct of its business.

5. Rate of interest.-

The eligible rate of interest for the money lying in the Fund shall be determined and notified by the Central Government in the Ministry of Finance under sub-section (5) of the section 124 of the Act, on an annual basis.

6. Utilisation of Fund.—

- (1) The Fund shall be utilised for such schemes for the promotion of the welfare of Senior citizens in line with the National Policy on Older Persons and the National Policy on Senior Citizens.

- (2) The schemes referred to in sub-rule (1) shall include—

- (a) schemes for promoting financial security of senior citizens, including but not limited to, old age pensions, long term saving instruments and employment in income generating activities;
- (b) schemes for promoting healthcare and nutrition of senior citizens, including but not limited to, affordable health care programs, mental health services, health insurance schemes, nutrition education programs and training and orientation in health care of senior citizens;
- (c) schemes for promoting welfare of elderly widows;
- (d) schemes related to old age homes, short stay homes and day care of senior citizens;
- (e) schemes related to education training and information needs of senior citizens;
- (f) schemes related to research activity on ageing and information systems on senior citizens;
- (g) any other scheme, with the approval of the Committee.

- (3) The sponsoring Ministry or the Department of the Government or the State Government concerned shall be responsible for the processing of the scheme, its monitoring and implementation:

Provided that the proportion of the costs incurred towards the benefit of Senior Citizens only shall be funded from the proceeds of the Fund.

- (4) The Committee may issue detailed guidelines for the implementation of any scheme for the welfare of the Senior Citizens under these rules.

7. Publication of Information.—

- (1) Each institution shall, before crediting the unclaimed amount to the Fund, publish the information relating to accounts in which unclaimed deposits are lying, in the manner provided under this rule.
- (2) The Institution shall identify the unclaimed amounts and prepare a list of the accounts containing details of the unclaimed amount by the 30th day of September of each financial year.
- (3) The Institution shall try to contact each of the account holder of the unclaimed amount, by all reasonable means of communication, including written notice, e-mail and telephone, on at least two occasions, within a span of a period of sixty days.
- (4) The Institution shall display the list prepared under sub-rule (2) for the general information of the public, on the notice boards of the relevant offices and on the website of the Institution concerned for at least a period of sixty days, inviting claims, if any.

8. Annual Report.—

- (1) The nodal Ministry, referred to in rule 4, shall prepare an annual report by the 1st day of May, each year, for the activities undertaken in the previous financial year.

- (2) The nodal Ministry shall make arrangements for the approval of the annual report by the Committee within one month of its preparation.
- (3) The Annual report shall include the activities undertaken by the Committee, the schemes approved for funding, the major decisions of the committee, the schemes pending for approval and the details of the amounts credited and debited from the Fund.
- (4) The Committee may issue detailed guidelines for the preparation of the annual report.
- (5) The nodal Ministry shall make available the annual report on the website of the Ministry, after it is laid before the Parliament under sub-section (3) of section 127 of the Act.

[F. No. 13/20/2014-NS. II]

PRASHANT GOYAL, Jt. Secy.

For Web Circulation



कर्मचारी भविष्य निधि संगठन
(ग्रम एवं रोजगार मंत्रालय, भारत सरकार)
EMPLOYEES' PROVIDENT FUND ORGANISATION
(Ministry of Labour & Employment, Govt. of India)
मुख्य कार्यालय / Head Office
भविष्य निधि भवन, 14-बीकानजी कामा प्लेस, नई दिल्ली-110 066.
Bhavishya Nidhi Bhawan, 14, Bhikaji Cama Place, New Delhi - 110 066.

No.Exem/32(18)/2016/Exemption

Dated: 13-10-2017

14780

13 OCT 2017

To

All Addl. Central P.F. Commissioner (Zones),
All Regional P.F. Commissioner/OIC of Regional Offices,

Subject: - Compliance of the Senior Citizens' Welfare Fund Rules 2016 and Finance Act, 2015 (No.20 of 2015) read with amendments in Finance Act, 2016 (No.28 of 2016) by the P.F. Trust of Exempted Establishments – Regarding.

Sir,

Please refer to the subject cited above.

2. The Standing Committee on Labour in its 26th report presented in April 2017 has raised grave concern about the unclaimed amount lying with the P.F. Trusts of the exempted establishments. The committee in its report has stressed that exempted establishments and their Trusts should make all round efforts to trace the workers/employees/nominees of the members so that the unclaimed amount lying with the Trusts can be disbursed. Instructions to all the exempted establishments and their Trusts should be given in this regard. The efforts which the exempted establishments and their Trusts are expected to undertake are explicitly mentioned in the Senior Citizens' Welfare Fund Rules under Rule No.7 namely publication of information (**copy enclosed**). The same should be adhered to in letter and spirit.

3. The unclaimed amount as referred in the preceding paragraph should be worked out by exempted establishments as per the recent amended provisions of Para 72(6) of the EPF Scheme, 1952 or duly approved Trust Rules, whichever is more beneficial to the members. Gazette notification dated 11.11.2016 is available at EPFO website under the Tab, "Circulars and Office Orders", at Sl.No. 472(2016-17), vide which Para 72(6) of EPF Scheme, 1952 was amended.

4. Finance Act, 2015(No.20 of 2015) dated 14.05.2015 and Senior Citizens' Welfare Fund Rule 2016, Rule 122(2) of the Finance Act, 2015 (No.20 of 2015) read with Finance Act, 2016 (No.28 of 2016) stipulate that notwithstanding anything contrary contained in any other law for the time being in force, any credit balance in any of the accounts under EPF & MP Act, 1952 remaining unclaimed for a period of seven years from the date of its declaration as an inoperative account shall

be transferred by the respective institution holding them, to the fund. Copies of Finance Acts 2015 & 2016 are **enclosed for ready reference**.

5. In view of the above, it has become the statutory responsibility of various institutions defined in the rules to transfer the unclaimed amount which remains inoperative for 7 years, to the Senior Citizens' Welfare Fund. Rule No.3(c) of the Senior Citizens' Welfare Fund Rules 2016 clearly mandates transfer of unclaimed amounts from the accounts of Employees' Provident Fund under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. Hence, Trusts of establishments exempted under Section 17 of the EPF & MP Act, 1952 also comes under the ambit of the Senior Citizens' Welfare Fund Rules 2016 and are required to transfer the requisite amount as required under these Rules to the Senior Citizens' Welfare Fund.

6. Rule No. 7(2) and 3(6) of the Senior Citizens' Welfare Fund Rules 2016, mandates every institution referred under the Rules to identify the unclaimed amounts on annual basis by 30th of September of each financial year and make transfers to the Fund on or before the 1st day of March every year. These statutory provisions should be followed every year by the Trusts of exempted establishments in letter and spirit. The transfers by the institutions shall be made on a net basis, namely the unclaimed deposits minus the claims settled with interest in accordance with the law for the time being in force, of the accounts whose balances have already been transferred to the Fund. Interest will be computed as per the interest rates declared for respective years and eligible to the members.

7. Members claiming to be entitled to the unclaimed amount transferred to the Fund may apply to the respective institution within 25 years from the date of credit of the unclaimed amount into the Senior Citizens' Welfare Fund in accordance with Section 124 and 126 of Finance Act, 2015. Thereafter unclaimed amount shall escheat to the Central Government unless a court orders otherwise. In view of the large time span of 25 years, all exempted establishments should keep accounts and full employee wise details of each member whose amount is transferred to Senior Citizen Welfare Fund including P.F. Account No., Pension Account Number, name and father's/spouse's name of the employee, amount transferred, date of birth, date of joining, last known address of employee along with Bank Account Number, Aadhar Card No., Nominee details, list of family members etc. (wherever available). Hence audited balance sheet of trust should also reflect the total year wise amount transferred to Senior Citizens' Welfare Fund and Fund lying unclaimed with Government for less than 25 years in Senior Citizen Welfare Fund as contra entry in assets and liabilities both.

8. Where no request or claim as specified in section 124 of Finance Act 2015 is made within a period of 25 years from the date of credit of the unclaimed amount to the Fund it shall escheat to the Central Government unless a court otherwise orders. In such an eventuality aforesaid contra entry in assets and liability side of Balance Sheet will get reduced to the extent of amount escheated the Central Government.

9. Similarly, in case of settlement of unclaimed amount already transferred to Senior Citizen Welfare Fund, aforesaid contra entry equivalent to the principal amount transferred for such member will get reversed. Interest is to be adjusted in accordance with para (6) above.

10. In case of cancellation of exemption/relaxation, in addition to past accumulations in the accounts of members details of year wise & employee wise balance of outstanding amount in Trust's balance sheet which was transferred to Senior Citizens Welfare Fund, should also be obtained from the exempted establishment/Trust by RPFCs in duly signed hard copy as well as electronically.

(This issues with the approval of CPFC.)


(K.L. Taneja) 14/10/2017
Addl. Central .P.F. Commissioner (HQ)
13/10/17

Copy to:

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कर्मचारी भविष्य निधि संगठन

Employees' Provident Fund Organisation,

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)

(Ministry of Labour & Employment, Govt of India)

क्षेत्रीय कार्यालय/कोलकाता, **Regional Office, Kolkata**

डी2 टरसेक्, लॉकब.के., साल्ट लेक सिटीकोलकाता(करुणामई) **700 091**

DK-Block, Sector-II, Salt lake, (Karunamoyee) Kolkata-700091.



No. R-EX-WB/CA/Senior Citizen Welfare Fund/Index-535/CC-VI/1342

Date :23 /10/2017

To,

All Exempted Establishments/BOT

Sub :: Compliance of the Senior Citizens' Welfare Fund Rules 2016 and Finance Act, 2015 (No. 20 of 2015) read with amendments in Finance Act, 2016 (No. 28 of 2016) by the P.F. Trust of Exempted Establishments – regarding.

Sir,

Please refer to the subject cited above.

In this regard, it is informed that Central Government has established a Fund to be called Senior Citizens Welfare Fund for promoting the welfare of the Senior Citizens and for such other purposes as specified in Chapter VII of the Finance Act. 2015 and also framed "Senior Citizens' Welfare Fund Rule, 2016 vide Notification dated 18th March 2016 of Ministry of Finance.

The Senior Citizens Welfare Fund shall be an interest bearing account in the Public Account of the Union of India and shall be administered by the Committee.

Accounts of Employees' Provident Funds under EPF and MP Act, 1952 has been included to the Fund as a institution who shall transfer the unclaimed amounts to Senior Citizens Welfare Fund.

Finance Act, 2015 (No. 20 of 2015) dated 14/5/2015 and Senior Citizens' Welfare Fund Rule, 2016, Rule 122(2) of the Finance Act, 2015 (No. 20 of 2015) read with Finance act, 2016 9No. 28 of 2016) stipulate that notwithstanding anything contrary contained in any other law for the time being in force, any credit balance in any of the accounts under EPF & MP act, 1952 remaining unclaimed for period of **seven years** from the date of its declaration as an inoperative account shall be transferred by the respective institution holding them, to the fund.

Accordingly, the standing Committee on Labour has raised grave concern about the unclaimed amount lying with the PF Trusts of exempted establishments. The committee in its report has stressed that exempted establishments and their Trusts should make all round efforts to trace the

workers/employees nominees of the members so that the unclaimed amount lying with Trusts can be disbursed.

In view of the above, it has become the statutory responsibility of EPFO to transfer the unclaimed amount which remains inoperative for 7 years, to the Senior Citizens' Welfare Fund. Trusts of exempted establishments under Section 17 of the EPF & MP Act, 1952 also comes under the ambit of the Senior Citizens' Welfare fund Rules 2016 and are required to transfer the requisite amount to the Senior Citizens' Welfare Fund.

Rule No. 7(2) and 3(6) of the Senior Citizens' Welfare Fund Rules 2016, mandates every institution referred under the Rules to identify the **unclaimed amounts on annual basis by 30th September of each financial year and make transfer to the Fund on or before the 1st day of march every year.** These statutory provisions should be followed every year by the Trusts of exempted establishments .

The transfers by the institutions shall be made on a net basis namely the unclaimed deposits minus the claims settled with interest in accordance with the law for the time being in force, of the accounts whose balances have already been transferred to the Fund. Interests will be computed as per the interest rates declared for respective years and eligible to the members.

Furthermore, the unclaimed amount should be worked out by exempted establishments as per the recent amendment of provision under Para 72(6) of the EPF Scheme, 1952, whichever is more beneficial to the members duly incorporated in Trust Rule and approved thereupon.

The efforts which the exempted establishments and their Trusts are expected to undertake are explicitly mentioned in the Senior Citizens' Welfare Fund Rules and copy of the same is enclosed to execute the process of transfer of unclaimed amount to Senior Citizens' Fund within stipulated time.

Therefore, responsible officers having control over the day to day affairs of the establishment and BOT are advised to make necessary steps to implement the direction of Appropriate Authority.

In order to make the matter more transparent and for effective implementation of the statutory provision circular No. Exem/32(18)/2016/Exemption/14780 dated 13-10-2017 as available in the EPFO web domain may be downloaded as for reference.

Yours faithfully,

(S.K. Padhy)

Regional P.F. Commissioner (EX)

