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KARNATAKA EMPLOYERS' ASSOCIATION

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BENGALURU - 560 004
Reg. No. TU 507 / 20-3-1962

Date : 08-02-2011

CIRCULAR No.11/2011

To
All Members of the Association

**Sub : Inoperative PF Accounts will cease to earn interest -
Amendment to Para 60 and 72 (6) of the EPF Scheme.**

1. The Central Government has amended the EPF Scheme whereby interest shall not be credited to the account of a Member from the date on which it has become inoperative Account. An inoperative account has been defined to include an account in which no application for withdrawal under Paragraph 69 or 70 or transfer as the case may be has been preferred within a period of 36 months from the date it becomes payable. The amendment would come into force from 1.4.2011.
2. Para 60 of the EPF Scheme provides that the Commissioner shall credit to the account of each member interest at such rate as may be determined by the Central Government in consultation with the Central Board.
3. The following sub Para has been added to Para 60 of the Scheme by way of amendment by Notification dated 15.1.2011 issued by the Government of India, Ministry of Labour and Employment and the amendment shall come into force with effect from 1.4.2011.

“(6) Interest shall not be credited to the account of a member from the date on which it has become Inoperative Account, under the provisions of sub-paragraph (6) of Paragraph 72”.

4. Para 72 (6) of the Scheme reads as under:

(6) Any amount becoming due to a member as a result of (i) supplementary contribution from the employer in respect of leave wages, arrears of pay, installment of arrear contribution received in respect of a member whose claim has been settled on account but which could not be remitted

for want of latest address, or (ii) accumulation in respect of any member who has either ceased to be employed or died, **but no claim has been preferred within a period three years** from the date it becomes payable, or if any amount remitted to a person is received back undelivered, and it is not claimed again within a period of **three years from the date** it becomes payable shall be transferred to an account to be called the "Inoperative Account".

Provided that in the case of a claim for the payment of the said balance, the amount shall be paid by debiting the "Inoperative Account".

5. The above sub Para has been amended by the Notification dated 15.1.2011 and the amended provision reads as under:

(6) Any amount becoming due to a member as a result of (i) supplementary contribution from the employer in respect of leave wages, arrears of pay, installment of arrear contribution received in respect of a member whose claim has been settled on account but which could not be remitted for want of latest address, or (ii) accumulation in respect of any member who has either ceased to be employed or died, **but no application for withdrawal under Para 69 or 70 or transfer, as the case may be has been preferred within a period thirty six months** from the date it becomes payable, or if any amount remitted to a person is received back undelivered, and it is not claimed again within a period of **thirty six months from the date** it becomes payable shall be transferred to an account to be called the "Inoperative Account".

Provided that in the case of a claim for the payment of the said balance, the amount shall be paid by debiting the "Inoperative Account".

6. A copy of the Notification dated 15.1.2011 is enclosed.

for KARNATAKA EMPLOYERS' ASSOCIATION

B.C. Prabhakar

(B.C. PRABHAKAR)
PRESIDENT



भारत का राजपत्र The Gazette of India

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EXTRAORDINARY

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PART II-Section 3-Sub-section (i)

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PUBLISHED BY AUTHORITY

No. 17] NEW DELHI, SATURDAY, JANUARY 15, 2011/PAUSA 25, 1932

MINISTRY OF LABOUR AND EMPLOYMENT NOTIFICATION

New Delhi, the 15th January, 2011

G.S.R. 25(E).—In exercise of the powers conferred by Section 5, read with sub-section (1) of Section 7 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952), the Central Government hereby makes the following Scheme, further to amend the Employees' Provident Funds Scheme, 1952, namely:—

1. (1) This Scheme may be called the Employees' Provident Funds (Amendment) Scheme, 2011.

(2) It shall come into force from the 1st day of April, 2011.

2. In the Employees' Provident Funds Scheme, 1952, (hereinafter referred to as the said Scheme), in paragraph 60, after sub-paragraph (5), the following sub-paragraph shall be substituted, namely:—

“(6) Interest shall not be credited to the account of a member from the date on which it has become Inoperative Account, under the provisions of sub-paragraph (6) of paragraph 72.”

3. In the said Scheme, in paragraph 72, in sub-paragraph (6):—

(a) for the words “but no claim has been preferred” the words “but no

application for withdrawal under paragraphs 69 or 70 or transfer, as the case may be has been preferred” shall be substituted;

(b) for the words “three years”, at both the places where they occur, the words “thirty six months” shall be substituted.

[F.No. S-35012/01/2010-SS-II]

S.K. DEV VERMAN, Jt. Secy.

Note :— The Employees' Provident Funds Scheme, was published in the Gazette of India, *vide* number S.R.O. 1509, dated the 2nd September, 1952 and lastly amended *vide* number G.S.R. 744(E), dated the 9th September, 2010.