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KARNATAKA EMPLOYERS' ASSOCIATION

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

Date : 03-03-2015

CIRCULAR No.23/2015

To
All Members of the Association

Sub : Reduction in the rate of Administrative Charges on P.F. Contribution from 1.10% to 0.85% of the Pay effective from 1.1.2015.

1. Para 30 of the EPF Scheme inter-alia stipulates that it shall be the responsibility of the Principal Employer to pay both the contributions payable by himself in respect of the employees directly employed by him and also in respect of the employees employed by or through a Contractor and also the Administrative charges. Explanation appended to Para 30(3) defines the 'Administrative Charges' as under:-

   "Administrative charges" means, such percentage of pay (Basic Wages + Dearness Allowance + Retaining Allowance, if any and Cash value of Food concession thereon) for the time being payable to the employee other than the 'excluded employee' as the Central Government may, in consultation with the Central Board and having regard to the resources of the fund for meeting its normal administrative expenses, fix."

2. Para 39 of the Scheme stipulates that the Central Government may, in consultation with the Central Board and having regard to the resources of the fund available for meeting its normal administrative expenses, fix the percentage of administrative charges payable by the employers.

3. The Central Government in exercise of the powers conferred under by the Explanation to Paragraph 30 read with paragraph 39 of the Employees Provident Fund Scheme, 1952 and in supersession of the Notification of Government of India in SO No.1437 dated 9th July 1998 have issued Notification dated 2.2.2015 reducing the quantum of Administrative charges from the existing percentage of 1.10% to 0.85% of the Pay as referred to in Paragraph 38 of the EPF Scheme. The Provident Fund Organisation has decided that the Notification may be applied effective from 1.1.2015. The Notification dated 2.2.2015 further clarifies that nothing contained in the Notification shall affect the administrative charges payable in respect of the period upto and inclusive of December 2014 in respect of which the earlier notification shall continue to apply as if the same has not been superseded.

4. Further, the Administrative charges payable under Employees' Deposit Linked Insurance Scheme has also been revised by Government

Notification dated 2.2.2015 and in terms thereon the amount of administrative charges payable by the employer shall be subject to minimum of Rs.25/- per month for every non-functional establishment having no contributory member and two hundred rupees per month per establishment for other establishments. The Notification further clarifies that nothing contained in the present Notification shall affect the Administrative Charges payable in respect of the period upto and inclusive of 31st December 2014 in respect of which the prevailing administrative charges shall continue to apply as if the earlier notifications have not been superseded.

5. The Internal Circular dated 2.3.2015 issued by the Employees Provident Fund Organisation along with Gazette of India dated 2.2.2015 is enclosed for the information of the Members.

for KARNATAKA EMPLOYERS' ASSOCIATION

sd/-
(B.C. PRABHAKAR)
PRESIDENT

For Web Circulation Only

कर्मचारी भविष्य निधि संगठन

Employees' Provident Fund Organisation

(श्रम एवं रोज़गार मंत्रालय, भारत सरकार)

(Ministry of Labour & Employment, Govt. Of India)

मुख्य कार्यालय / Head Office

भविष्य निधि भवन, 14 भीकाएजी कामा प्लेस, नई दिल्ली - 110066.

Bhavishya Nidhi Bhawan, 14-Bhikaiji Cama Place, New Delhi-110066

Phone: 011 – 26172685, Fax: 011-26173022, e-mail [illegible]

No.: WSU/4(2)97/Administrative Charges

Date: 02.03.2015

To

02 MAR 2015

All Addl. CPFCs.
All Regional P.F. Commissioners
In-charge of the ROs/SROs.

Sub: Reduction in Rate of Administrative Charges from 1.10% to 0.85% of the pay.
Ref: MOL&E Notification No. S.O. 323(E) dated 2nd February, 2015 and S.O.324(E) dated 2nd February, 2015.

Sir/Madam,

Please find enclosed a copy of the above said notifications issued by the Ministry of Labour & Employment for information & necessary action.

2. The notifications may be applied from 1st January, 2015.

3. The Information Services Division has separately been requested to bring in necessary changes in the software.

Yours faithfully,

Encl: As above

(Sanjay Kumar)
FA&CAO

Copy to:

1) ACC (IS) for requisite changes in application software
2) DD (OL) for Hindi version.
3) RPFC (NDC) for web upload.

(Sanjay Kumar)
RPFC-I (F&A)

भारत का राजपत्र
The Gazette of India
असाधारण
EXTRAORDINARY
भाग II – खण्ड 3–उप–खण्ड (ii)
PART II – Section 3–Sub-section (ii)
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 243] नई दिल्ली, सोमवार, फरवरी 2, 2015/माघ 13, 1936
No. 243] NEW DELHI, MONDAY, FEBRUARY 2, 2015/MAGHA 13, 1936

MINISTRY OF LAW AND JUSTICE

NOTIFICATION

New Delhi, the 2nd February, 2015

S.O. 323(E).— In exercise of the powers conferred by the Explanation to paragraph 30 read with paragraph 39 of the Employees' Provident Funds Scheme, 1952, and in supersession of the notification of the Government of India in the erstwhile Ministry of Labour number S.O. 1437 dated the 9th July, 1998, published in the Gazette of India, Part II, section 3, sub-section (ii) dated the 18th July, 1998, as respects things done or omitted to be done before such supersession, the Central Government, after consulting the Central Board and having regard to the resources of the Employees' Provident Fund available for meeting its normal administrative expenses, hereby fixes the administrative charges payable by the employer for the purposes of paragraph 30 and sub-paragraph (i) of paragraph 38 of the said Scheme at 0.85 per cent (zero point eight five per cent) of the pay as referred to in the said paragraphs subject to a minimum sum of seventy-five rupees per month for every non-functional establishment having no contributory member and five hundred rupees per month per establishment for other establishments.

2. For the removal of doubts, it is hereby notified that nothing contained in this notification shall affect the administrative charges payable in respect of the period up to and inclusive of the 31st December, 2014 in respect of which the notification referred to in paragraph 1 herein shall continue to apply as if the same had not been superseded.

[No.S-35012/01/2014-SS.II]
MANISH KUMAR GUPTA, Jt.Secy.

NOTIFICATION

New Delhi, the 2nd February, 2015

S.O. 324(E).— In exercise of the powers conferred by clause (a) of sub-section (4) of section 6C of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952), and in supersession of the notifications of the Government of India Ministry of Labour number S.O. 875 (E) dated the 1st October, 1987 and number S.O. 237 dated the 11th January 1989, except as respects things done or omitted to be done before such supersession, the Central

Government hereby determines 0.01 (zero point zero one) per cent, of the aggregate of the basic wages, dearness allowance (including the cash value of any food concession) and retaining allowances, if any, payable for the time being by the employer in relation to his employees as the further sum payable by the employer every month to the Deposit-linked Insurance Fund for the meeting the expenses in connection with the administration of the Employees' Deposit-linked Insurance Scheme, 1976 other than the expenses towards the cost of any benefits provided by or under that scheme:

Provided that the amount of administrative charges payable by the employers shall be subject to minimum of twenty-five rupees per month for every non-functional establishment having no contributory member and two hundred rupees per month per establishment for other establishments.

2. For the removal of doubts, it is hereby notified that nothing contained in this notification shall affect the administrative charges payable in respect of the period up to and inclusive of the 31st December, 2014 in respect of which the notification referred to in paragraph 1 herein shall continue to apply as if the same had not been superseded.

[No.S-35012/01/2014-SS.II]
MANISH KUMAR GUPTA, Jt.Secy.