

FEBRUARY 2017

EMPLOYEE ENROLLMENT CAMPAIGN

1. INTRODUCTION

The Government has amended the Provident Fund Scheme, 1952, launching the 'Employees Enrollment Campaign, 2017' (the "Campaign").

2. PERIOD OF OPERATION

The Campaign is to be administered by the Employee Provident Fund Organisation (the "EPFO") with the purpose of enrolling eligible members who remained uncovered during the period 1 April 2009 to 31 December 2016.

The EPFO has prescribed a declaration form for employers for the enrollment of members under the Campaign.

The Campaign is in force for 3 months starting from 1 January 2017 and ending on 31 March 2017. The benefits of the Campaign can be availed by those employers who have failed to enroll their employees for the period between April 2009 to December 2016.

3. SALIENT FEATURES

The salient features of the campaign are as follows:

- The benefit under the Campaign shall apply only with respect to employees who are Indian nationals and does not apply to international workers.¹
- The employee's share of contribution if declared by the employer as not deducted, shall stand waived.
- The damages payable under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 for non-contributions shall be at a nominal rate of Rs. 1 per annum.
- If the employer fails to pay within 15 (fifteen) days of the date of making the declaration, the dues, interest and damages payable by the employer in respect of the declaration made under this Campaign shall be deemed to have not been made under this Campaign.
- No administrative charges shall be collected from the employer in respect of the contribution made under the declaration.

¹ http://www.epfindia.com/site_docs/PDFs/Circulars/Y2016-2017/Coord_FAQ_EEC_04012017.pdf

IndusLaw View:

The employee provident fund is one of the most important social benefits for employees in India and no eligible employee should be deprived of this benefit. The Campaign aims to encourage Employers to come forward and declare details of their employees who were eligible and entitled for membership with the EPFO between 1st April 2009 and 31st December 2016, but could not be enrolled.

Curiously, we note that the Campaign does not apply to international workers and we see no obvious reason why that should be the case.

With no administrative charges and damages for non contribution fixed at Re. 1/- per annum for employers, the Campaign is likely to encourage compliance and encourage registration, since the employer is given the opportunity of absolving itself from all legal actions that could otherwise have been applicable for the default period.

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