



PMGKY-2020

Relief Measures for Organize Sector Workers

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Relief Measures for Organized Sector Workers **Pradhan Mantri Garib Kalyan Yojna - 2020**

A. Credit of employee's & employer's share of EPF & EPS contributions (24% of wages) for three months by Govt. of India

Background

After announcement of Nationwide Lockdown in the month of March, Govt of India on 26th March 2020 announced Rs. 1.70 Lakh crore relief package to help the poor to fight the battle against Corona Virus Pandemic. As part of said package, central govt proposes to pay whole of employer and employee share of PF (24% of monthly wages) for next 6 months (Initially announced for March, April & May 20 which further extended for another three months i.e. June, July & August 20). Through this article we have tried to summarize main points (eligibility criterion and other prerequisites) of the said scheme.

Eligibility Criterion for Establishment

1. The establishment or factory should already be covered and registered under the Employees' Provident Funds & Misc. Provisions Act, 1952.
2. Total number of employees employed in the establishment should be up to 100.
3. 90% or more of such employees should be drawing monthly wages less than Rs 15,000/-.

Eligibility Criterion for Employees

1. Employee should be a member of EPF Scheme, 1952 & Employees' Pension Scheme, 1995.
2. Employee should be employed in any eligible establishment earning monthly wages of less than Rs. 15,000/-.
3. Universal Account No. (UAN) of employee should be linked with his/her Aadhaar.
4. Contributions must be received for any period during last 6 months (Sept 19 to Feb 20) in the ECR filed by any eligible establishment against his/her UAN.
5. The employee should not be beneficiary of any other scheme (PMRPY/PMPRPY 2016) of the Govt.

Prerequisites for Establishment for availing benefit under the scheme

1. Wages must have been disbursed and ECR (electronic challan cum return) for all the employees of establishment must have been filed for all previous months.
2. The Employer should not claim any deduction of employees share of EPF contribution for the wage months of March, April & May 2020.

3. Only one valid ECR for each of the month (March, April & May 2020) must be filed.
4. Form 5A (Ownership return) filed electronically should contain the details of all branches/ deptt's along with their EPF Code numbers allotted separately to such branches/ deptt's.
5. Challan will separately show such amounts of employees' and employers' contributions as Central Govt. relief due under this Scheme in respect of eligible employees **and** the remaining amount (contributions towards EDLI Scheme, 1976 and EPF administrative charges) in respect of all employees as well as EPF & EPS contributions due in respect of ineligible employees must have been paid by the employer.

Head wise liability have been summarized in the below table:-

Account Head	% of Wages	Who will pay
Employee's PF Contribution	12%	Central Govt
Employer's PF Contribution	3.67%	Central Govt
Employer's EPS Contribution	8.33%	Central Govt
EDLI Contribution	0.50%	Employer
Administrative Charges	0.50% (Minimum Rs. 500/-)	Employer

6. After the employer remits the payment due from him as mentioned in the above table, the EPF & EPS contributions in respect of eligible employees will be credited directly in their respective UAN by the Central Govt. **There is no need to seek reimbursement of relief.**
7. At the time of submission of the ECR, the employer shall be required to certify correctness of information furnished electronically in ECR and in Form 5A with an undertaking for penal action if any information is found to be false or incorrect.

B. Reduction in PF Rate from 12% to 10%

Reduction of statutory contribution rate from 12% to 10% for the wage months May, June & July 2020

The Central Govt, in order to provide the liquidity in the hands of employers and employees decided to reduce the statutory contribution rate of PF from 12% to 10% for the wage months of May, June & July 2020 for all establishment other than Central or State Public Sector Enterprises and other establishment owned by, or under the control of Central or State Govt.

Further, this reduction in PF Rates shall also not be applicable to the establishment eligible for relief under the Pradhan Mantri Garib Kalyan Yojna (PMGKY).

Therefore, to formalize the said changes the EPFO has issued this intimation dated 19.05.2020.

Table summarizing the current as well as Statutory PF Rates for three months (May, June & July 2020) is as follows:-

Account Head	% of Wages (Up to wage month Apr. 20)	% of Wages (May to July 20)
Employee's PF Contribution - A/c No: 1	12%	10%
Employer's PF Contribution - A/c No: 1	3.67%	1.67%
Employer's EPS Contribution - A/c No: 10	8.33%	8.33%
EDLI Contribution - A/c No: 21	0.50%	0.50%
Administrative Charges - A/c No: 2	0.50% (Minimum Rs. 500/-)	0.50% (Minimum Rs. 500/-)

C. Other Relief Measures

1. Employees who contribute to EPF can withdraw up to 75 percent of the account balance or 3 months' basic salary and dearness allowance, whichever is lower.
2. The due date for payment of contribution for wage month of March 2020 has been extended from 15 April 2020 to 15 May 2020 (30 days grace period).
3. Non-refundable advances may be granted to a member of a provident fund, subject to certain conditions.
4. No proceedings should be initiated on establishments covered under the EPF Act for levy of penal damages on account of any delay in the payment of any contributions or administrative charges due for any period during the lockdown. (Refer EPFO Circular)
5. The Pension Fund Regulatory and Development Authority (PFRDA) allowed partial withdrawals from the NPS to use against treatment of the COVID-19 illness of a member, his/her spouse, children (including adopted child), or dependent parents.

The following documents must be provided to claim a partial withdrawal:

- Medical certificate; and
- Formal request for partial withdrawal

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