

## **The Employees' Provident Funds and Miscellaneous Provisions Act, 1952**

This act applies to every factory and other establishment having 20 or more employees.

For new employees, the registration under the EPF scheme is determined by the eligible wages ceiling limit, which is presently set at Rs. 15,000 per month. Employees earning more than Rs. 15,000 a month at the time of joining a job are considered non-eligible. However, it is the employers' responsibility that those earning less than Rs. 15,000 a month shall become EPF members and pay the contribution. Employees earning above the prescribed limit can join with the permission of the Assistant PF Commissioner, provided both the employee and the employer agree.

It's important to note that employees who are already members of the EPF scheme are not bound by this ceiling limit. In such cases, if the employee's wages are above Rs. 15,000 per month, it is the employer's responsibility to pay both the employer's and employee's contributions every month.

**6. Contributions and matters which may be provided for in Schemes.** The employer shall contribute 12% of the employee's basic wages and dearness allowance to the provident fund, and employees shall also be required to contribute an equal amount. While employees have the option to contribute more than 12%, the employer is not obligated to pay more than their required 12% contribution. However, it shall be the responsibility of the employer to pay both the contribution payable by himself and the employees, per month.

**6C.** Employers shall contribute 0.5% of employees' basic wages and dearness allowance to the Deposit-linked Insurance Fund.

**7Q. Interest payable by the employer.** If there is any overdue then the employer is required to pay simple interest at 12% per annum, or a higher rate, until the date of actual payment.

**12. Employer not to reduce wages, etc.** Employers falling under the scheme must not reduce the wages or overall benefits (such as old age pension, gratuity) for employees due to their liability of contributions or expenses under the scheme.