

# PF contribution

Disclaimer: This document is intended solely for educational purposes. The content herein is subject to change based on evolving finance trends and any relevant rulings by the Government of India. Readers are advised to consult with qualified professionals for specific guidance related to their individual circumstances.

Q1. Whether an employer can deduct employer's share of contribution from the wages of employees?

No. It is not permissible. Any such deduction is a criminal offence.

Q2. Can the wages be reduced by the employer on account of payment to the EPF?

Ans : No. It is specifically barred under section-12 of the EPF & MP Act,1952

Q3. Whether the member is entitled for full interest on the belated deposit of PF dues by the employer?

After realising the dues, the PF members will be given full interest for each due month and it will in no way affect the interest due to members on the contributions paid. The employer shall be charged penal interest under section 7Q and penal damages under section 14B of the Act respectively

Q4. An employee is paid subsistence allowance during the period of his suspension. Whether PF contribution is payable on this?

No.

Q5. Can an employee contribute to the EPF after leaving the service?

No. In the absence of wages & Employer no recovery can be affected. Any contribution by the member must be matched with employer's share of contribution

Q6. The contribution has been recovered from the wages of the employee but the employer had not paid to the EPF. What is the remedy?

The Employees' PF Organization will invoke penal provisions of the Act to recover the dues from the employer. Complaint can be lodged with Police under section-406/409 of IPC by the EPFO for action against such employers

Q7. What will be the effect of non-payment of PF dues by an employer?  
Or how a member is affected for non-payment of EPF dues by the employer?

The Provident Fund amount due to the member will be paid only to the extent of the amount realised from the employer.

Q8. Whether an employer can recover any outstanding dues from the PF amount payable to a member?

No. It is totally prohibited.

### Q9. What are the measures by which the PF amount is recovered from a defaulting employer?

Attachment of Bank Accounts, Realisation of dues from Debtors, Attachment & Sale of properties, Arrest and Detention of the Employer, Action under Section 406/409 of Indian Penal Code and Section 110 of Criminal Procedure Code, Prosecution under section 14 of the EPF & MP Act, 1952

### Q10. How a member is informed about the non-payment of contributions recovered from the wages of the employee but not paid to the EPF?

The Annual P.F. Statement of Account/Member Passbook will indicate the amount paid by the employer. The default period in a year is thus made known to the members. In the current scenario if the member has activated her/his UAN the non-payment/payment of contributions can be verified every month through the e-passbook. Currently, members also receive sms on their registered mobile phones on credit of monthly contribution into their PF account.

### Q11. Whether the P.F. amount credited to the member can be attached against any liability?

No. The Provident Fund enjoys protection against attachment by any Court also as per the provisions of section 10 of the EPF & MP Act, 1952

### Q12. When an employer becomes insolvent or when a company is wound up, whether the contributions will be paid in priority over other

debts?

Yes.

**Q13. When wages are not collected by the member whether the PF can be deducted or not?**

The employer, before paying the member his wages, is required to deduct the PF contribution from his wages and pay to the Regional PF Commissioner. As such PF can be deducted

**Q14. Can a member pay contribution in excess of the statutory rate of 12%?**

Yes. The member can pay voluntary contribution in excess of his normal contribution of 12% of Rs.15000/-. The total contribution i.e., voluntary + mandatory can be up to Rs.15000/- per month. (The employer may restrict his own share to the statutory rate). The member can also contribute on higher wages i.e., >15000/- after getting permission from APFC/RPFC as per the provisions of para-26(6) of the Scheme

**Q15. Can a member demand for showing the recovery of contributions from the employer?**

Yes. The contribution card of each member in Form 3-A/ECR copy can be demanded from the employer

**Q16. How the contract employees are protected and given their P.F. when the contractor is not paying the dues to the principal employer?**

It is the duty of the principal employer to ensure that the Contractor discharges his liability. The Principal Employer must allow payment of bills after ensuring that the Contractor has enrolled and complied in respect of all eligible contract employees every month. The Principle Employer can check the remittance and employee name by using the Establishment Search option available in our website [www.epfindia.gov.in](http://www.epfindia.gov.in). The path is OUR SERVICES >> For Employers >> Important Links >> Establishment Search (Also view Remittances and member name). If the Principal Employer ensures that all contract employees activate their Universal Account Number (UAN), then any default by the contractor can be nipped in the bud.

### Q17. Can a member refuse to part with the payment of contribution to the Pension Fund?

The Pension contribution is only a diversion from the employer's share of the Provident Fund. Hence no consent is required from the member and refusal does not arise.

### Q18. Whether an employer can stop paying Employees' Provident Fund contribution in respect of a member who had attained the age of 55 or 60?

No. The Employees' Provident Fund Contribution should be paid till the date of his leaving the service, irrespective of the age of the member. Employees who ceases to be EPS(pension) member will get Employers 8.33% contribution in PF.

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Revision #3

Created 30 July 2024 06:25:23 by Pooja

Updated 4 September 2024 04:07:08 by Pooja