



कर्मचारी भविष्य निधि संगठन
(श्रम मंत्रालय भारत सरकार)
Employees' Provident Fund Organisation
(Ministry of Labour, Govt. Of India)
मुख्य कार्यालय / Head Office
भविष्य निधि भवन, 14-सीकाजी कामा प्लेस, नई दिल्ली-110066
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(CENTRAL ANALYSIS & INTELLIGENCE UNIT)

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Dated: 31.01.2017

To

28HHS

02 FEB 2017

All ACCs in charge of Zones
All RPFC-I/RPFC-II
In-charge of Regional/Sub-Regional Offices.

Sub:- Compliance under the EPF & MP Act, 1952 in respect of the Employees engaged by or through contractors.

Sir,

Please find enclosed herewith a copy of letter on the subject cited above with regard to obligation of Principal employer to ensure compliance of their outsourced/ Regular/contract/casual/ Daily wager etc.

This letter has been sent to all the employer via e-mail after approval of Competent Authority.

It is advised to take up this issue with employer in your area to ensure maximum enrolment during current coverage and enrolment drive.

Yours faithfully,

Encl: as above.

S.C. Goyal

(S.C. Goyal)
Addl. Central P.F. Commissioner - II (CAIU)

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To,

All the Employers,

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Subject: Compliance under the EPF & MP Act, 1952 in respect of the Employees engaged by or through contractors.

Sir,

It has been observed that large number of employees are being hired on Contract basis by various Principal employers including Government departments, PSUs, autonomous organizations, financial organizations etc. for their business activities. Further, in many cases, such contract employees are not being provided Social Security benefits under the EPF & MP Act, 1952 which they are entitled to.

2. The EPF & MP Act, 1952 and the schemes framed thereunder are meant to provide Social Security in the form of Provident Fund, Pension and Insurance to all the employees who are employed for wages, in or in connection with the work of an establishment. The Employees Provident Fund Organization is entrusted to administer the Act, and in case of default, the Principal employer is liable to penal action.

3. Para 30(3) of the EPF Schemes state that "It shall be the responsibility of the principal employer to pay both the contribution 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 administrative charges".

4. The term "employee" has been defined to mean any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of an establishment and who gets his wages directly or indirectly from the employer, and includes any person employed by or through a contractor in or in connection with the work of the establishment. The Act does not differentiate between casual, contractual and regular employees.

5. In the circumstances Principal employers' are advised to ensure the following by way of discharge of their statutory responsibility of providing social security to contract employees:

1. The Principal employer should ensure that the contractor is registered with EPFO before awarding any Contract. After award of the contract, the contractor details should be entered in the EPFO portal.
2. Payments due to the contractor should be made only after verifying that the statutory PF payments have been made to EPFO. This can be verified either directly from the EPFO portal or insisting on a payment receipt obtained by the contractor from the EPFO portal while making payment.
6. It is further informed that even if the contractors are having separate PF code number, the overall responsibility of ensuring the compliance under the EPF & MP Act, 1952 for the employees working through the contractors by deposit of the dues with the EPFO regularly, rests with the Principal employer. Principal employer can also deduct EPF dues from the contractors' bill and deposit the same either against the contractors' code number or their own code number. It is to further inform that there is a provision on the official website of EPFO under the "establishment search option" to verify whether the contractors are regularly depositing Provident fund contribution in respect of their employees.
7. All principal employer are advised to ensure compliance with these instructions.

Yours faithfully,

(एस.सी. गोयल/S. C. GOYAL
अ.के.प. नि.आ.-II
Addl: C.P.F.C.-II