

**Contribution Rate [Section 6]**

- The employer and employee pay contribution monthly at equal rate.
- The employer is authorized to recover the employee contribution from the employee salary and the contractor's employee share from the contractor concerned.
- The employer is required to deposit both employer and employee share of contribution including that of contractor's employee share, if any.
- Out of employer's share of contribution, 8.33% is to be diverted to Pension Fund A/c while the balance aggregate of employer's share and employee's share of contribution will be credited to Provident Fund A/c.

Employer's contribution to the Fund



10% (12% in the case of specially notified establishment) of basic wages, DA and retaining allowance (if any) payable to each employee (whether employed directly or by or through a contractor)

Employee's contribution to the Fund



Shall be equal to the contribution payable by the employer

*Employees, if they desire, may make contribution higher than the prescribed rate but the employer shall not be under any obligation to contribute over and above the prescribed contribution.*

*With effect from Sept 23rd 1997, Government has raised the rate of PF contribution from 8.33 % to 10% in general and from 10% to 12 % in the cases of establishments specially notified by the government.*

**Explanations**

- For the purposes of this section, DA shall include also the cash value of any food concession allowed to the employees.
- For the purposes of this section, "retaining allowance," means an allowance payable to an employee for "retaining his services during any period in which the establishment is not working."

**Query 23: How much time is taken for disposal of the application in the Provident Fund office?**

Ans: The claims received complete in all respects are disposed off within a maximum period of 30 days from the date of receipt of claims in the office. In case the member is not hearing anything about his application within 30 days, he can approach the Public Relation Officer.

**Query 24: What is the voluntary rate of Provident Fund contribution by the member?**

Ans: As per the EPF Act, the member has to contribute at the rate of 10% or 12% of his basic pay, D.A. & retaining allowance if any. In case the member wants to contribute more than this, voluntarily he can do so at any rate he desires. *i.e.* up-to 100% of basic and D.A. But the employer is not bound to contribute at the enhanced rate.

**Query 25: Who will be covered by the Pension Scheme?**

Ans: Every member of the ceased Family Pension Scheme 1971 and anyone who joins any covered establishment on or after 16-11-95 is compulsorily to join new Pension Scheme, provided his/her salary/wage does not exceed Rs. 7500 per month at the date of appointment.

**Query 26: An employee was a Family Pension Scheme member. He has left on 13-12-93 and is 54 years old. He has taken his withdrawal benefit. Can he join the new scheme?**

Ans: Yes, he can join the new scheme by refunding withdrawal benefit together with interest. Thereafter, he will be entitled to receive pension from age 58, if he completes at-least 10 years of contributory service by then.

**Query 27: An employee is a Family Pension Scheme Member and he has retired after 58 years of age on 15-1-1994. Can he join the new scheme?**

Ans: Yes, anyone who has retired by reaching age 58 between 1-4-1993 and 15-11-95 may join the scheme by returning the withdrawal benefit along with interest. He will be paid pension with immediate effect, from date of exit provided he has rendered 10 years of contributory service

**Query 28: When employee is not a Family Pension Scheme member and he is 56 years of age, can he join Family Pension?**

Ans: Yes, by diverting from his Provident Fund balance, Family Pension Scheme contribution from date of his joining or 1-3-1971, whichever is later?