

HOW TO AVAIL BENEFIT UNDER PMGKY

Eligible employers : Please read this document before filing ECR

The Scheme under Pradhan Mantri Garib Kalyan Yojana (PMGKY) for the upfront benefit to the Employers having employment up to 100 and whose 90% of the employees were getting wages less than 15000 has been issued on 10th April 2020.

Based on the Scheme changes have been made in the Unified Portal so that the eligible employers may avail the benefit of the Scheme.

There is no change in the process of ECR filing or in the format. The eligible employers will only have to submit a declaration before filing the ECR.

The eligible establishments have been identified based on the ECRs filed by them taking into consideration:

- The contributory member count from September 2019 to February 2020.
- If the total number of such UANs has been found to be up to 100 and against these UANs the wages of 90% or more is less than 15000/.

Against each of the eligible establishments, eligible members having less than 15000 wages have also been listed.

When any employer logs into the Unified Portal, if the establishment code is not in the list of eligible establishments, he will not find any change while filing his ECR.

For eligible establishments:

In case an establishment has been identified as eligible, the ECR screen will ask the employer to submit a **declaration**. Before submitting the declaration ECR filing will not be permitted.

The employer will have to declare the total number of employees for the month and the total number of employees getting wages less than 15000.

If the % of employees drawing wages less than 15000 is less than 90%, benefit will not be given.

Since the employer may have several branches and excluded employees, he may also disagree with the declaration. In such case also the benefit will not be given.

Benefit will be given by the system only when:

- The employer declared up to 100 employees as total number of employees.
- The employer has declared such numbers of employees getting less than 15000 wages that the % is 90 or more, and
- He agrees with the declaration.

Please note: Declaration once submitted for a month cannot be edited.

Declaration has to be submitted for the three months that is March, April and May 2020 separately.

After a declaration is submitted there is no change in the ECR filing process. For the establishments that have agreed with the declaration, the system does the following:

Establishment wise validation

- The normal format validation will be run.
- The system will check the count of employees in the ECR file and if more than 100, will not allow benefit.
- The system will calculate the % of employees having less than 15000 wages in the uploaded file and if the % is less than 90, no benefit will be given.

UAN wise validation:

- Wages are below 15000.
- System will calculate the maximum dues and if amount paid is more, it will not allow benefit. (Say for example for wages 10000 if amount of 12% shown is 1210 instead of 1200, no benefit)
- In case the UAN is not validated against Aadhar, system will not give the benefit.

Benefits:

- In rest of the cases the benefit will be given as follows:
- Members eligible for PMRPY, the benefit will be given from PMRPY for the employer share. Employee share will come from PMGKY.
- Member eligible for only PMGKY, both share benefit will be given from PMGKY.
- If member is not member of Employees Pension Scheme, the benefit will be given in both shares in EPF.
- For exempted establishment the upfront benefit will be against the EPS Share.

The total amount of subsidy will be reduced in challan and only the reduced amount will have to be paid by the employer. He will have to pay the EDLI contribution and Administrative charges and the contributions for non-eligible members.

Please also note: Benefit will be given, if eligible, only against the First ECR. Once an ECR is uploaded, second ECR will not be considered for benefit.

The employers have been asked through the Scheme to file only one ECR for the month.

FREQUENTLY ASKED QUESTIONS ON CENTRAL GOVT. RELIEF FOR EMPLOYEES' AND EMPLOYERS' CONTRIBUTION FOR THREE MONTHS TO LOW WAGE EARNING EPF MEMBERS EMPLOYED IN ESTABLISHMENTS WITH EMPLOYMENT STRENGTH UPTO ONE HUNDRED

Q1: What is the objective of this Scheme?

Ans: The Central Govt. announced Pradhan Mantri Garib Kayan Yojana Package to help the poor fight the COVID-19 pandemic. As part of this package, with the objective to prevent disruption in the employment of low wage earning employees and support businesses employing less than one hundred employees, the Central Govt. has decided to pay 24 percent of the monthly wages into their EPF accounts for three months.

To implement the package, the Ministry of Labour, Govt. of India has approved Scheme guidelines.

Q2: What are the effective months during which this Scheme is being implemented?

Ans: This Scheme will be valid for wage months- March, 2020, April, 2020 and May 2020.

Q3: Which are the establishments eligible for getting the benefit of contributions from Central Govt.?

Ans: For any establishment to be eligible for benefits,

- (i) The establishment or factory should already be covered and registered under the Employees' Provident Funds & Misc. Provisions Act, 1952.
- (ii) The total number of employees employed in the establishment should be up to 100 (one hundred), with 90% or more of such employees should be drawing monthly wages less than Rs.15000/-.

Q4: Are all employees of eligible establishment eligible for the Central Govt. relief under this Scheme?

Ans: For an employee to be eligible for benefits,

- (i) Employee should be employed in any eligible establishment earning monthly wages of less than Rs.15000/- and his UAN should be seeded with his/her Aadhaar.
- (ii) Employee should be a member of EPF Scheme, 1952 & Employees' Pension Scheme, 1995 whose contributions are received for any period during last six months (wage months: September 2019 to February 2020) in the ECR filed by any eligible establishment against his/her UAN.

Such contributions in ECR should have been received on monthly wage of less than Rs.15000/-.

Q 5: Whether an employee, earning less than Rs.15000/- employed in an eligible estt who is no longer a member of EPS, 1995 due his attaining age of 58 years but is a member of EPF Scheme, 1952 eligible for relief under this Scheme?

Ans: EPF members who are not EPS members due to completion of 58 years shall be eligible provided other conditions are fulfilled and the contribution from Central Govt. will be credited to his EPF account.

Q6: Can you illustrate the verification of eligibility of an EPF covered establishment for benefit under this Scheme?

Ans: If an establishment already covered under the EPF & MP Act, 1952 has remitted contributions in respect of fifty employees for the month of February, 2020, through ECR and on verification of ECR, it is found that for 46 employees (92% of 50 employees), the contributions are paid on wages less than Rs.15000/-, the establishment is eligible.

All the 46 employees earning wages less than Rs.15000/- are eligible for benefit.

If the above situation of total employees up to 100 and 90% or more of employees earning monthly wage of less than Rs.15000/- prevails in wage month of March, 2020, April, 2020 and May 2020, the establishment is eligible for benefit under this Scheme.

Q7. What is the quantum of Central Govt. relief under this Scheme?

Ans: The entire employee's EPF contributions (12% of wages) and employer's EPF & EPS contribution (12% of wages), totalling 24% of the monthly wages for the next three months shall be directly paid by the Central Govt. in the EPF accounts (UAN) of eligible employees in employed in eligible establishments.

Q8: Whether employee is defined for the purpose of this Scheme?

Ans: The definition of employee as contained in sec 2(f) of the EPF & MP Act, 1952 as well as other definitions in EPF & MP Act, 1952 are mutatis mutandis applicable to this Scheme.

Q9: Who will be considered as contributory member for determining eligibility?

Ans: Employee, employed in eligible establishment, should be a contributory member of EPF Scheme, 1952 & Employees' Pension Scheme, 1995, whose contributions are received against his/her UAN for any period during last six months (wage months- September 2019 to February 2020) in the ECR filed by any eligible establishment.

Q10: How an eligible employee is benefitted by this Scheme?

Ans: The monthly employee's EPF contributions @ 12% of monthly wage which is deducted from wage of the employee is now to be paid by the Central Govt. in the EPF account of the eligible employee. So there will be no deduction from wages of eligible employee so he/she will have a higher take home salary.

Since the employer is also supported for employer's share by the Govt., it prevents loss of employment of low wage earners and ensures payment of wages to employees.

Q11: How an employer of eligible establishment is benefitted by this Scheme?

Ans: Employer of eligible establishment is not required to pay his share of EPF & EPS contributions @ 12% of monthly wage of eligible employees of his establishment and so employer saves this money. This is an incentive to employers of small business to retain all his employees and pay them wages.

Q12: Can you illustrate the monetary benefit to an Employee & Employer under this Scheme?

Ans: If an eligible employee draws a monthly wage of Rs.10000/-, Rs.1200/- which was to be paid into EPF by deduction from his monthly wage will now be paid by the Central Govt.

Further, in the above case, the employer is also not required to incur expenditure of Rs.1200/- from his finances as the Central Govt. pays the same.

Q13: So, Central Govt. will bear the entire liability under the EPF & MP Act, 1952 for eligible establishments?

Ans: The Central Govt. shall bear the entire liability towards the EPF & EPS contributions of the eligible employees in eligible establishment. The employer of eligible estts, shall continue to pay the EDLI contributions and EPF administrative charges for all employees as well as the EPF & EPS contributions for ineligible employees.

Q 14: Whether this scheme is applicable to employees in exempted establishment?

Ans: Yes, provided that the establishment meets the eligibility conditions as mentioned in Answer to Q3

Q 15: If the UAN is not seeded with Aadhaar, how the validation/seeding is possible in lockdown period?

Ans: Online e-KYC facility is available to member on EPFO Portal as well on UMANG mobile App to self-validate their UAN with Aadhaar without any intervention by Employer. This is in addition to Online Aadhaar validation in member's UAN by employer.

Since the validation is Online, seeding of Aadhaar in UAN can be completed now also.

Q 16: Whether the EPFO will communicate with the employers of the establishments found eligible from ECRs of month prior to March 2020?

Ans: Yes, EPFO will send communication in employer's login to all such establishments for payment of wages to employees and filing of ECR. However, the eligibility will be validated on filing of ECR by employers for the wage months- March, 2020, April 2020 and May, 2020 and also with reference to information furnished in Form 5A.

Q 17: How the benefits can be applied for and who has to apply, employer or employee?

Ans: The employer in relation to any eligible establishment, is required to disburse salary/wages for the month to all employees of the establishment, without deducting EPF contributions from wages of eligible employees and file Electronic Challan cum Return (ECR) for the month to claim benefit under this Scheme.

Q 18: Is the employer required to file separate ECR for the eligible employees?

Ans: Each eligible establishment has to file **only one valid ECR** for each of three months in respect of its total employees both eligible as well as ineligible employees.

Q 19: Is the employer required to file any other information other than ECR?

Ans: The Form 5A (Ownership return) should contain particulars of all branches and departments of the establishment and also code numbers, if any, taken for administrative convenience for the branches. The employer can update Form 5A online using his approved Digital Signature Certificate (DSC).

Q 20: Whether the contributions amount has to be initially paid by the establishment and thereafter reimbursed by Central Govt.?

Ans: Once ECR is uploaded by an employer of eligible establishment, the 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 payable by the employer.

After the employer remits the payment due from him as reflected in challan as noted above, the EPF & EPS contributions in respect of eligible employees will be credited directly in their respective UAN by the Central Govt.

Q 21: What is the responsibility of employer for availing the benefits?

Ans: The employer must ensure to file correct information, statement or declaration for total number of employees, disbursement of wages, amount of wages in the ECR and full details of establishment in Form 5A. The employer is required to file a certificate/declaration in the format prescribed under 6 (vii) of the Scheme at the time of ECR submission.

If it is discovered that the information furnished or declaration made electronically in ECR or Form 5A or otherwise are false/incorrect, then the employer will be liable to refund the relief and also face the penal consequences for such contravention under the EPF & MP Act, 1952.

**EMPLOYEES' PROVIDENT FUNDS ORGANISATION,
HEAD OFFICE, NEW DELHI**

Pradhan Mantri Garib Kalyan Yojana

A Scheme to implement the PMGKY package for credit of employee's & employer's share of EPF & EPS contributions (24% of wages) for three months by Govt. of India

SCHEME GUIDELINES

1. Introduction:

The Govt. of India on 26.03.2020 announced Rs.1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana (PMGKY) for the poor to help them fight the battle against Corona Virus Pandemic. As part of the said package, the Central Govt. proposes to pay 24 percent of the monthly wages into EPF accounts for next three months of Wage-earners below Rupees fifteen thousand per month, who are employed in establishments having up to one hundred employees, with 90% or more of such employees earning monthly wages less than Rs.15000/-.

To implement the aforesaid package, the Ministry of Labour, Govt. of India, hereby notifies a Scheme with guidelines herein below:

2. Scheme Objectives:

To prevent disruption in the employment of low wage earning employees and support establishments employing up to one hundred employees, the entire employees EPF contributions (12% of wages) and employers' EPF & EPS contribution (12% of wages), totalling 24% of the monthly wages for the next three months shall be directly paid by the Central Govt. in the EPF accounts (UAN) of employees, who are already members of EPF Scheme, 1952, drawing wages less than Rs.15000/- per month and employed in establishments, already covered under the EPF & MP Act, 1952, employing up to one hundred employees, with 90% or more of such employees earning less than Rs.15,000/- monthly wages.

3. Validity of Scheme:

The Scheme will be in operation for the wage months- March, 2020, April, 2020 and May 2020.

4. Definitions for the Scheme:

The definitions mentioned in various sub-sections of section 2 of The Employees' Provident Fund & Misc. Provisions Act, 1952 and Para 2 of the Employees' Provident Funds Scheme, 1952, would be applicable mutatis mutandis to this scheme as well.

The following definitions would also be relevant:

(a) Electronic Challan cum Return (ECR) are the monthly challans/returns submitted online to the EPFO by the employers/establishments.

(b) Universal Account Number (UAN) are the unique account number of the members and for the purpose of this Scheme, the UANs need to be Aadhaar seeded.

(c) Ownership returns in Form 5A prescribed under Para 36-A of EPF Scheme, 1952

5. Eligibility for Scheme benefits:

A. For Establishments: To be eligible for benefits, following conditions should be fulfilled:

(i) The establishment or factory should already be covered and registered under the Employees' Provident Funds & Misc. Provisions Act, 1952.

(ii) The total number of employees employed in the establishment should be up to 100 (one hundred), with 90% or more of such employees should be drawing monthly wages less than Rs.15000/-.

B. For Employees:

(i) Employee should be employed in any eligible establishment earning monthly wages of less than Rs.15000/-. The UAN of the employee should be seeded with his/her Aadhaar.

(ii) Employee should be a member of EPF Scheme, 1952 & Employees' Pension Scheme, 1995 whose contributions are received for any period during last six months (September 2019 to February 2020) in the ECR filed by any eligible establishment against his/her UAN.

Such contributions in ECR should have been received on monthly wage of less than Rs.15000/-

(iii) It is clarified that if any employee is already a registered beneficiary and his/her employer is availing benefits of payment of employer's share by Central Govt. under

PMRPY/PMPRPY 2016, no such benefit in r/o such employee shall be available under this Scheme of PMGKY.

6. Instructions for availing benefits under the Scheme:

(i) The employer in relation to any eligible establishment, shall disburse wages for the month to all employees of the establishment and file Electronic Challan cum Return (ECR) Online to avail the benefit under the Scheme.

(ii) Since the Central Govt. is paying the employee's share of EPF contributions for employees eligible under this Scheme, for the wage months March, 2020, April, 2020, and May, 2020, the employer shall not make any deduction of employee's share of EPF contributions from the monthly wages of any eligible employee drawn for the wage months- March 2020, April 2020 and May 2020.

(iii) The employer of establishment claiming benefits under this Scheme have to file only one valid ECR for each of the months- March, 2020, April, 2020 and May, 2020.

(iv) That Form 5A (Ownership return) filed electronically should contain the details of all branches/departments and EPF Code numbers, if any, allotted separately to such branches/departments.

(v) Once ECR is uploaded by an employer eligible for relief, then the 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 payable by the employer-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.

(vi) After the employer remits the payment due from him as reflected in challan as noted at (v) above, 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.

(vii) 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 that the employer is liable for penal and coercive consequence for submitting any incorrect or false information/declaration to avail the relief. The form of Certificate/declaration of employer is appended below:

CERTIFICATE/ DECLARATION OF EMPLOYER

"I hereby certify that the information relating to the names of employees who are members of the EPF Scheme, 1952 and/or EPS' 1995, UANs seeded with Aadhaar of

employees, EPF/EPS wages already disbursed to employees, number of excluded employees in the ECR for wage month of March/April/May, 2020 are true and correct.

That I have disclosed names & UANs seeded with Aadhaar of every employee employed in all units/branches/departments as well as number of excluded employees of my establishment in the ECR for wage month of March/April/May, 2020, the total number of employees being ____ (EPF members and excluded employees), out of which ____ employees earned EPF/EPS wages less than Rs.15000/- qualifying for Central Govt. relief. I further certify that the Form 5A contains the details of all branches/departments and EPF Code numbers allotted separately to these.

I also certify that monthly wages due to all employees for the month of March/April/May, 2020 has been disbursed and also certify that no deductions towards either employees' EPF contributions or employers' EPF/EPS contributions have been made from wages of eligible employees for the month of March/April/May, 2020.

That I have neither suppressed any material information nor omitted any particulars and submitted correct information to avail the relief of employer's and employees' share of contributions in r/o eligible employees from the Central Govt. for the month of March/April/May, 2020.

I understand that the employer is liable to refund the relief amount and is also liable for any penal and coercive consequence for submitting any incorrect or false information/declaration to avail the Central Govt. relief."

(viii) The employer and establishment, seeking benefits of this Scheme, shall be fully responsible for the information furnished electronically in ECR or Form 5A or otherwise. If it is found that employer or any person has filed a false information or statement or made a false declaration, the employer shall be treated as defaulter and liable for penal consequences for such contravention as per the provisions of the EPF & MP Act, 1952 and EPF Scheme, 1952 and the relief paid by the Central Govt. shall be liable for recovery along with interest and penalty.

7. Modalities for implementation of the Scheme

(i) EPFO shall develop a software for implementing this Scheme and also develop a procedure which is transparent and accountable at their own end.

(ii) EPFO shall credit the funds in the Aadhaar seeded accounts of members of EPF in electronic manner.

8. Monitoring Mechanism

(i) EPFO shall put in place a robust mechanism to monitor the implementation of the Scheme on a daily basis.

(ii) EPFO shall provide weekly reports to the Ministry of Labour & Employment (Directorate General of Employment), Govt. of India for effective monitoring of the Scheme.

9. Third Party evaluation

(i) EPFO shall undertake Third Party Evaluation of the Scheme within a period of three months from the closure of the Scheme and send a report to the Ministry of labour & Employment, Govt. of India.

(ii) The expenditure incurred towards evaluation of the Scheme shall be borne by the EPFO out of its own resources.
