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कर्मचारी भविष्य निधि संगठन

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)

Employees' Provident Fund Organisation
(Ministry of Labour & Employment, Govt. Of India)

मुख्य कार्यालय/Head Office

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Website: epfindia.gov.in, epfindia.nic.in



No.IWU/7(11)2011/Compliance

To

All Additional CPFCs (Zones)
All Regional P.F. Commissioners, ROs and SROs

Subject: Compliance in respect of International Workers – regarding.

Sir,

Special Provisions pertaining to International Workers (IWs) in para 83 of the Employees' Provident Funds Scheme, 1952 as well as para 43-A of Employees' Pension Scheme, 1995 have been given effect from 1st October, 2008. Subsequently, certain amendments have also been carried out vide notification dated 11.09.2010 circulated vide Head Office letter No. Coord/5(15)/2009/IW/07733 dated 25th /26th November, 2010.

2. In order to provide greater clarity for compliance of the statutory provisions relating to IWs, the following instructions/clarifications are being issued for ready reference and compliance:

(I) Coverage:

- With effect from 1st Nov. 2008 each and every International Worker (as defined in para 83 of the EPF Scheme, 1952), other than an 'excluded employee' is required to be a member of the Employees' Provident Fund.

- As on date, Social Security Agreements (SSAs) in respect of five countries have been made effective from the date indicated against them:

Belgium	1 st September, 2009
Germany	1 st October, 2009
Switzerland	29 th January, 2011
Luxembourg	1 st June, 2011
France	1 st July, 2011

Dated:

30 अगस्त
AUG 2011

(II) Contribution:

- The contribution in respect of all IWs is payable on full salary, irrespective of where the salary is paid.
- Prior to issue of notification dated 11.9.2010, diversion of 8.33% from employer's share of contribution to the Pension Fund was restricted to the wage ceiling of Rs.6,500/- only. However, w.e.f. 11.09.2010, the 8.33% diversion to the Pension Fund is calculated on full salary (i.e. not restricted to the ceiling of Rs.6,500/-).

(III) Compliance:

For the purpose of compliance, the first step is the identification of all IWs. The IWs include Indians as well as foreigners. The Indian nationals are to be treated as IWs w.e.f. the date of commencement of "Certificates of Coverage" issued by EPFO, Head Office. The member will continue to be an IW till the final settlement is made in accordance with provisions of the scheme. All foreign nationals employed in an establishment are to be enrolled as International Workers, with the exception of those who fall under the category of "excluded employee" on the basis of a "Certificate of Coverage" issued by a competent agency under a SSA with India. **Thus the category of IWs has to be flagged separately for identification for the purpose of compliance as well as settlement of their claims.** A separate register in respect of IWs may be maintained by each office.

(IV) Certificate of Coverage (COC):

- A "Certificate of Coverage" (COC) is issued in respect of an employee, who is posted for a short term assignment by his/her Indian employer to a country with whom India has a SSA. For this purpose, the employee is required to submit an application in the prescribed format through his employer to the local RPFC, who in turn, after due verification of records, forwards it to the International Workers' Unit (IWU) at Head Office for issue of COC.
- Based on the application, the Head Office issues "COC" to the concerned RPFC for handing over to the employer after flagging the account as IW account for monitoring compliance in respect of contributions as per statutory provisions, as well for disbursement of benefits.

(V) Settlement of claim in respect of IWs:

- As per notification dated 11.9.2010, an IW may withdraw, in accordance with para 83, the full amount standing to his credit in the fund in the following circumstances only:
 - (i) On retirement after attaining the age of 58 years

- (ii) On retirement on permanent disability due to bodily or mental infirmity (includes TB, leprosy and cancer)
- (iii) On the ground as specified in the SSA

In view of the above, it may be ensured that no Provident Fund claim of an IW, other than that covered under specific provisions of SSA, is settled before attaining the age of 58 years, except in case of retirement on account of permanent and total incapacity of work due to bodily or mental infirmity.

- The "withdrawal benefit" under the Employees' Pension Scheme, 1995 is available to only those IWs who are covered under the provisions of SSA with India and not to other foreign IWs.

3. It may be appreciated that the issue relating to IWs is an important one calling for meticulous attention. On scrutiny of MIS returns, it is observed that due care/attention is required in maintaining the record in respect of IWs, so that there is no mismatch between the IWs reported in MIS return and the COC issued by EPFO. In view of this, you are requested to ensure that the above mentioned instructions are followed scrupulously and the reports/returns in respect of IWs are received and scrutinized regularly to detect evasion, if any. In this regard, it has to be ensured that the **special provisions relating to the IWs are also followed by the Exempted Establishments**. Specific instructions may also be issued to the Enforcement Officers, who are now responsible for securing compliance pertaining to their respective areas.

4 Reference may also be made to regular updates regarding IWs, SSAs and Frequently Asked Questions (FAQs) on the official website of EPFO.

5. This issues with the approval of Central Provident Fund Commissioner.

Yours faithfully,

(A Kulshrestha)

Addl. Central P.F. Commissioner (IWU)

Copy to:

1. All Officers in Head Office
2. Director, NATRSS
3. All ZTIs/ZAOs/DDs(Vig.)
4. DD(OL) with the request for Hindi version
5. RC(NDC) for uploading on official website

Udita

(Udita Chowdhary)
Regional PF Commissioner-I (IWU)