

EPF Act Related Problems & Their Solutions

Who will seek EDLI Exemption from EPFO on behalf of establishment, is it the Insurance Company from whom the EDLI Insurance has been sourced or the establishment, what's the process.

The employer of the establishment shall seek 'exemption' from the operations of EDLI Scheme, 1976. The words used in Section 17 (2A) are "the Central Provident Fund Commissioner may, if requested so to do by the employer, by notification in the Official Gazette, and subject to such conditions as may be specified in the notification, exempt, whether prospectively or retrospectively, any establishment from the operation of all or any provisions of the Insurance Scheme."

Further it is to state that insurance is a subject matter of solicitation and the employer is required to seek Insurance Company by payment of premium

Which process / documents are required for seeking EDLI Exemption from EPFO.

Apply to the Regional Provident Fund Commissioner under section 17(2A) of the E.P.F. and M.P. Act 1952 to exempt you from EDLI Scheme. The application should be accompanied by the prescribed requirements including the Rules of the proposed Group Insurance Scheme. Central PF Commissioner has authorized the R.P.F.C. to grant exemption from the 1st of the month in which the application for relaxation is submitted. Put up notice for the knowledge of the employees that you are going in for LIC or Equivalent authorised Insurance Service Provider in lieu of EDLI.

Is it mandatory to submit Monthly return in Form 7 IF, if not whether the same will be treated as Non – Compliance and whether, there is any Penalty.

The grant of either relaxation or exemption is subjected to such conditions imposed by the appropriate PF Authority which may include submission of monthly and annual returns also. Failure to submit returns is punishable with imprisonment which may extend up to one year or fine of Rupees four thousands or both.

Note: LIC also offers necessary guidance to the employers for seeking relaxation.