

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: www.epfindia.com



No. IWU/7(17)2009/

Dated: 25.05.2012

25 MAY 20

To

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

Subject: Compliance in respect of International Workers – regarding.

Sir,

Special Provisions in respect of International Workers included in the Employees' Provident Funds Scheme, 1952 as well as Employees' Pension Scheme, 1995 have been given effect from 1st October, 2008. Subsequently, certain amendments have also been carried out vide notification dated 11th September, 2010 and the same were circulated vide Head Office letter No. Coord/5(15)/2009/IW/07733 dated 25/26th November, 2010. In pursuance of these amendments detailed instructions were issued vide this office letter No.IWU/7(6)2007/41959 dated 8th September, 2009 and No.IWU/7(11)/Compliance dated 30th August, 2011.

2. Representations have been received by this office seeking clarity on the status of International Workers (IWs). The matter has been reviewed holistically in the light of special provisions contained in para 83 of EPF Scheme, 1952 and para 43-A of EPS, 1995 and accordingly the position is clarified as under:

- i. The category of IWs will comprise only those Indian employees who have contributed to the social security programme of a country having SSA with India and having gained or going to gain eligibility for benefits under the said SSA only, and their contribution, membership to the Fund etc, will be regulated by special provisions contained in para 83 of EPF Scheme, 1952 and para 43-A of EPS,1995.
- ii. The detached employee, who avails exemption from contributing in the other country by obtaining a Certificate of Coverage (COC) from India and contributes to the social security system in India, will not fall under the category of IW. However, it would be mandatory for him to contribute as a member in India, which is a pre-requisite for COC.

- iii. All employees holding other than Indian passport, employed in an establishment covered under the Act, and who do not hold COC, will contribute as IWs.
3. The other matters in respect of such IWs will be regulated as under:
- i. With effect from 1st October, 2008 each and every IW, other than an 'excluded employee' is required to be a member of the Employees' Provident Fund.
 - ii. A detached IW contributing to the social security programme of the home country and certified as such by a valid COC issued by the country of origin for a specified period in terms of the bilateral SSA signed between that country and India is an 'excluded employee'.
 - iii. The contribution in respect of all IWs is required to be paid by the employer on full salary (i.e. without any wage ceiling) as per provisions of the scheme.
 - iv. The components of salary to be included for the purpose of computation of contribution are the same as in the case of domestic Indian employees, except that in case of IWs, wage ceiling is not applicable.
 - v. Prior to issue of notification dated 11th September, 2010, diversion of 8.33% portion from Employer's share of contribution to the Pension Fund was restricted to the wage ceiling of Rs.6500 only i.e. upto Rs. 541 p.m. However, consequent upon notification dated 11th September, 2010, the 8.33% portion to be diverted to the Pension Fund is to be calculated on full salary w.e.f. 11th September, 2010 (i.e. not restricted to the ceiling of Rs.6500/- p.m.).
 - vi. For the purpose of securing compliance, identification of all IWs is to be done in the first instance, and IW accounts are to be flagged separately in the Form-9 and Form-24 so as to ensure proper accounting as well as settlement of their claims in accordance with the Special Provisions.
 - vii. The provision of inoperative accounts would not be applicable to IW accounts.
 - viii. An IW covered under SSA who has not rendered the eligible service, is entitled to a totalisation of contributory periods of service as may be provided in the said SSA only for the purpose of determining eligibility for monthly pension.
 - ix. Withdrawal benefit under the EPS 1995 is available only to those IWs who are covered under SSA and have not rendered the

eligible service even after including the totalisation of service as may be provided in the said SSA. Withdrawal benefit under EPS1995 is not available to IWs not covered under SSA.

4. You are accordingly 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 also to be ensured that the **special provisions relating to the IWs are also implemented by the Exempted Establishments**. Specific instructions may also be issued to the Enforcement Officers, who are responsible for securing compliance pertaining to their area.

5. IW-1 Return is mandatory for all covered establishments for reporting details of IWs. In case there are no IWs, nil return must be submitted. It may be ensured that the return is submitted by all employers.

6. The frequently asked questions (FAQs) updated from time to time on the website www.epfindia.com may also be referred to and in case of any doubt/clarification, International Workers Unit, Head Office may be contacted.

Yours faithfully,



(K. C. Pandey)
Addl. Central P.F. Commissioner (IWU)

Copy to:

All Officers in Head Office
Director, NATRSS
All ZTIs/ZAOs/DDs(Vig.)