

## ***Companies with 10 employees to come under EPFO; 50 lakh to gain.***

NEW DELHI: The government is considering a reduction in the ceiling on the number of employees in an establishment eligible to be covered under the Employees' Provident Fund Organisation (EPFO) from 20 to 10, a move that is expected to bring another 50 lakh employees under the EPF net.

In a letter to the labour ministry last week, the EPFO has also recommended that employee, employer and basic wages be redefined under the Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952.

Social security benefits should be available to everybody in the organised sector at least. Since the organised sector in the country means an establishment of 10 or more employees, we feel there is a need to redefine establishment under the EPF Act," a senior EPFO official told ET.

An establishment, under the Act, is currently defined as a factory engaged in any industry in which 20 or more persons are employed.

According to the official, if the proposal to reduce the ceiling from 20 to 10 goes through, there will be another 50 lakh employees who will become eligible for social security benefits from their employers.

"The recommendations submitted to the ministry are part of the comprehensive amendment to the Act being proposed," the official added.

The EPFO is a statutory body under the ministry of labour and employment. It oversees the retirement savings of over eight crore members, 24% of whose salaries up to the ceiling are mandatorily deducted and parked with it.

The latest amendments proposed to the EPF & MP Act, 1952 are part of the series of amendments that the labour ministry has proposed over the past month as the new government at the Centre has sought to address labour issues in the country.

*[Courtesy: The Economic Times dated 26.06.2014]*