

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

LOK SABHA

**UNSTARRED QUESTION NO. 198
TO BE ANSWERED ON 04.02.2019**

STATUS OF EXEMPTED EMPLOYEES PROVIDENT FUND

198. DR. KIRIT SOMAIYA:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) the status of exempted employees provident fund;**
- (b) whether it is true that lacunae has been found in the present regulatory system; and**
- (c) if so, the details thereof along with the corrective steps taken/mechanism adopted by the Government in this regard?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a): Establishments covered under Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952 can seek exemption from operation of Employees' Provident Funds (EPF) Scheme, 1952 under Section 17 of the Act. Subsequent to the grant of exemption the status of the establishment becomes exempted for the purpose of managing the Provident Fund contributions of the members/employees. Grant of exemption does not mean that the establishment has been left out of the purview of the Act. In fact all the regulatory framework stipulated in the Act like inspection, discovery of non-compliance related issues, assessment of dues and its recovery remains with Employees' Provident Fund Organisation (EPFO), same as in case of un-exempted establishments.

(b): A regulatory system for monitoring exempted establishments is in place in EPFO. The regulatory framework of EPFO to monitor exempted establishments is being reviewed from time to time and necessary improvements are done to make the system more robust.

(c): The EPFO has put in place a system of online filing of monthly/annual returns by exempted establishments. This has been implemented from May 2017. Further an annual inspection of exempted Trusts/establishments is conducted every year which is termed as compliance audit.
