

PROVIDENT FUND &
WITHDRAWAL
BENEFITS

news flash

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PAYMENT OF PF & WITHDRAWAL BENEFIT ON LEAVING SERVICE TO INTERNATIONAL WORKERS

Background

The Employees' Provident Fund Organisation ("EPFO") has issued a circular on 23 March 2017 bearing file No. IWU/7/(25)/(2017)/Payment of PF and Withdrawal Benefits ("Circular"), on payment of provident fund ("PF") and withdrawal benefit under Pension Scheme on the date of leaving service to International Workers¹.

The Circular refers to a circular no CSD-I/CPGRAMS/Pragati E-Samiksha/2016/1289 dated 1 November 2016 ("**circular dated 1st November 2016**") which was issued in continuation of a previous circular dated 31 October 2016 regarding settlement of claims in respect of death cases on priority within 7 days and laid down certain instructions in respect of payment of PF and pension payments to members of the EPF Scheme 1952² and EPS 1995³ upon retirement.

The Circular

In order to facilitate payment of PF and withdrawal benefit under EPS, 1995 to International Workers on the date of leaving service in India, the following instructions have been issued in the Circular to all the PF commissioners:

- The employer should be requested to make payment of contribution of the retiring International Workers within the first 3 days of the month in which the said member is retiring, through a separate ECR⁴.
- The employer should submit the claim forms in respect of such International Workers complete in all respect to the concerned PF office by the 6th of the month in which such member is leaving service.

¹ According to para 2(ja) of the EPF Scheme 1952, 'International Workers' means:

a. an Indian employee having worked or going to work in a foreign country with which India has entered into a social security agreement and being eligible to avail the benefits under a social security programme of that country, by virtue of the eligibility gained or going to gain, under the said agreement;

b. an employee other than an Indian employee, holding other than an Indian passport, working for an establishment in India to which the Act applies.

² Employees' Provident Funds Scheme 1952 ("**EPF Scheme 1952**")

³ Employees' Pension Scheme, 1995 ("**EPS 1995**")

⁴ Electronic Challan cum Return

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- The RPFC/OIC⁵ of the concerned PF office shall ensure settlement of such retirement claims and credit the settlement amount to the member's account on the date of leaving service in India to the bank account maintained in India.
- In case the International Worker desires interest on the settlement amount for the month of retirement also, the PF Claim settlement amount should be credited to the member's account on the first day of the next month.
- Necessary provision is being made in the software for processing of claim before exit from service.

Officers in charge of all field offices are required to ensure that the instructions are implemented fully so that the International Worker gets his PF amount which is maintained in India before leaving India.

Disclaimer

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⁵ Regional Provident Fund Commissioner/Officer In-charge