



## WITHDRAWAL OF PF FOR UNEMPLOYED

### INTRODUCTION

Ministry of Labour and Employment vide notification G.S.R. 1182(E) dated 6 December 2018 (“**notification**”) has amended the Employees’ Provident Funds Scheme, 1952 (“**EPF Scheme**”) which allows an advance of 75% of the PF amount to be paid to an employee who has been unemployed for a month.

### AMENDMENT

After paragraph 68H of the EPF Scheme, the notification inserts a new paragraph 68 HH which states as follows:

**“68HH. Non-refundable advance to a member in case of continuous un-employment for a period of not less than one month.-** The Commissioner or, where so authorised by the Commissioner, any other officer subordinate to him, may permit a member, on ceasing to be an employee in any factory or establishment to which the Act applies, a non-refundable advance up to seventy-five percent of the amount standing to his credit in the Fund, if he has not been employed in any factory or other establishment for a continuous period of not less than one month immediately preceding the date on which he makes an application for such non-refundable advance.”

### KEY POINTS OF PARAGRAPH 68HH

An employee is allowed to withdraw the employees provident fund (EPF) amount lying in his EPF account on the following conditions and in the following manner:

1. The employee must make an application to the PF Commissioner for withdrawal of the EPF amount.
2. The employee member must not be employed in any factory or establishment for a continuous period of at least one month immediately preceding the date of such application.
3. On making such application, the commissioner may permit the employee member to withdraw maximum up to 75% of the amount standing to his/her credit in the EPF.
4. The withdrawal of EPF will be in the nature of a non-refundable advance.

## **CONCLUSION**

It is a welcome provision for employees since they will now be able to apply for an advance amount in case of unemployment for one month. There is no clarity as to whether the form of application for such withdrawal is the same as the final withdrawal application under paragraph 69 of the EPF Scheme.

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