

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:3285

ANSWERED ON:22.12.2008

MANDATORY SUBSCRIPTION TO EPF

Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Yadav Shri Anirudh Prasad (Sadhu);Yaskhi Shri Madhu Goud

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

(a) whether the Government has made it mandatory for the Indians working outside the country and the foreigners working here to contribute 12 percent of their salary to the Employees' Provident Fund Organisation (EPFO), irrespective of the contributions they may be making to such schemes in other countries;

(b) if so, the details thereof and the reasons therefor;

(c) whether the new rule, which applies to all countries, would immediately and adversely affect employees of those countries that have so far not signed the Social Security Agreements with India; and

(d) if so, the corrective steps taken by the Union Government in this regard?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a) & (b): Yes, Sir. Provision has been made for a specified period in respect of 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.

Similarly, an employee other than an Indian employee, holding other than an Indian passport, working for an establishment in India to which the Act applies are to be made members of the EPF and pay applicable contribution.

(c) & (d): The new provision brings in equality of treatment. Exclusion is based on reciprocity.