

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

UNSTARRED QUESTION NO:1754
ANSWERED ON:16.12.2013
NON PAYMENT OF EPF TO WORKERS
Anandan Shri K.Murugesan

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

- (a) whether private placement agencies supplying contract workers to Government departments have come under the scanner of Employees' Provident Fund Organisation (EPFO) for allegedly stripping workers of salaries and evading Provident Fund payments;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Central Government along with its PSUs employs large number of contract workers and the principal employer is responsible to pay PF;
- (d) if so, is it a fact that various Government departments both at the Centre and States are not paying PF to such workers; and
- (e) if so, the details thereof along with the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

- (a): Some instances of private placement agencies defaulting in remittance of Provident Fund dues have come to the notice of Employees' Provident Fund Organisation (EPFO).
- (b): As per statistics available with EPFO, as on 30.11.2013, 763 private placement agencies are reported to have violated the provisions of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 out of a total number of more than 16000 such establishments.
- (c): The Central Government along with its PSUs employ significant number of workers through outsourcing mode. They are responsible, as principal employer, to pay Provident Fund in respect of these contract workers in accordance with Paragraph 30 of the Employees' Provident Funds Scheme, 1952.
- (d): No specific instance of non-payment of Provident Fund to such workers by Government Departments both at the centre and states, has come to the notice of EPFO.
- (e): Provisions have been made in the official Website of Employees' Provident Fund Organisation whereby the principal employers, including various Government Departments, both at the Centre and States, can check the payment of Provident Fund made by the private placement agencies deployed by them.

The following actions are taken against the erring private placement agencies which fail to pay the Provident Fund benefits to their workers:

1. Action under Section 7A of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 is taken against the defaulting establishments for assessment of dues.
2. Action under Section 14B of the Act is taken for levying of damages for belatedly deposit of dues.
3. Action under Section 7Q of the Act is taken for levy of interest for belated remittances.
4. Recovery actions as provided under Section 8B to 8G of the Act are taken.
5. Action under Section 14 of the Act is taken for filing prosecution against the defaulters before the Competent Court of Law.
6. Action under Section 406/409 of IPC is taken against the employer for non-payment of employees' share of contribution deducted from the wages / salary of the employees but not deposited in the fund.