

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

UNSTARRED QUESTION NO:4214
ANSWERED ON:20.04.2015
INCREASING COVERAGE UNDER EPF
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Employees Provident Fund Organisation (EPFO) is considering to increase the coverage of Employees Provident Fund to companies that employs less than 20 employees;

(b) if so, the details thereof;

(c) whether the firms/companies of the same ownership/board of directors doing the same nomenclature of business, to escape from the said coverage are restricting the number of employees to the allowable limit and put the remaining employees to new firm/company created; and

(d) if so, the steps taken by the EPFO to prevent such practices being adopted by firms/companies across the country?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT (SHRI BANDARU DATTATREYA)

(a) & (b) A proposal to reduce the threshold limit for coverage under the Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952 from 20 to 10 employees is under consideration under the proposed comprehensive amendment to the Act.

(c) & (d) Section 2A of the EPF & MP Act, 1952 stipulates that different branches or departments of an establishment whether situated in the same place or in different places shall be treated as parts of the same establishment. However, there may be instances of a practice of bifurcation into department/branches of an establishment just to avoid the liability under the EPF & MP Act, 1952. Whenever such incidence comes to the notice/knowledge of Employees' Provident Fund Organization (EPFO), actions under section 7A to decide the applicability of the Act on such establishments are initiated.