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PROVIDENT FUND POLICY

1. Purpose of the Provident Fund Policy

The **Provident Fund (PF) Policy** aims to provide financial security and retirement benefits to all eligible employees of the college. The policy outlines the rules, contributions, and management of the Provident Fund, ensuring that employees have a structured savings mechanism for their post-retirement needs. It is aligned with the regulations set by the **Employees' Provident Fund Organisation (EPFO)** under the **Employees' Provident Fund and Miscellaneous Provisions Act, 1952**.

The primary objectives of this policy are:

- To ensure **long-term financial security** for employees through compulsory savings.
- To provide retirement benefits such as **lump-sum payments** or **pension options**.
- To create a system that supports employees in the event of **retirement, resignation, or termination**.

2. Eligibility for Provident Fund

All permanent and full-time employees of the college are eligible for Provident Fund benefits. Specific eligibility criteria include:

- **Full-time faculty** and **administrative staff** are covered under this policy.
- Employees earning up to INR 15,000 per month are mandatorily covered under the **EPF scheme**.
- Employees earning above this threshold may voluntarily contribute to the Provident Fund, subject to college approval.
- **Contractual and part-time employees** may be excluded unless specified in their contract.

New employees are automatically enrolled in the Provident Fund system from their date of joining, provided they meet the eligibility criteria.

3. Contribution Structure

a) Employee Contribution

- As per the EPF Act, employees are required to contribute **12% of their basic salary** (including dearness allowance) towards the Provident Fund.
- Employees have the option to contribute more than the mandatory 12%, subject to the institution's approval, under the **Voluntary Provident Fund (VPF)** scheme. However, the college's contribution will be limited to the statutory rate.

b) Employer Contribution

- The college will contribute **12% of the employee's basic salary** towards the Provident Fund.
- Out of the employer's contribution, **8.33%** will be diverted to the **Employee Pension Scheme (EPS)**, and the remaining **3.67%** will go to the EPF account.
- If the employee's salary exceeds INR 15,000 per month, the employer's contribution to EPS will be capped at INR 1,250 per month.

c) Total Contribution

- The total contribution to the Provident Fund will be **24%** of the basic salary, with **12% from the employee** and **12% from the employer**.

4. Provident Fund Management

a) Account Management

- An individual **EPF account** will be maintained for each employee. This account will be managed by the **Employees' Provident Fund Organisation (EPFO)**.
- The Provident Fund account number and **Universal Account Number (UAN)** will be provided to each employee upon registration with the EPFO.

b) Interest on Provident Fund

- The **interest rate** on the Provident Fund contributions is determined annually by the EPFO. The interest earned is credited to the employee's PF account at the end of each financial year.
- Interest accrual continues until the withdrawal or transfer of the Provident Fund balance.

5. Benefits Under the Provident Fund Scheme

Employees enrolled in the Provident Fund scheme are entitled to the following benefits:

a) Retirement Benefit

- Upon reaching the age of **58 years**, the employee can withdraw the entire balance from their Provident Fund account, including the interest earned.

b) Early Withdrawal

- Employees may withdraw from their Provident Fund account before retirement in certain situations, such as:
 - **Medical emergencies** for self or family.
 - **Higher education** or **marriage** of children.
 - **House construction** or **purchase**.
 - After remaining unemployed for over **two months** post-resignation or termination.

Withdrawal requests must be supported by valid documentation and submitted to the EPFO.

c) Pension Benefits

- Employees who have contributed to the **Employee Pension Scheme (EPS)** for a minimum of **10 years** are eligible for a monthly **pension** after the age of 58.
- Employees who leave before completing 10 years of service may withdraw the EPS amount as a lump sum.

d) Insurance Benefit

- Under the **Employees' Deposit Linked Insurance (EDLI)** scheme, employees are entitled to **life insurance coverage**. In the event of an employee's death, the nominee receives a lump-sum payment based on the employee's last drawn salary.

e) Transfer of Provident Fund

- In case an employee leaves the college and joins another EPFO-registered employer, the PF account can be **transferred** seamlessly using the UAN.

6. Claim Process and Withdrawals

a) Submission of Claims

- Employees seeking to withdraw or transfer their Provident Fund must submit a claim either online through the EPFO portal or manually by filling out the required forms.
- The college's HR department will assist in verifying and forwarding claims to the EPFO.

b) Documentation

- Withdrawal claims must be supported by relevant documents, such as **medical certificates**, **invoices**, or **admission letters**, depending on the reason for withdrawal.
- Employees must ensure that their **KYC details** (including bank account, Aadhaar, and PAN) are updated on the EPFO portal to facilitate smooth processing.



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