



कर्मचारी भविष्य निधि संगठन  
EMPLOYEES' PROVIDENT FUND ORGANISATION  
श्रम एवं रोजगार मंत्रालय, भारत सरकार  
MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA  
मुख्य कार्यालय/Head Office  
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No. Pension/SupremeCourtjudgement/PoHW/2022/143 Date: 09.05.2023

To,

09 MAY 2023

All Addl. CPFCs, Zonal Offices  
All RPFCS / OICs, Regional Offices

**Subject- Applications for Validation of Option / Joint Options – Deposit / Transfer of due contribution with interest into Pension Fund – reg.**

Madam/ Sir,

Please refer to the instructions issued vide circulars dated 29.12.2022, 05.01.2023, 25.01.2023, 20.02.2023 and 23.04.2023 regarding the Hon'ble Supreme Court judgment dated 04.11.2022 in Sunil Kumar B. vs. Others. This circular is in continuation of the earlier instructions issued vide above circulars.

**Notification of the Government**

2. The following provisions have come into force on the 1st day of September, 2014. vide GOI notification S.O. 2061(E) Dated 03.05.2023:

*"(i) In respect of members who have exercised joint option for contributing under the provisions of paragraph 11 of the Employees' Pension Scheme, 1995 and who are found eligible, the employer's contribution shall be nine and forty-ninth per cent. (9.49%) of the basic wages, dearness allowance and retaining allowance of each member by increasing one and sixteenth per cent. (1.16%) from the extant eight and one-third per cent. (8.33%); and*

*(ii) the increased contribution shall be applicable to basic wages, dearness allowance and retaining allowance to the extent such basic wages, dearness allowance and retaining allowance exceed fifteen thousand rupees per month."*

3. To give effect to the above notification there will be need to undertake following:-

- i. In all eligible cases of Joint Options, there will be a requirement for accounting 1.16% additional contribution on the pay above Rs. 15,000/- p.m. of the employer share to the Pension Fund.
- ii. Similarly, in eligible cases of Applications/Joint Options, where past remittances on higher pay were made in Provident Fund but not in Pension Fund, adjustments will be required for 8.33% contribution from the employer's share.
- iii. In case of acceptance of joint option of members who are still in service and OIC has passed the requisite speaking order, the present employer shall continue to pay pension contribution on higher wages in future also including the increased 1.16% on wages above Rs. 15000/- per month.

### **Calculation of Dues**

4. The dues will be calculated by the Field Office after the verification of wage details submitted by the employer(s) and taking care of following in the process:-
  - i. Each member/pensioner's case shall be processed in a separate file, created in e-office with clear marking of the Application ID (system generated acknowledgement number for online application for validation/joint option).
  - ii. In case of exempted establishments, the wage details for the entire period and the matching contribution should be available with the exempted establishments and consistent with the records of the Trust.
5. Dues should be calculated month wise in the following manner:
  - i. 8.33% of employer's share on higher pay (w.e.f. 16.11.1995 or the date the pay exceeds the wage ceiling; whichever is later) will be calculated as per records.
  - ii. 1.16% of employer share on higher pay above Rs. 15,000/- p.m. (w.e.f. 01.09.2014) will be calculated as per records towards increased contribution.
  - iii. All amounts already deposited into Pension Fund shall be deducted from sum of 5 (i) and 5 (ii) above.
  - iv. The interest to be charged on dues as calculated above shall be the interest earned by the members on their PF accumulations.
    - a. For un-exempted establishments, the interest shall be calculated at the rate declared under Para 60 of EPF Scheme, 1952.

- b. For exempted establishments, the interest shall be calculated at the rate declared under Para 60 of EPF Scheme, 1952 or at the rate declared by the Trust of exempted establishment from time to time, whichever is higher, if any.

### **Classification of Applications for validation/Joint Options**

6. The Field Office will examine each case and classify it into the following categories:
- i. Dues calculated have already been fully remitted to the EPS in the due months
  - ii. Dues calculated have not been remitted to the EPS but contribution on higher wages have been fully remitted to EPF and there is **adequate** balance in PF account.
  - iii. Dues calculated have not been remitted to the EPS but contribution on higher wages have been fully remitted to EPF and there is **inadequate** balance in PF account or the PF account is with trust of PF exempted establishments.

### **Information on Dues and its deposit**

7. The field office (FO) will intimate the pensioners/members in each of the above category about the dues and if any amount that needs to be deposited/diverted, as per the following table:-

<b>Category under Para 6 of circular</b>	<b>Action by F. O.</b>
6 (i)	Inform the pensioner/member through last employer that dues amount has been received.
6(ii)	Inform the pensioner/member through last employer that dues need to be diverted from Provident Fund to Pension Fund and written consent of the employee should be obtained and provided to FO.
6(iii)	Inform the pensioner/member through last employer that he has inadequate balance in Provident Fund thus, (a) Balance needs to be diverted from Provident Fund (Available with EPFO) to Pension Fund and written consent of the employee should be obtained and provided to FO. (b) Deposit of the remaining amount of dues be made in the manner provided in this circular.

8. Pensioner/member may be given up to 3 months time to deposit and to give consent for diversion of these dues to be communicated in the following manner:

(all amounts in ₹)

Month No.	Total due amount	Amount to be diverted with interest from Provident Fund	Amount to be deposited with interest
1 (Issuance of Demand Letter)			
2			
3			

### **Method of payment by the pensioners/members**

9. In category 6(i) and 6(ii), there will be no requirement of any additional deposit by the pensioner/member. The contributions due with interest receivable may first be diverted from the PF balance in respect of 6(ii) and 6(iii). In Category 6(iii), deposits will be made by the concerned pensioner/member only from the bank account available in EPFO records. The deposits may be made as under:-

- a. Any online facility, if provided by EPFO.
- b. Cheque (payable at par at all branches) drawn in favour of concerning RPFC (and as communicated in the demand letter issued by FO). It is to be ensured that Cheque should have following details on its back side:

- Application ID
- UAN/PPO number
- Name and Mobile number
- Demand notice number and date

### **Accounting and adjustments of the dues**

10. Accounting adjustments of diversion from Provident Fund to Pension Fund through Appendix-E.
- i. Appendix-E functionality will be used for accounting and adjusting diversion from Member's PF account to Pension Fund.
  - ii. In the software, provision for a separate code has been introduced for adjusting amount from EPF employer share (Account No. 01) to Employees' Pension Fund (Account No. 10).
  - iii. This is to be mandatorily selected by Field Offices while using Appendix-E for the purpose of adjusting amount from EPF employer

- share (Account No. 01) to Employees' Pension Fund (Account No. 10).
- iv. This is essential for generating the reports, monitoring and accounting.
  - v. A cheque from Account 01 of concerned Regional Office shall be drawn as "Misc. Payment: Pension on Higher Wages" and be deposited in the centralized receipt account (Account 10) through Member VDR.
  - vi. This may be done on peak collection days of the month like 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> day of the month to minimize the cost of transfer.
11. Accounting adjustments of deposits made by pensioners/members (Including all eligible pensioners/members of PF exempted establishments) in the Pension Fund:
- i. The cheques deposited by the pensioners/members as per Para 9 of the circular shall be deposited in Centralized Receipt Account through member VDR.
  - ii. The software shall have a provision for selecting "*Pension on Higher wages*" from the drop-down menu of member VDR.
  - iii. It would be mandatory to mention Application ID.
  - iv. System will provide to enter 8.33% regular contribution and 1.16% additional contribution separately in the member VDR module.
12. **Utmost care should be taken to ensure that each VDR entry both for Para 10 & 11 is used only for the concerned pensioner/member.**
- i. VDR document should be uploaded in e-office while processing pension on higher wages.
  - ii. The VDR document has the member details i.e. Application ID, UAN, PPO, Member ID etc., the same can be verified while processing pension on higher wages in e-office file to check the use of VDR for the concerned pensioner/member.
  - iii. Correct entries in the VDR should be ensured as it will be very difficult to reverse a wrong VDR or make corrections later.
13. After credit of said deposits in the centralized receipt account through VDR and after considering all the facts the competent authority will pass a speaking order.
- i. OIC/ RPFC-I will pass a speaking order in accordance with the H.O. Circular 29.12.2022 in case of application form for validation of joint options from pensioners who retired prior to 01.09.2014.

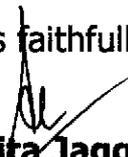
- ii. APFC/RPFC-II will examine each case of joint option from employees who were member prior to 01.09.2014 and continued to be members on or after 01.09.2014 and will take decision.
- iii. Due care, checks and caution must be taken before accepting / rejecting any case by passing speaking order / taking decision.
- iv. While evaluating various proofs to determine eligibility of pensioners/members for higher pension, request for error corrections from pensioners/members/employers should also be taken into account along with the existing/additional proof/evidence submitted by them.
- v. The speaking order/decision shall be uploaded in e-office in the separate e-file created for the purpose.
- vi. The speaking order/decision shall be intimated to the applicant through e-mail /letter with a copy to the last employer.

14. **The method of computation of pension will follow through subsequent circular.**

15. Officer-in-charge of the concerned RO will monitor daily on the progress made with reference to calculation of dues, information to the pensioner/member through employer, deposits and diversion thereof and its adjustments. He will send the report on a daily basis to ACC, Zone. ACC, Zone will compile the report of all ROs within their jurisdiction and wherever progress is slow, will take remedial steps. The report will also be shared by ACC, Zones with Pension Division at HO.

**[This issues with the approval of CPFC]**

Yours faithfully,

  
**(Aprajita Jaggi)**

**Regional P.F. Commissioner-I (Pension)**

**CC:-**

1. PS to CPFC.
2. FA & CAO, CVO, Director (PDNASS) and ZTIs
3. ACC (HQ) (Audit) for 100% audit of PPOs related to pension on higher wages by the internal audit parties.
4. ACC (HQ) (IS) for information & with request for necessary changes in software as above
5. All ACC (HQ)s and ACCs at H.O for information & necessary action.
6. Rajbhasha Section for providing Version in Hindi.