

HR Operation

Dhananjay Bhavsar

CONCEPT OF PERSONNEL ADMINISTRATION

- The task of personnel administration is to, assure a steady source of people who can contribute to the success of an organisation and meet the growing demands of development.
- To understand the concept of personnel administration, it is very essential to first understand the meaning and nature of the term.

Personnel Administration

Meaning

- Personnel administration is that part of administration which is concerned with people at work and with their relationships within an organisation.
- It refers to the entire spectrum of an organisation's interaction with its human resources from recruitment activity to retirement process.
- It involves personnel planning and forecasting, appraising human performance, selection and staffing, training and development and maintenance and improvement of performance and productivity.

Personnel Administration

- Personnel administration is closer related to an organisation's overall effectiveness.
- There is no standard definition of the term 'personnel administration':
- Still there is a widespread unanimity among writers on its meaning, scope and purpose.
- According to Flippo, personnel function is concerned with the procurement, development, compensation, integration and maintenance of the personnel of an organisation for the purpose of contributing toward the accomplishment of that organisation's major goals and objectives.

Personnel Administration

- Dale Yoder uses the term "manpower management" instead of "personnel management" and includes both labour relations and personnel administration within its ambit.
- According to him, "the term effectively describes the processes of planning and directing the application, development and utilisation of human resources in employment."

- The Institute of Personnel Management in U.K. defines personnel management as “that part of the management function which is primarily concerned with the human relationships within the organisation. Its objective is the maintenance of those relationships on a basis which, by consideration of the well-being of the individual, enables all those engaged in the undertaking to make their maximum personnel contribution to the effective working of that undertaking.”

- The above-mentioned definition was replaced in-1966 by a more elaborate definition.
- It reads, "Personnel management is that part of the management function which is concerned with people at work and with their relationships within an enterprise. Its aim is to bring together and develop into an effective organisation the men and women who make up an enterprise and, having regard to the well-being of an individual and of working groups, to enable to make their best contribution to its , success."

- Personnel management is also, concerned with the "human and social implications of change in internal organization and methods of working and of economic and social changes in the community:' Thus we can say that **personnel administration deals with the recruitment, placement, training, disciplinary measures, monetary and non-monetary incentives and retirement benefits of the human beings or the personnel within an organisation.**

- It aims at optimum utilization of human resources in order to achieve maximum results with minimum wastage of funds and technology.
- Personnel administration is variously known as 'personnel management', 'labour relations', 'manpower management', labour welfare management
- 'personnel administration' includes both personnel management and industrial relations.

- Many a times the terms labour relations and
- industrial relations are used interchangeably with personnel administration
- The term 'labour relations' refers primarily to the relation between management and organized labour.
- It-includes negotiations of contracts with unions.
- It deals with handling of differences with unions and business agents.
- Some organisations have a labour relations officer

- Personnel function is crucial in any administrative organization.
- The organization cannot afford to ignore it. Hence it becomes a basic responsibility of the management, be in the government or in semi or non-government organization .
- The role of personnel administration is also changing.
- Personnel are required to perform 'line' and 'staff' functions.
- Activities directly related to the primary objective of an organisation are called as 'line' functions.
- The 'staff' functions are those which facilitate and assist the performance of line work.
- They are in the nature of secondary activities and enhance the effectiveness of the line agencies

- Personnel functions include both line and staff activities in an organisation.

Objective

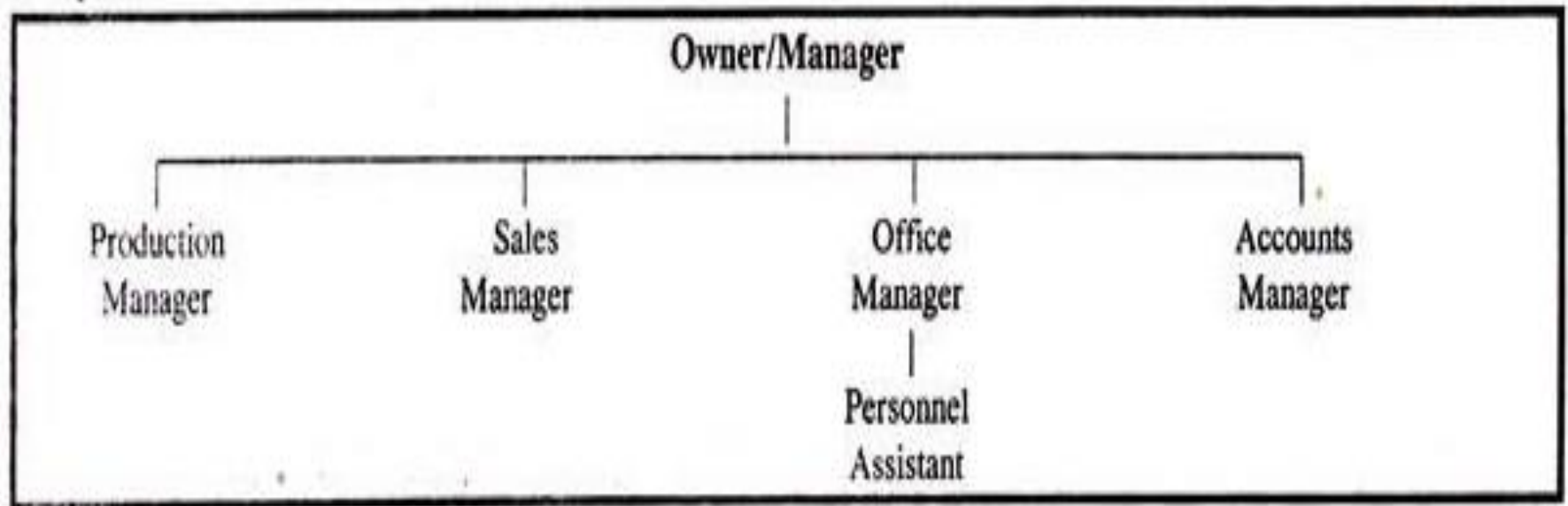
- . The primary objective of personnel administration is to ensure effective utilization of human resources in pursuit of organisational goals.
- The personnel administration departments should **design and establish an effective working relationship** among all the members of an organisation
- by division **of organisational tasks into jobs.**
- defining clearly the **responsibility and authority** for each job and its relation with other jobs in the organisation.

- **Nature of Personnel Management**
- Personnel management includes the function of employment, development and compensation- These functions are performed primarily by the personnel management in consultation with other departments.
- Personnel management is an extension to general management. It is concerned with promoting and stimulating competent work force to make their fullest contribution to the concern.
- Personnel management exist to advice and assist the line managers in personnel matters. Therefore, personnel department is a staff department of an organization.

- **Nature of Personnel Management**
- Personnel management lays emphasize on action rather than making lengthy schedules, plans, work methods. The problems and grievances of people at work can be solved more effectively through rationale personnel policies.
- It is based on human orientation. It tries to help the workers to develop their potential fully to the concern.
- It also motivates the employees through it's effective incentive plans so that the employees provide fullest co-operation.
- Personnel management deals with human resources of a concern. In context to human resources, it manages both individual as well as blue- collar workers.

Organization Structure of Personnel Department in Small Enterprises:

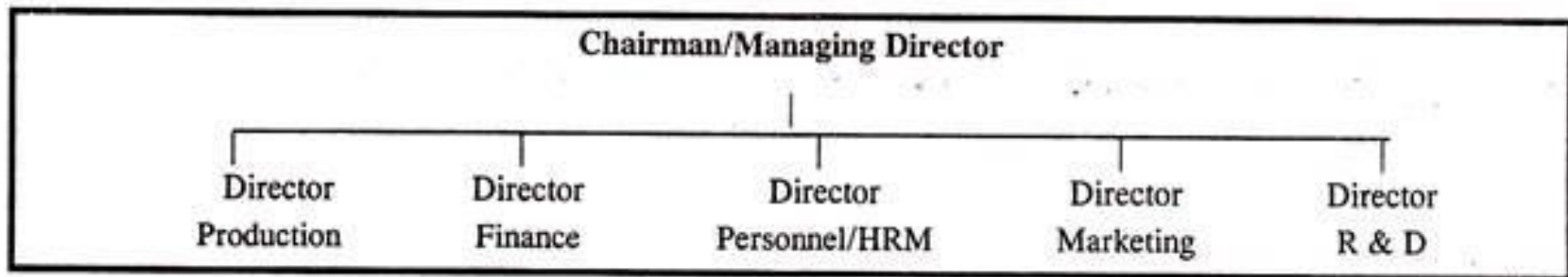
- enterprise which employs less than one thousand employees.
- In such enterprises personnel department may or may not exist.
- Services of outsiders who specialise in maintaining accounts and records relating to provident fund, pension and other statutory requirements are retained for a fee.
- Earlier, personnel as an activity was seen as a necessary but unimportant part of the organisation.
- Fortunately, things have changed for the better and the status of the personnel department has improved enormously over the years.



Personnel Department in a Small Enterprise.

Structure of Personnel Department in Large Scale Enterprise:

- A large scale enterprise will have a manager/director heading the personnel department. His status will be equal to that of any executive.

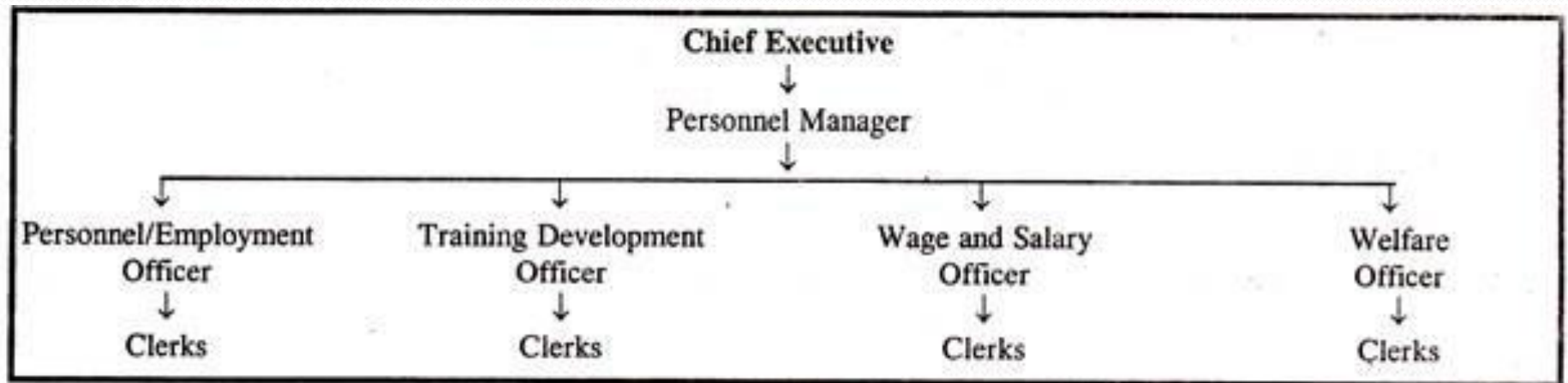


Personnel Department in a Large Scale Unit.

- This arrangement holds good when the company has a single unit.
- Where a company has multiple plants located in different parts of the country, there may be a centralised personnel department at the head office and each plant will have separate personnel departments.
- Routine activities relating to each plant are handled by the personnel department attached to the work whereas the broad policies, matters concerning executives etc. are handled by the central department.
- Coming to the composition of the personnel department, it depends on the scale of operations and attitudes of the top management towards its personnel.

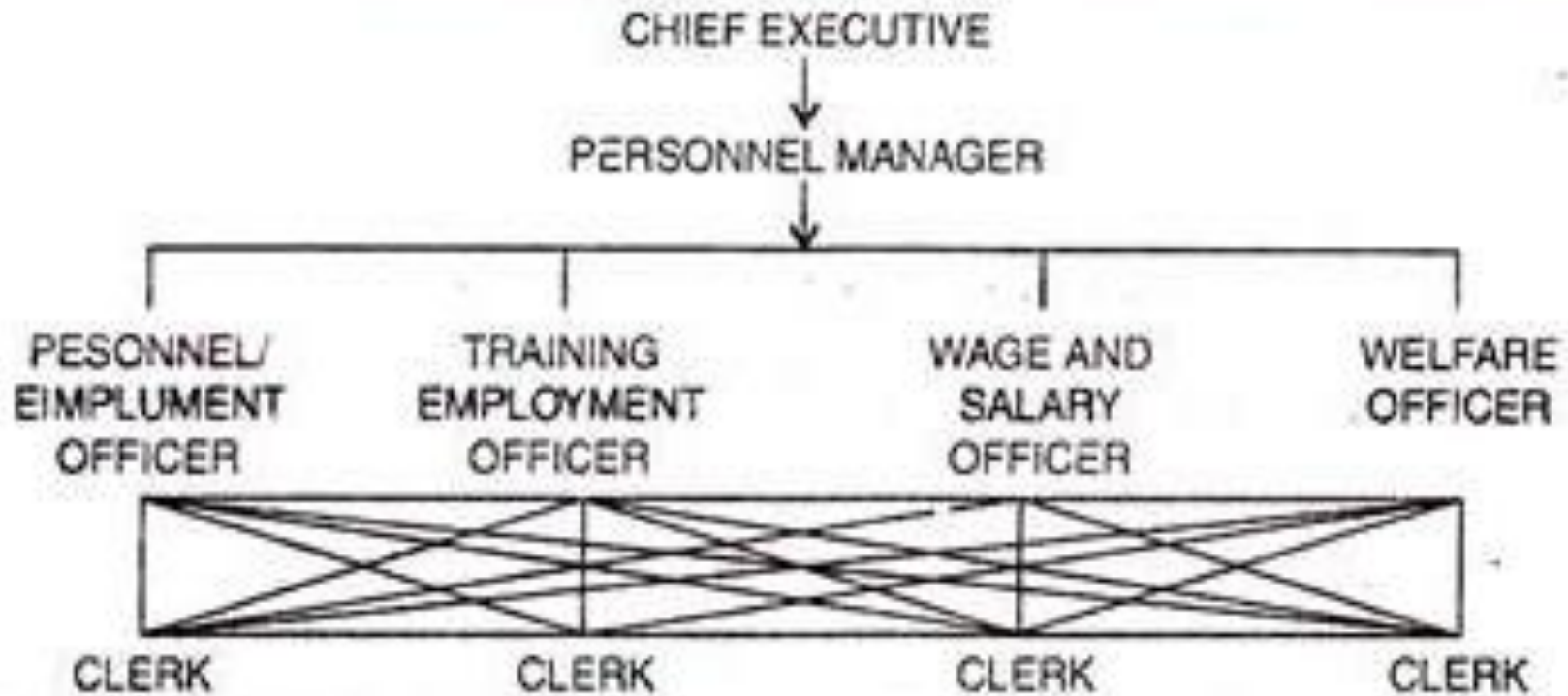
Personnel Department in Line Organisation:

- In line organisations there is uninterrupted line of authority and responsibility running through the management hierarchy.
- Line relationship generally exists between a superior and a subordinate.
- Managers identified as line are not subject to command by staff personnel.
- In case of disagreement between line and staff,
- line manager has the right to make final operating decisions.



Personnel Department in Line Organisation.

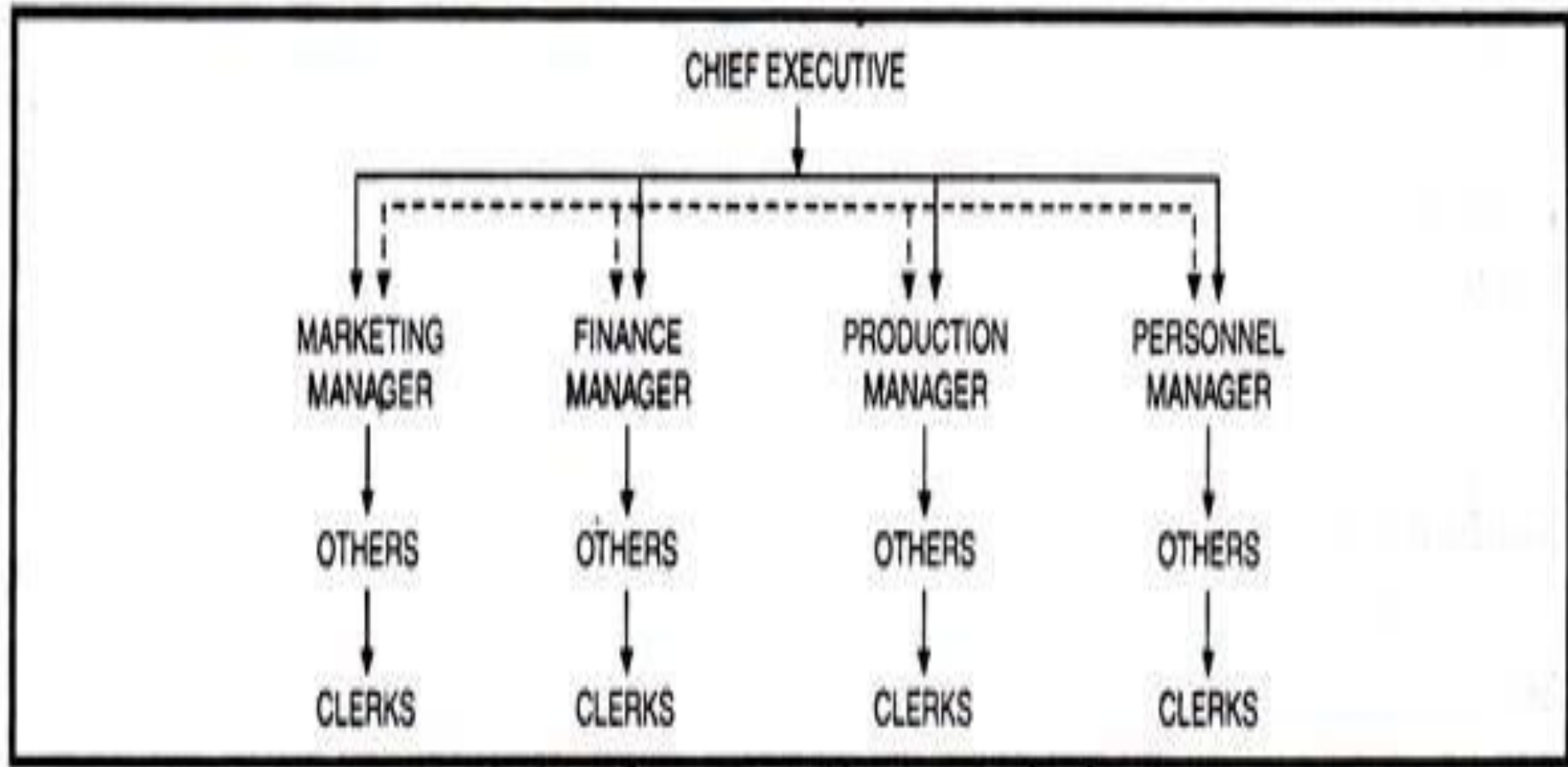
- **Personnel Department in Functional Organisation:**
- According to McFarland, “A functional manager helps **serve, investigate, plan, solve special problems, support line effort, provides ideas and has special expertise.**”
- In functional structure, all activities in the company are grouped according to certain functions like production, marketing, finance, personnel etc.
- Each function is put under the charge of a functional specialist.
- Functional authority is advisory, which means that the functional specialist recommends action or alternative actions to line managers.



Personnel Department in Functional Organisation.

Every functional head has functional authority over other departments and every employee reports to several functional heads as shown on the following figure

- **Personnel Department in Line and Staff Organisation:**
- Large enterprises generally have organisation structures with both line and staff executives.
- Line and staff structure combines the advantages of both line organisation and functional organisation. Under this system, staff positions are attached to line executives.
- Personnel department provides advice and assistance on personnel matters to all departments without undermining unity of command.
- In the following figure, line authority is shown by a straight line and staff authority by a dotted line.

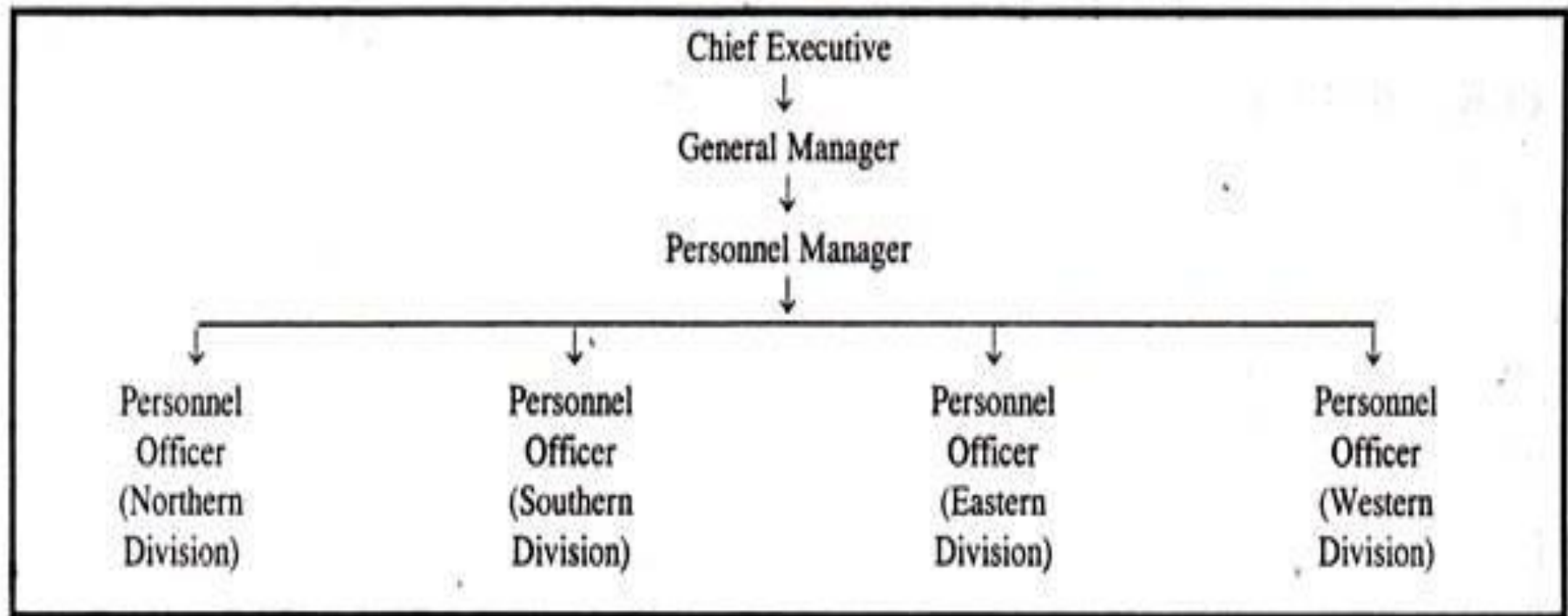


Personnel Department in Line and Staff Organisation.

Thus, the relationship between chief executive and personnel manager is both line and staff. The relationship between all functional managers is functional in nature.

- **Personnel Department in a Divisionalised Organisation Structure:**

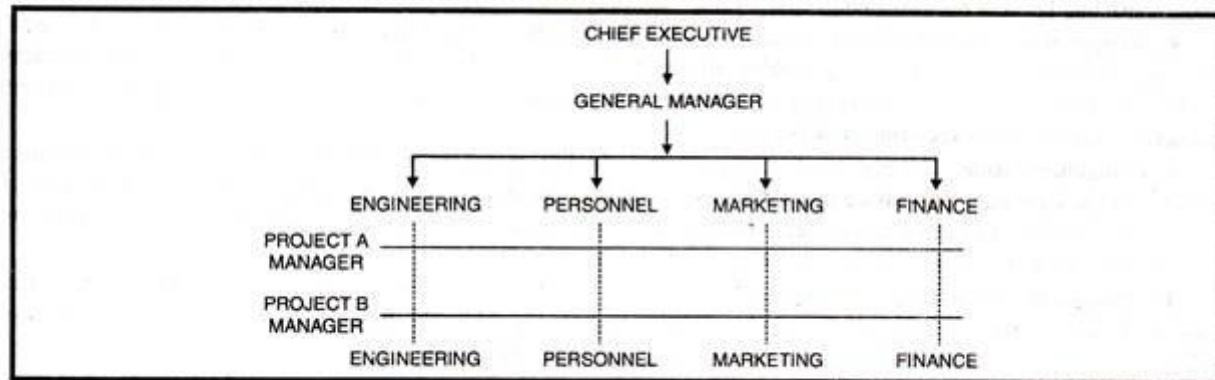
- The role of a personnel manager attached to the divisional office/branch office of a decentralised organisation is particularly a difficult one.
- In a divisional organisation structure, personnel staffs are attached to divisional officers.
- The personnel officer at divisional level is responsible to the local divisional manager.
- He is subordinate to the personnel manager at the head office.
- In case of rift between personnel officer and divisional manager, the problem can be solved at the head office.
- The main benefit of divisionalisation is that the performance of various divisions can be compared, but on the other hand, it results in duplication of staff and facilities.



Personnel Department in Divisional Structure.

Personnel Department in a Matrix Organisation Structure :

- In a matrix organisation structure, every employee has two superiors i.e. they are under dual authority. One chain of command is functional and the other chain of command is a project team. Hence, matrix structure is referred to as a multi command system, both vertical and horizontal dimension.
- Thus, the team of employees of personnel department have two superiors i.e. personnel manager (vertical dimension) and project manager (horizontal dimension).
- Both dimensions of structure are permanent and balanced, with power held equally by both functional and a project manager. Matrix structure is suitable when organisational tasks are uncertain, complex and highly interdependent or when an organisation has to cope with more than one function or project.



Personnel Department in a Matrix Organisation.

Personnel Policies: Objectives, Principles, Sources and Other Information!

- According to Dale Yoder ‘a policy is pre-determined selected course— established as a guide towards accepted goals and objectives’.
- A personnel policy should have two types of objectives viz., general objectives and specific objectives. General objectives express top management’s philosophy of human resources whereas specific objectives refer to specific activities like staffing, training, wages and, motivation.

Optimum Use of Human Resources:

- Every organisation tries to make use of the available human resources to the best of their capabilities.
- Right men should be selected for the right jobs. With the help of personnel policies, jobs are defined and responsibilities of the personnel are specified so that there are no square pegs in the round holes.

- **Training Of Everyone:**
- The other main object of personnel policies is to train and develop everyone so as to make them competent for doing their job.
- Only a trained worker can do his job efficiently. The personnel policies must encourage healthy and constructive competition among the workers and also provide an opportunity for development and growth of an individual.

- **3. Sound Industrial Relations:**
- Personnel policies aim at creating sound industrial relations and tend to establish conditions for mutual confidence and understanding.
- Workers are encouraged to put forward constructive suggestions and are given participation through joint management councils and works committees.
- All this leads to industrial peace. Many operational problems are avoided by having well formulated policies.

- **4. Payment of Fair Wages:**

- Personnel policies must aim at ensuring the employees that they will be given fair wages for the work done by them.

- **5. Security of Employment:**

- One of the objectives of personnel policies is to provide security of employment to the workers.
- Such policies provide an efficient consultative service which aims at creating mutual faith among those who work in the enterprise.
- All types of doubts relating to loss of employment are cleared from the minds of workers.
- Thus, social as well as economic security is provided to workers.

- **Respecting Human Dignity:**
- Personnel policies ensure fair treatment to all irrespective of caste, colour and creed and aim at respecting the human dignity. Workers are offered good and healthy working conditions.

- **Principles of Personnel Policies:**
- According to Scot and others “carefully defined personnel policies serve as a stabilising influence to prevent the waste of energy in following programmes not in harmony with the company objectives”.
- Due to the importance of personnel function in the management, it becomes essential to formulated personnel policies.

- **1. Principle of Right Placement:**
- There is a common saying that there should be square pegs for the square holes and round pegs for the round holes.
- select who are physically and mentally fit for the job so that they can become our 'asset' in the future.
- **Principle of Development:**
- All workers should be given the opportunity to develop so that their monetary position as well as their social status is enhanced.
- Workers tend to be more sincere and hard working when they are aware of the chances of promotion in the organisation.

- **Principle of Participation:**

- This principle states that we should consider the organisation a co-ordinated team.
- If workers participate in the formulation of policies, a large number of problems which arise due to misunderstanding can be avoided.

- **Principle of Mutual Interest:**

- The workers should feel that interest of management is common with the workers.
- This will provide motivation to the workers to put in hard work which will entitle them to earn higher wages and non-monetary benefits.

- **Principle of Good Working Conditions:**
- Workers should be given better tools, good working conditions, and adequate wages and there should be impartial appraisal of their work.
- **Principle of Flexibility:**
- A personnel policy must be such that it can be changed with the change in circumstances.
- Technological changes are taking place at a very fast speed in the industries and for that reason a constant review of such policies is necessary.
- In a nutshell, personnel policies should contain the principle of justice as well as equity and must be fair to all employees.

Sources of Personnel Policies:

The following are the principal sources of Personnel Policies:

1. Traditions and past experience.
2. Personnel Policies of similar concerns.
3. The philosophy of Board of Directors.
4. Suggestions of employees.
5. Labour Legislation and policies of the Government.
6. Trade Union and collective bargaining.
7. Objectives of organisation.
8. International conditions.
9. Business environment.
10. Day to day experience of dealing with personnel problems.

Contents of Personnel Policy:

The following matters are covered in the personnel policies followed in India:

1. Recruitment or hiring of employees.
2. Manpower planning and development.
3. Training programmes.
4. Absenteeism.
5. Hours of work.
6. Conditions of employment.
7. Overtime.
8. Lay-off, termination of services and welfare.
9. Wage policy, motivation and incentives.
10. Recognition of trade union, collective bargaining and workers participation in management.
11. Promotion, demotion and transfer.

- Personnel policies are formulated by the personnel manager but the top management is ultimately responsible for giving sanction to such policies.
- Workers should be informed about such policies either in group meetings or through the booklets.

Personnel Policies:

A personnel policy must cover all areas of manpower management.

Usually personnel policies are framed with regard to:

1. Recruitment and Selection (Employment) Policy:

- (i) Minimum qualifications required in prospective employees
- (ii) The sources from where labour supply will be available
- (iii) Selection tests.

2. Promotion policy

3. Training policy. It covers

- (i) Induction
- (ii) Types of training.
- (iii) Training of executives.

Wage policy. It includes:

- (i) Minimum wages**
- (ii) Non-financial incentives**
- (iii) Incentive plans**
- (iv) Bonus, profit sharing etc.**

5. Demotion and termination policy

6. Working conditions and motivation policy

7. Welfare policy

8. Integration policy:

- **It covers:**
- (a) Processing of grievances
- (b) Recognition of unions
- (c) Workers participation in management.
- In order to communicate the personnel policy, a brochure may be published. In certain cases a policy manual may be distributed to managers, supervisors and employees. If any employee has any confusion, a discussion can follow where all their questions should be answered satisfactorily.

Computation under Social Security Laws

Unit -3

Bhavsar Dhananjay

The Employees' Provident Fund

- The Employees' Provident Fund is a social welfare legislation intended to
- protect the interest of the workers employed in factories and other
- establishments.
- It is implemented by the Employees' Provident Fund
- Organisation (EPFO) of India.
- The Employees' Provident Fund Bill was passed by both the Houses of the Parliament and it received the assent of the President on 4th March, 1952.
- The nomenclature of the Act was changed as "The Employees' Provident Funds and Miscellaneous Provisions Act, 1952" (w.e.f 1st August, 1976).
- Now it stands as THE EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952 [EPF AND MP ACT, 1952]

1.2 OBJECTIVE OF THE EPF AND MP ACT, 1952

- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 aims to provide a kind of social security to the industrial workers. The Act mainly provides retirement or old age benefits, such as Provident Fund, Superannuation Pension, Invalidation Pension, Family Pension and Deposit-Linked Insurance.
- The Act provides for payment of terminal benefits on the happening of various contingencies such as retirement, closure, retirement on attainment of the age of superannuation, voluntary retirement and retirement due to factors which result in incapacity of the employee to work

- 1.3 KEY AMENDMENTS TO THE EPF ACT, 1952
- The Ministry of Labour and Employment, Government of India, has brought into force the following significant amendments w.e.f 1st September, 2014 under the existing 3 schemes of EPF Act, 1952. These are as follows :
- **The Employees' Provident Fund Scheme, 1952**
- Excluded Employee. The definition of excluded employee has been revised whereby the members drawing wages above 15,000 per month are excluded from the provision of the PF scheme. Consequently, the wage ceiling for an employee has been raised from 6,500 to 15,000 per month.
- **The Employees' Deposit-linked Insurance Scheme, 1976**
- **Contribution.** The contribution payable for the purpose of Insurance Scheme shall now be calculated on a monthly wage of 15,000 instead of 6,500.
- **Assurance benefits.** Where a member dies on or before 1st September, 2014, the assurance benefits available under the Insurance Scheme have been raised by 20% in addition to the already admissible benefits.

- **The Employees' Pension Scheme, 1995**
- **New Members.**
- The new entrants joining the factory or establishment on or after 1st September 2014, drawing wages above 15,000 per month shall not be eligible to contribute to the Pension Scheme if they so desire.
- **Maximum Pensionable Salary.** It has been enhanced from 6,500 to 15,000 for the purpose of determining the monthly pension.
- **Contribution Period.** The pensionable salary shall be calculated on the average monthly wage for the contribution period of the last 60 months (earlier it was 12 months) prior to the date of exit from the membership.
- **Minimum Amount of Monthly Pension.** Any existing or future member shall not get monthly pension less than 1,000 for the financial year 2014- 15.

- The above mentioned amendments to the 3 schemes by the GOI for the financial year 2014-15 have enhanced the scope, applicability and benefits provided to the employees under the EPF Act. Further, it has also enhanced the liability of the employers.
- Now the employers are required to enroll additional eligible employees and to contribute on the increased wage ceiling(max salary limit).
- All these amendments have been incorporated at the relevant place in the chapter

AMENDMENTS TO EMPLOYEE PROVIDENT FUND ACT, 1952 IN 2016-17

1. New PF Withdrawal Rules.

- The Ministry of Labour and Employment, Government of India, has recently made a few amendments in the Employees' Provident Fund Scheme, 1952.
- These guidelines are mainly related to 'Early Withdrawals' from Provident Fund & provisions related to PF withdrawals.

These Amendments are related to;

- Full EPF balance cannot be withdrawn before attaining Retirement Age.
- Continuity of EPF membership.
- Increase in Age limit to withdraw 90% of PF balance.
- Partial withdrawal of EPF amount on Resignation
- Increase of retirement age.

- These new PF withdrawal rules were made effective from 10th February, 2016.
- “Govt. rolls back new EPF withdrawal norms and old system will continue.
- The notification which was issued on 10th Feb, 2016 has been cancelled.”
- So, the existing rules will be continued. [GSR. 158(E) dated 10th February]

2. Interest to be paid on Inoperative Employee Provident Fund Account

- As per the terms of this Amendment, if an EPF Account lies idle for 36 (Thirty Six) months or more,
- it will not be automatically treated as inoperative, but will continue to accrue interest.
- [GSR 1065 (E) dated 11th November, 2016 vide EPF (Sixth Amendment) Scheme, 2016]

3. Electronic Challan cum Return (ECR) gets a process-upgrade (Version 2) The Employees' Provident Fund Organization (EPFO) has moved towards the next phase in digitalization of processes.

Earlier, the EPFO had released a new digitalized process for Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) and Universal Account Number (UAN) 2.0.

- On the 20th December, 2016, the Employees' Provident Fund Organization (EPFO) launched the next version of the Electronic Challan cum Returns (ECR).
- Consequently, to carry out the migration to the newer version of ECR under unified portal, the portal was made inactive from 17th Dec to 20th Dec, 2016.

The EPFO has reduced the complexity of the existing process by revising the existing ECR file format and the ECR filing portal. Previously, around **25 fields** were required to be filled in order to file an ECR.

The new ECR file format contains **only 11 fields**. It consolidates the

- existing 'ECR filling portal', 'claim-status' portal and 'challan payment portal' into one unified filing and payment portal.
- The ECR (Version 2) will be a completely UAN based format so only the
- contribution of UAN registered employees can be uploaded.

In ECR (Version 2) the following fields have been omitted:

1. Member ID
2. Employee contribution due
3. Employer contribution due
4. Employee Pension Scheme contribution due
5. All arrear fields and other employee information fields

All 'arrear related fields' will now be a part of the new arrear file and all 'employee information fields' would be captured at the time of UAN generation. Furthermore, 'UAN' and 'gross wages' columns have been added to the ECR.

- What is UAN?
- UAN stands for **Universal Account Number** to be allotted by EPFO.
- The UAN will act as an umbrella for the multiple Member Ids allotted to an individual by different establishments.
- The idea is to link **multiple Member Identification Numbers** (Member Id) allotted to a single member under single Universal Account Number. This will help the member to view details of all the Member Identification Numbers (Member Id) linked to it.
- If a member is already allotted Universal Account Number (UAN) then he/she is required to provide the same on joining new establishment to enable the employer to in-turn mark the new allotted Member Identification Number
- (Member Id) to the already allotted Universal Identification Number (UAN)

- **Provident Fund - Enrolment Campaign 2017**
- The Ministry of Labour and Employment, Government of India has pursuant to its notification bearing **ref. No. G.S.R.1190 (E) dated 30th December, 2016** notified the Employees' Provident Funds (Seventh Amendment) Scheme, 2016 ("Enrolment Campaign 2017") giving an opportunity to defaulting companies to register their employees as members under the Employees' Provident Funds Scheme.

- The Central Board (EPF) in its 215th meeting held on 19 December, 2016, decided to launch a special campaign from 1-1-2017 to 31-3-2017 to enroll left out eligible workers for bringing them under the social security umbrella of EPFO.
- The campaign seeks to enroll new establishments and employees with or without past service.
- This Campaign was further extended till 30th June, 2017.

- Withdrawal from Provident Fund to facilitate housing needs of PF members (Head Office circular dated 21-4-2017)
- 1. As per this Amendment, paragraph 68-BD has been inserted in the EPF Scheme, 1952 for withdrawal of, and financing from, the provident fund
- for purchase of dwelling house or flat or the construction of a dwelling house.
- In paragraph (1) of the said circular, all the field offices were requested to give wide publicity through electronic as well as print media about this amendment to the employers and the subscribers.

2. Bulk mails may be sent to the employers, trade unions and the PF subscribers.

Awareness campaign may also be launched by organizing seminars, workshops, press releases etc. so that willing and eligible PF members can avail this facility.

3. An action taken report along with clipping of newspaper/media may be forwarded to Head Office immediately.

- **New Scheme for PF Defaulters**

- Employees Provident Fund Organisation has introduced a new scheme, in which special drive was to be initiated from **1st January, 2017 by the EPFO** for coverage of the establishment which are not yet covered but which are liable for EPF coverage.
- The Establishment which is legally liable for coverage will be covered under the Employees Provident Fund Act.
- According to the Scheme, following benefits will be provided to the defaulters
 1. Only Employer Share will be levied, No Employees share.
 2. Interest as applicable on Employer's Share.
 3. Damages @ 1/- Per Annum.

The above will be with a condition that, the Establishment is not legally liable before 01.04.2009.

7. Online PF Withdrawal Application Launched

- Under Aadhaar based Online Claim Submission scheme, all EPF Members who have activated their UAN and seeded their KYC (Aadhaar) with EPFO will be able to apply for PF final settlement (form19),
- Pension withdrawal benefit (Form10-C) and PF part withdrawal (Form 31) from the their UAN Interface directly.

How to Open an Employee Provident Fund (EPF) Account



A provident fund account can be opened only by the **employer** on behalf of the employee in India.

It is mandatory for an employer to open an employee provident fund account (EPF) “

Employee Provident Fund (EPF) is an employee benefit provided by his/her employer which supports the employee after retirement.

For providing EPF to employees, employers need to get registered

- EPF Registration Applicability for Employers
- Employee Provident Fund (EPF) Scheme was regulated by the EPF Organization (EPFO) under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. EPF registration is mandatory for every establishment which is:
- A factory involved in any industry which has 20 or more individuals, and
- Employing 20 or more individuals, or any class of such establishment which the Central Government may have specifically notified in this behalf.

- Any establishment which is employing less than 20 individuals may be applied by the Central Government after providing at least two months' notice for compulsory registration.
- In cases where the employer, along with the majority of his employees, has decided to make provisions of the Act applicable to the establishment,
- they may apply the establishment to the central PF Commissioner themselves.
- The provisions of the Act may be applied to the establishment after the Central PF Commissioner notifies the Official Gazette from the agreement date or any date which the agreement specifies.

- PF registration may also be required to be obtained by certain establishments with less than 20 employees,
- but such registration will be voluntary.
- Every employee of the establishment will be eligible for EPF from the date of their employment.
- The employer will be responsible to deduct and pay the EPF to his employees.
- The rate of EPF contribution at 12% will have to be divided between the employee and the employer equally.
- The contribution of the employer will include 12% of basic wages with additional dearness allowance and retaining allowance.
- In case the establishment has less than 20 employees, it will deduct EPF at a rate of 10%.

- **Documents Required for EPF Registration**

- The documents required for EPF registration of different establishments are as follows:
- **Sole Proprietorship:** Applicant's name, PAN, driving license/passport/voter ID, address proof for premises, residential address proof, and phone number.
- **Society or Trust:** Incorporation certificate, MOA & by-laws, PAN, and address & identity proof details of president and members.
- **Partnerships:** Registration certificate of firms, deed of partnership, identity proof of partners (driving license/passport/voter ID), and address & identity proof details of all partners.
- **LLP or Company:** Incorporation certificate, list of directors or Partners, identity proof of directors or Partners, DSC of directors or Partners, MOA & AOA, and address proof of directors or Partners.

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- **Employees:** Employee's name, father's name, joining date, birth date, mobile number, postal address, nominee name, salary grade, designation, identity proof (Aadhaar/PAN), bank account number & IFSC code, voluntary application employee details, agreement date, and signature.
- **Other establishments:** First sale and purchase bill, GST registration certificate, bank account details, a record of monthly strength of employees, register of all wages/salary, all vouchers & balance sheets from day one, EPF statement & salary, and cross-cancelled cheque.

- **Steps for EPF Registration**

- For employers' EPF registration, the following steps need to be followed:
- Step 1 – Go to the EPFO website and register your organization under 'Establishment Registration'
- Step 2 – Upon clicking 'Establishment Registration' you will be given an 'Instruction Manual' which you should download and read before proceeding.
- Step 3 – In case you are already registered, log in with your **UAN and password**. Read the instruction manual to know the procedure for employer registration and DSC registration. Digital Signature Certificate (DSC) registration is required for a fresh ERF registration.
- Step 4 – Tick the declaration and click 'Register'.

- Step 4 – Tick the declaration and click ‘Register’.
- Step 5 – Fill the employer’s details.
- Enter the employer’s name exactly as is furnished with the **Income Tax Department or else the application may be rejected.**
- Enter the PAN of the employer. A message showing that employer is unregistered will be displayed. Once PAN is verified, the online registration will be permitted.
- Step 6 – Select a Username which is available

- Step 7 – Select a hint question and a hint answer for your password. Enter the captcha code and click on ‘Get PIN’.
- Step 8 – You will receive the PIN on the registered mobile number. Enter the PIN and tick the declaration box
- Step 9 – You will receive an e-mail verification link on the registered e-mail id. Click this link to submit the online EPF registration application of the establishment.

- How to calculate your and your employer's EPF contribution?
- Highlights
- Both parties must make EPF contributions
- You contribute 12% of your basic salary towards EPF
- Employer's contribution to EPF is 10% or 12%
- You will receive interest at the rate of 8.65% on EPF
- Employee Provident Fund (EPF) is a scheme in which you, as an employee at a government or private organisation, can create wealth through your working years. This amount earns interest and you can use it to finance a part of post-retirement life or other goals. In this scheme, both you and your employer make contributions towards your EPF. At the time of your

- You and your employer need to transfer 10% or 12% of your basic salary as contribution towards EPF. In case you are a woman, you only need to contribute 8% of your basic salary for the first 3 years. During this period, your employer's EPF contribution will remain 12%. For sick units or establishments with less than 20 employees, the rate is 10% as per Employees' Provident Fund Organisation's (EPFO) guidelines. Also, as per Budget 2018, the rate of interest applicable on EPF is 8.65%.
- For a better understanding on how EPF can help you, take a look at how you and your employer contribute to it.

- **Contribution by your employer**

- Your employer has to contribute an amount equal to 10% or 12% of your basic salary towards EPF.
- In case you are a new woman employee, the government's contribution doesn't change.
- This basic rate of EPF is further sub-divided.
 1. Employee's Provident Fund (EPF): 3.67%
 2. Employee's Pension Scheme (EPS): 8.33%
 3. Employee's Deposit Link Insurance Scheme (EDLIS): 0.50%
 4. EPF Administration charges: 1.10%
 5. EDLIS Administration charges: 0.01%