



कर्मचारी भविष्य निधि संगठन

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)

EMPLOYEES' PROVIDENT FUND ORGANISATION

(Ministry of Labour & Employment, Govt. of India)

मुख्य कार्यालय / Head Office

भविष्य निधि भवन, 14-भोकाजी कामा प्लेस, नई दिल्ली-110 066.

Bhavishya Nidhi Bhawan, 14, Bhikaiji Cama Place, New Delhi - 110 066.

Sub: - Suggestions/specific comments on the enclosed circular.

A process to consolidate the various instructions issued from time to time on the matter of Allotment of Code Number to the establishments brought under the ambit of the Act is under consideration as it requires to be revisited and reviewed afresh in the present context. A draft circular is enclosed in this regard. All are requested to go through the content of the draft circular and forward their suggestions with specific reference to the paras/points of the draft circular to the Head Office within 10 days i.e by 5th Sept., 2010 positively.

This is being issued under the direction of CPFC.

Anita S. Dixit
26.8.10

(Anita S. Dixit)

Regional Provident Fund Commissioner-I

No.: Coord/13(1)05/Allotment of Code Number/

18264

Dated: 26-08-2010

To,

1. CVO /FA&CAO/ All Addl. CPFC, Head Office
2. All Addl. CPFC, Zones
3. Director, NATRSS
4. All RPFC-I In charge of Regions
5. All RPFC-I, Head Office
6. Web Administrator for webposting
7. DD(OL) for Hindi version

26 अगस्त 2010
AUG 2010

Draft Circular

Sub: - Allotment of Code Number – Reg.

Allotment of Code Number to the establishments is an administrative process of registering an establishment through a code number to link up the remittances made by it with reference to its employees and to maintain their proper accounts including extension of service delivery to the members.

(1) Time for Allotment of Code Number:-

The process of allotment of code number has been modified from time to time as per requirement of the field offices, the industrial and economic scenario of the country and introduction of IT.

The three days time period for allotment of code number was introduced under Compliance 2001 Programme. However, over a period of time, it has become a point of major concern for increase in fly-by-night establishments. The field offices have been indicating that the three days time period is not sufficient to verify the genuineness of the coverage application as well as the information provided in it. It has led to increase in the in-operative accounts and increased work load in terms of maintenance of accounts of such establishments which do not comply subsequently but continue to be reflected in the workload.

- (a) In view of above, it is decided that the processing time for coverage application by the office shall be allowed to be two weeks or a maximum of 10 working days from the date of the receipt of coverage proposal.
- (b) Before allotment of code number, there should be a mandatory inspection to verify the address and other relevant details of the establishment/Employer and all its employees. Attempt should be made to obtain official, residential and permanent address of the employer/directors/proprietors along with any of valid identity proofs e.g. PAN card, voters id, passport etc. and which has to be updated on subsequent inspections.
- (c) The EO should also verify the Identity details of all the employees. This verification of the employees of the establishment should be with reference to their valid identify proof like; Voters ID Card, Ration Card, ESIC Card, Pass Book, Driving Licence or any other such proof of identification issued by any Government body.
- (d) However, in cases where officer concerned is satisfied (for reasons recorded in writing) with the information and documents furnished with the coverage application; code number can be allotted forthwith with post coverage inspection within three months from the allotment of code number.

- (e) The EO should submit the Inspection Report regarding coverage proposal/application within three days of being handed over to him.
- (f) Necessary modification in the existing coverage pro forma to incorporate the additional information as above has to be made by all the field offices.
- (g) If any Inspection Report related to coverage is found incorrect or misleading at a later stage, stringent action should be initiated against the EO.
- (h) Ensuring compliance (both remittances of contribution and submission of returns) from the newly covered establishment shall be the responsibility of officer concerned who has allotted code number to it.
- (i) In view of the ongoing computerisation project, before issue of coverage letter, it has to be ensured by the concerned officer that the details of the newly covered establishments are entered into the establishment master data.

RPFcs In-Charge of the offices shall ensure that above practice is put in place immediately. The officers in charge of compliance functions and the OICs shall closely monitor the receipt and disposal of coverage applications/proposals without giving room for harassment. In this regard CPFC circular no. Vig.XXV (02)2000/3017 dated 04/08/2010 may be referred to.

(2) Compliance by Multi Locational Establishment :-

There are increasing complaints of evasion and default in respect of multilocal establishments by the field offices. It was reported that on the basis of the Circular No. co-ord/13(1)05/Allotment of code no./34878 dt. 17/18-03-2005, the establishments are not reporting compliance to the local RPF Office taking a code number from some other place where the Head Office or Corporate Office of establishment is located and claiming to comply from there which is difficult to verify.

Feedback/suggestions from the field offices were called regarding allotment of code number to the units/branches of multi locational establishment and securing compliance by the local PF Office vide letter no Coord./13(1)05/allotment of code no./34334-434/dated 11/12/08/2009. The comments received unanimously suggested for securing compliance through the respective local offices. This is stated to remove ambiguity in ensuring compliance to all eligible members and improve the compliance position considerably.

In view of the above suggestions; following revised guidelines are issued in suppression of the earlier circular no. Coord/13(1)05/Allotment of code no./34878 dt. 17/18-03-2005:

- (i) In case of multilocal establishment, the compliance has to be ensured with the concerned local office for the employees of their respective units/branches.
- (ii) The employer in such cases would have liberty for a centralized code number in respect of only their transferable employees, at a place of their choice/ where their head office/corporate office is located to avoid transfer of accounts of such employees from one office to another.

- (iii) In case of large construction companies handling multiple projects, a separate code number for each of their project has to be allotted by the local RPFC.

Coverage U/s 1(4) :-

It has come to the notice that many establishments which are otherwise not allotted code number resort to coverage u/s 1(4) with minimal number of employees. Coverage of such establishment having less than 10 numbers of employees not only creates accounting problem for the organization as maintenance of accounts of such establishment is quite cost expensive for EPFO but also most of the time leads to inoperative accounts. Therefore, following instructions are issued to regulate the proposals being forwarded u/s 1(4) to the Competent Authority:

- (a) Establishments applying for coverage u/s 1(4) of the Act having employment strength of 10 to 19 employees may be considered along with confirmation regarding viability of the establishment and its sustainability to bear the cost of extending social security benefits to its employees.

It is directed that while implementing the aforesaid revised instructions, due care has to be taken by the concerned officers that there is no harassment to the stake holders.