

MANUAL OF ACCOUNTING PROCEDURE

PART II-B

THE EMPLOYEES' DEPOSIT LINKED INSURANCE SCHEME, 1976



Employees' Provident Fund Organisation

(Ministry of Labour, Government of India)

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I N D E X

CHAPTER	TABLE OF CONTENTS	PAGE No.
1		
1.1	Introduction	1
1.2	Applicability	1
1.3	Administration	1
1.4	Exemption	1
1.5	Membership	2
1.6	Contribution	2
1.7	Administration Account- Apportionment of Expenditure	2
1.8	Inspection Charges	3
1.9	Forms of Account	3
1.10	Monthly Returns	3
2		
2.1	Nomination	4
2.2	Benefit	4
2.3	Claim format/work sheet	5
2.4	Assurance benefits - To whom payable?	6
2.5	Average balance - Calculation	6
2.6	procedure for settlement	7
2.7	Special checks to be made on Form 5(IF) . received from PF exempted establishments	8
2.8	Mode of payment	9
2.9	Transfer	9

- Note:**
- 1 The topics relating to levy of damages, Cash Book, Bank Accounts, Investment, Scrutiny of returns, Audit, Budget, Balance Sheet are included in Part 1 of this Manual.
 2. The detailed procedure for grant of exemption and scrutiny of connected returns etc., are dealt in the Enforcement Manual.

CHAPTER - I

INTRODUCTION

1.1 With a view to providing additional social security to the family of a member of the Provident Fund who dies in harness and also as a positive incentive to the members while in service to save more, the Employees' Provident Fund and Family Pension Fund Act, 1952 was amended thereby the title of the Act was substituted as Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and thus framed a scheme to be called the Employees' Deposit Linked Insurance Scheme, 1976. The objective of this Scheme is to provide an insurance cover to the members of the Provident Fund in covered establishments linking the cover to the deposits in the Provident Fund of the deceased member. The Employees' Deposit Linked Insurance Scheme, 1976 came into force from 1.8.1976.

1.2 APPLICABILITY

1.2.1 The Employees' Deposit Linked Insurance Scheme is applicable to the employees of all the factories/ establishments to which the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 applies.

1.2.2 The provisions of this Scheme are not applicable to:

- (i) Tea factories/ plantations in the State of Assam;
- (ii) Establishments for which exemption is granted under Section 17(2A) of the Act;
- (iii) Any person or class of persons to whom exemption is granted under Para 28 of the Employees' Deposit Linked Insurance Scheme, 1976

1.3 ADMINISTRATION

1.3.1 This Scheme is administered by the Central Board of Trustees, Employees' Provident Fund. The Regional Committee set up under Para 4 of the Employees' Provident Fund Scheme, 1952 shall advise the Central Board on such matters, in relation to the administration of the Employees' Deposit Linked Insurance Scheme, as the Central Board may refer to it from time to time and in particular, on the progress of recovery of contributions and expeditious disposal of prosecutions.

1.3.2 EMPLOYEES' DEPOSIT LINKED INSURANCE SCHEME

DEPOSIT LINKED INSURANCE FUND

Under the provisions Section 6-C of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the Employees' Deposit Linked Insurance Scheme, 1976 was framed by the Central Government.

On framing of Insurance Scheme, a Deposit-Linked Insurance Fund was set up. The employer shall pay contribution to this Fund every month. The Fund is operated to pay the Assurance benefit under the Employees' Deposit Linked Insurance Scheme, 1976. No other expenditure shall be incurred from this Fund except with the previous sanction of the Central Board.

The Fund shall be operated by the Officers of the Organisation as authorised by the Central Board

1.4.1 EXEMPTION

Section 17(2A) and 2(B) of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (read with Para 28 of the Employees' Deposit Linked Insurance Scheme, 1976) provides for grant of exemption to an establishment, class of employees and individual employees from the operation of the Employees' Deposit Linked Insurance Scheme, 1976.

1.4.2 As and when Relaxation Order/Exemption is granted to an establishment/class of employees/individual employees, the same should be prominently noted in the Form 9/ Form 1 (IF). In the case of exemption granted to an establishment, as a whole, the list of such exempted establishments would be kept by the Section Supervisor, Assistant Accounts Officer and Assistant Provident Fund Commissioner concerned.

1.4.3 Wherever exemption is given to a class of employees/individual employee, the same should be noted against the names of such members in the Form 9/Form 1 (IF) under the initials of Section Supervisor and Assistant Accounts Officer.

1.5 MEMBERSHIP

1.5.1 All the Employee - Members of the Fund and also Employee-Members of a Provident Fund Exempted under Section 17 of the Act and Para 27/27A of the Employees' Provident Fund Scheme, 1952 are members of the Employees' Deposit Linked Insurance Scheme, 1976.

1.5.2 RETENTION OF MEMBERSHIP

The membership under Employees' Deposit Linked Insurance Scheme, 1976 is retained by an employee as long as he is employed in an establishment covered under the Act.

1.6 CONTRIBUTION

1.6.1 The employee-members of the Employees' Deposit Linked Insurance Scheme, 1976 are not required to contribute any amount, as their share, to the Insurance Fund. The employers of covered establishments are required to pay every month to the Insurance Fund, contributions at the rate of 0.5% of the basic wages, D.A. (including the cash value of food concession) and retaining allowance, if any, actually drawn during the whole month whether paid on daily, weekly, fortnightly or monthly basis. Dues towards contribution (limiting it to the ceiling prescribed for each employee from time to time) should be determined on the total wages of all the employees, who are members of the Fund and contribution payable should be arrived at to the nearest Rupee, 50 paise or more to be counted as the next higher Rupee and fraction of a rupee less than 50 paise to be ignored.

1.6.2 The Employees' Deposit Linked Insurance contributions of employer's share should be recovered on the same quantum of pay of the employees in which the Employees' Provident Fund contributions are being recovered. Where the monthly pay of a member exceeds Five thousand Rupees (with effect from 1.10.1994) the contribution payable in respect of him by the employer shall be limited to the amount payable on a monthly pay of Five thousand Rupees including Dearness Allowance, retaining allowance (if any) and cash value of food concession.

1.6.3 The Central Government had contributed to the Insurance Fund upto 15.11.1995 on an amount representing one half of the employer's share of contribution i.e. 0.25% and credited the same at the close of every financial year. With effect from 16.11.1995, the provisions of Sub-section (3) of Section 6-C of the Act has been deleted, thereby no contribution is payable by the Central Government from 16.11.1995.

MODE OF PAYMENT OF EMPLOYEES DEPOSIT LINKED INSURANCE DUES:

1.6.4 The employer should remit the contribution and Administrative/Inspection charges to the Insurance fund within 15 days of the close of every month by a separate Bank draft or cheque or by remittance in cash in Employees' Deposit Linked Insurance Fund contribution Account (Account No. 21) and Employees' Deposit Linked Insurance Fund Regional Administration Account (Account No.22) maintained at the State Bank of India. However, a grace period of 5 days is allowed for the remittance of contributions/administrative charges. The cost of remittance, if any, should be borne by the employer.

1.6.5 It should be the responsibility of the employer to pay the contribution payable by himself in respect of the employees directly employed by him and also in respect of those employed by or through a contractor.

1.7 ADMINISTRATION ACCOUNT/APPORTIONMENT OF EXPENDITURE

1.7.1 The expenses in connection with the administration of the Employees' Deposit Linked Insurance Scheme, 1976 are met by collection of administrative charges, every month, from the employers of covered establishments with effect from 1.10.1987 at the rate of 0.01% of the aggregate of the basic wages, dearness allowance (including the cash value of the food concession) and retaining allowance, if any, of their employees, who are members of the Provident Fund. The Central Government also paid its share of administrative charges upto 15.11.1995 representing one half of the amount of charges i.e. 0.005%, payable by the employers. With effect from 16.11.95, the provisions of sub-section 4(b) of Section 6C has been deleted, thereby no share of administrative charges is payable by the Central Government. The monthly administrative charges payable by

the employer shall be subject to a minimum of Rs. 2/- (with effect from 1.2.1989 vide S.O. No. 237(E) dated 28.1.89)

NOTE: The rate of administrative charges from 1.8.76 to 30.9.87 was @ 0.1%.

APPORTIONMENT OF EXPENDITURE

1.7.2 The work on the implementation of the Employees' Deposit Linked Insurance Scheme, 1976 and Employees' Provident Fund Scheme, 1952 are by and large integrated and the expenditure on the administration of both schemes is common. The expenditure on the administration of EDLI Scheme, 1976 is initially met from the Employees' Provident Fund Administration Account. Out of expenditure incurred from the Employees' Provident Fund Administration Account, 1% of expenditure is reckoned towards Employees' Deposit Linked Insurance Scheme, 1976 and charged accordingly.

1.7.3 A monthly Return (Return II) showing the expenditure incurred on the administration of the Employees' Deposit Linked Insurance Scheme, should be sent to Central Office by the 15th of the month following the month to which the expenditure relates.

1.8 INSPECTION CHARGES

Employers in relation to an establishment or any person or class of persons exempted from the operation of Employees' Deposit Linked Insurance Scheme, 1976 should pay to the Insurance Fund with effect from 1.1.1989 (S.O. No. 238 dated 28.1.89), Inspection charges at the rate of ZERO POINT ZERO ZERO FIVE (0.005%) per cent of the aggregate of the basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance, if any, subject to a minimum of Rs. 1/- per month, within 15 days of the close of every month in Employees' Deposit Linked Insurance Fund - Regional Administration Account (Account No. 22).

NOTE: The rate of inspection charges levied for the period from 1.8.1976 to 31.12.1988 was 0.02%.

1.9 FORMS OF ACCOUNT

1.9.1 The accounts of the Insurance Fund, including the Insurance Fund Administration Account shall be maintained by the Commissioner in such form and in such manner as specified by the Central Board. The details of such receipts and payments in the Insurance Fund shall be kept recorded in the Cash Book viz., A/c No. 21 & 22 in Regional Office/Sub-Regional Offices and related Cash Books viz., A/c No. 25 and 24 in Central Office.

1.9.2 All the items of accounts should be calculated to the nearest rupee, i.e. 50 paise or more shall be counted as the next higher rupee and fraction of rupee less than 50 paise shall be ignored. But in respect of Administrative and Inspection charges in Employees' Deposit Linked Insurance Fund - Regional Administration Account (Account No. 22) (as also penal damages) the amount should be rounded off to the nearest 5 paise.

1.9.3 No individual accounts under the Employees' Deposit Linked Insurance Scheme are required to be maintained and hence no posting of contributions need be made in the subscriber's ledger card/folio.

1.10 MONTHLY RETURNS

1.10.1 There is no separate return prescribed for watching the enrolment, cessation, dues and remittances relating to the Employees' Deposit Linked Insurance Scheme, 1976 in respect of unexempted establishments. The returns prescribed under Employees' Provident Fund Scheme, 1952 viz., Forms 5, 10, 12A will meet the requirement of Employees' Deposit Linked Insurance Scheme also. However, the establishments, which are exempted from the operation of Employees' Provident Fund Scheme, are required to submit separate returns towards the compliance of Employees' Deposit Linked Insurance Scheme, 1976 in Forms 1 to 4(IF) on due dates. The checks to be exercised in auditing the above forms are explained in Part I of this Manual.

1.10.2 The dues and remittances of unexempted establishment towards Insurance Fund contribution and Administrative charges should be reflected in Form 12A and the dues and remittance of Provident Fund Exempted establishments should be reflected in Form 4 (IF). This monthly return due on 25th of every month should be watched and postings should be made in the DCB Register, to ensure prompt remittance and to initiate action on defaulters and belated remittances.

On close of every financial year the total dues and remittances in Account No. 21 and 22 should be reconciled and shown in DCB Register.

CHAPTER - 2

NOMINATION UNDER THE SCHEME

2.1.1. The nomination made by a member under the Employees' Provident Fund Scheme 1952 (Form 2) or under the Exempted Provident Fund shall be treated as nomination under the Employees' Deposit Linked Insurance Scheme, 1976

2.1.2 The establishment exempted from the operation of Employees' Provident Fund Scheme, 1952 is required to furnish a certified copy of the nomination executed by the employee under the rules of Exempted Provident Fund.

2.1.3 The nomination of the employees of the Provident Fund Exempted establishment shall be watched and preserved in the Section dealing with such establishments. However, the certified copy of the nomination/ the person to whom the Provident Fund was paid by the Board of Trustees as furnished by the establishment along with Form 5 (IF) may be relied upon.

2.2 BENEFIT

2.2.1 The Employees' Deposit Linked Insurance Scheme, 1976 provides for payment of 'Assurance Benefit'. The Assurance benefit is payable on death of the employee, while in service. The quantum of Assurance benefit is linked to the average balance in the Provident Fund Account of the employee.

The period to be reckoned for average balance and the quantum of Assurance benefit payable are as under:-

Average balance to be reckoned for the period	Death occurred during the period
1. 3 years preceding the month in which death occurred or the period of membership, whichever is less	1.8.1976 - 28.2.1990
2. 12 months preceding the month in which death occurred or the period of membership whichever is less	1.3.1990 onwards

MINIMUM AVERAGE BALANCE:

2.2.2 The minimum average balance was insisted for determining the eligibility for Assurance Benefit as per the table below. This has, however, been dispensed with from 1.4.1993. As such, there is no need to insist the requirement of minimum balance in respect of death occurred on or after 1.4.1993.

Death occurred during	Minimum Average Balance
1.8.1976 to 31.7.1979	NIL
1.8.1979 to 28.2.1990	Rs. 1,000/-
1.3.1990 to 31.3.1993	Rs. 500/-
1.4.1993 onwards	Not applicable

2.2.3 The extent of assurance benefit payable is as under:-

PERIOD	MAXIMUM ASSURANCE BENEFIT
1.8.1976 -- 28.2.1990	Rs. 10,000/-
1.3.1990 -- 31.3.1993	Where the average balance exceeds Rs. 15000/- the assurance benefit shall be Rs. 15000/- + 25% of the amount in excess of Rs. 15000/- subject to maximum of Rs. 25000/-
1.4.1993 onwards	Where the average balance exceeds Rs. 25000/- the assurance benefit will be Rs. 25000/- + 25% of the amount in excess of Rs. 25000/- subject to maximum of Rs. 35,000/-

2.2.4 In the case of a part-time employee who was a member of the Fund or of a Provident Fund Exempted under Section 17 of the Act, as the case may be, while serving in more than one factory or establishment, the quantum of benefit under this Scheme shall be determined with reference to the average of the aggregate balance in all his accounts in the Fund or of a Provident Fund exempted under Section 17 of the Act, as the case may be, during the preceding twelve months.

2.2.5 In the case of an employee in a seasonal factory/establishment, if death occurs during off season, when he was not in receipt of any 'Retaining Allowance', he will be deemed to have died while in service and Employees' Deposit Linked Insurance benefits shall be paid to his family, provided his name was kept in the muster roll of the establishment at the time of his death.

2.2.6 In cases, where a Provident Fund member has left service in one establishment/ factory and has joined service in another establishment/ factory to which the Employees' Deposit Linked Insurance Scheme, 1976 applied after a short/considerable time but has not withdrawn his Provident Fund accumulations, and dies while in service the intervening period between the two employments will also be considered as effective Provident Fund membership and the progressive balance will be worked out as for the month without wages and contributions.

2.2.7 In cases, where an employee member was on leave without wages (consequently no contribution was payable by the employer) or absent for any other reason and expired during that period, the Assurance benefit is admissible irrespective of the fact that no contribution was paid by the employer, provided he was on the muster rolls of the establishment on the day of death and satisfied the prescribed conditions.

2.2.8 The amount of Assurance benefit is not subject to the payment of contributions by the employer in respect of each and every employee. Accordingly, every employee who was a member of the Employees' Provident Fund or the Exempted Fund on or after 1.8.1976 will be entitled to the benefit of the Scheme.

2.2.9 If a member dies during the lock-out period or suspension period it should be treated as death while in service.

2.2.10 If the establishments have not complied with the procedural formality with regard to the closure as in the Industrial Disputes Act, the employees are deemed to be in service. In such cases, a confirmation towards the compliance with the provisions of the Industrial Dispute Act, should be obtained from the employer/ State Labour Department.

2.3 CLAIM FORMAT

2.3.1 The beneficiary under the Employees' Deposit Linked Insurance Scheme should apply for the

Assurance benefit in the prescribed form i.e. Form 5 (IF) (Annexure 1) through the employer.

2.3.2 WORK SHEET:

The sanction for releasing the Assurance benefit should be made in the prescribed work sheet (Annexure 2).

ASSURANCE BENEFIT - TO WHOM PAYABLE

2.4 Para 23 of the Employees' Deposit Linked Insurance Scheme, 1976 stipulates the person to whom the Assurance benefit is payable. The provisions of this para is similar to the provisions of Para 70 and 70A of the Employees' Provident Funds Scheme, 1952. In view of this, the Assurance benefit is payable to the person(s) to whom the Provident Fund dues are paid/payable, in accordance with the provisions of the Employees' Provident Fund Scheme, 1952.

2.5 CALCULATION OF AVERAGE MONTHLY BALANCE

2.5.1

- (i) To determine the average balance in the Fund or in the Provident Fund exempted under Section 17 of the Act, the sum total of contributions by the employee and the employer, due for and upto the relevant period, whether paid or unpaid in the Fund or in the Provident Fund exempted under Section 17 of the Act, together with interest should be taken into account. The employers are required to show the contributions in the claim against the month in which the amount is payable to the Fund or Exempted Fund. For example - The contributions due on the wages for September which are payable in the month of October should be shown against the month of October, irrespective of the date of actual remittances.
- (ii) The period of twelve months or the actual period of membership, whichever is less, for calculation of Assurance benefit should be computed backwards from the month preceding the month in which death occurs.
- (iii) There may be certain months during which no contributions are payable, for instance leave without pay, closure, lock out etc. In such cases, the progressive balance should be repeated. For the purpose of obtaining the average balance in the Fund, or Exempted Fund, both the paid and unpaid Provident Fund contributions together with interest thereon also during the relevant period are to be taken into account.
- (iv) Annual interest (calculated on monthly balance as per the provisions of Para 60 of the Employees' Provident Fund Scheme, 1952) should be shown under Column 4 of statement of monthly balances in the claim application (i.e. Form 5 (IF) against the month of March of each year. It is also applicable to Provident Fund exempted establishments.
- (v) For determining the amount of Assurance benefit, interest will have to be worked out on the Provident Fund accumulations upto the month preceding that in which the member died.
- (vi) To calculate the average monthly balance for the last 12 months/actual period of membership, the amount standing to the credit of the deceased, on the last date of the month, should be taken as the balance for that month. The eligibility should be determined on the basis of the average monthly balance for the last 12 months/ period of membership.
- (vii) While assessing the average balance for the period of twelve months, the contributions payable to the Fund/Exempted Fund including the contributions payable for the continued earlier period of membership through other establishments, if any, should be taken into account for reckoning the balance for 12 months.
- (viii) The Assurance Benefit payable should be rounded off to the nearest rupee.
- (ix) The Assurance benefit is linked to the Provident Fund balance howsoever it is accumulated in the account of the member. Hence, the voluntary contribution made will also be taken into consideration in arriving at the Assurance benefit.

- (x) The particulars regarding the balance in Provident Fund at the end of the month preceding the 12 months immediately preceding the death of the member, withdrawals, progressive balance should be completed in claim form 5 (IF), by the dealing assistant in the Accounts Section of the Regional/ Sub-Regional Office before arriving at the average balance, in respect of the member of the unexempted establishments. In the case of exempted establishments, the particulars given in the claim may be accepted duly observing the procedure prescribed in para 2.7 of this Manual.
- (xi) The following counter-checks may be exercised to ensure the correctness of the progressive balance as arrived at in the claim form in case of prompt remittance by the establishments on due dates and in cases where the establishments remitted the dues belatedly and the same has been accounted for in the ledger account of the member; the progressive balance arrived at against the month of March of each year should tally with the closing balance of the financial year.
- (xii) In the case of defaulting establishments, the statement showing the contributions due in respect of the deceased member but not paid to the Fund should be obtained from the employer to arrive at the opening balance, interest and progressive balance.
- (xiii) Where an establishment was under closure and if the employees are not given the full Provident Fund dues on account of the default (part-payment already made), on their rejoining the same establishment on it restarting, the question of calculation of Average Balance in respect of employee will be regulated as under:-
 1. Death should occur while in service (i.e. after the restart of the establishment)
 2. The amount of part-payment made should be treated as withdrawal for arriving at the average balance.

2.5.2 An example showing the calculation on the average balance is given in the Annexure 3.

2.6 PROCEDURE FOR THE SETTLEMENT OF CLAIM IN FORM 5 (IF)

- (i) The claim in Form 5 (IF) should be received and acted upon (simultaneously) with the claim in Form 20 (if applicable) in the same manner as prescribed for the receipt and disposal of Employees' Provident Fund claim.
- (ii) The particulars regarding the opening balance, contributions, refund of withdrawal, interest, withdrawals, progressive balance and the average balance furnished in the claim form should be checked 100% by the Section Supervisor and the Assistant Accounts Officer.
- (iii) The total of the monthly progressive balance should be checked. The sanction for payment of assurance benefit should be obtained in the prescribed worksheet (vide Annexure 2).
- (iv) Before authorising payment in the claim form itself, the Assistant Accounts Officer should ensure that the claimant is entitled to get the Assurance Benefit and conditions governing grant of benefit are fully complied with.
- (v) In order to ensure that the member died while in service, the date of death, furnished by the employer in the certificate portion of the claim in Form 5 (IF) should be got checked up with the one already reported through the Form 10 & 3A/ Form 3 (IF). In cases where the member was not in receipt of wages for the month in which he died the employer should be asked to explain the reasons for non-payment of wages even though the member was on the muster rolls of the establishment till the day of death. If the reasons are not convincing the assistance of area Enforcement Officer may be sought for.
- (vi) The authorisation of payment should be entered in the Form 9 (Revised / Form 1 (IF), Withdrawal Register and Ledger Card (Form 21A) and attested by the Assistant Accounts Officer.
- (vii) The authorised claim should be sent to cash Section duly including it in the 'Payment Scroll'.

- (viii) The preparation of 'Payment Scroll', measures to be adopted to ensure speedy settlement of accounts, etc., should be followed as per the procedure prescribed under Employees' Provident Fund (Part II of this Manual).

2.7 SPECIAL CHECKS TO BE MADE ON FORM 5 (IF) RECEIVED FROM PROVIDENT FUND EXEMPTED ESTABLISHMENTS.

The following procedure should be adopted before authorising the benefit in respect of the member through the exempted establishment (i.e. establishments exempted from the operation of the Employees' Provident Fund Scheme, 1952 and are complying with the Employees' Deposit Linked Insurance Scheme, 1976).

1. Before entertaining the claim, it should be ensured that the employee was covered under the Employees' Deposit Linked Insurance Scheme, 1976 and no Relaxation Order / Exemption was granted to him under Section 17 (2A) of the Act or Para 28 of the Employees' Deposit Linked Insurance Scheme, 1976. This should be verified with reference to the note kept in Form 9 /Form 1 (IF)/ list of exempted establishments which is required to be kept by the Section Supervisor, Assistant Accounts Officer and Assistant Provident Fund Commissioner.
2. The Audited and accepted Form 1 (IF) i.e. consolidated return of employees who are entitled and required to become members of Insurance Fund on the date of application of the Scheme, should be preserved carefully, preferably in the form of a Bound volume.
3. The particulars of additions and deletions received through Form 2 (IF) and Form 3 (IF) respectively should be entered in the Form 1 (IF) under the attestation of Section Supervisor.
4. The endorsement on account of payments under Employees' Deposit Linked Insurance Scheme should bear the date (date/month/year) under the initials of Clerk/Section Supervisor/ Assistant Accounts Officer.
5. Erasures or overwriting in Form 1 (IF) should be strictly avoided.
6. It should be ensured that no claim under Employees' Deposit Linked Insurance Scheme is passed for payment on the basis of individual certified copy of Form 1 (IF).
7. In doubtful cases the original nomination form of the deceased member may be called for, for verification and return. In the absence of a valid nomination the beneficiaries should be determined in accordance with the provisions of Para 23 of the Scheme.
8. The specimen signature of the authorised officials of the factory/establishments duly attested by the employer may also be obtained, in duplicate. One copy may be pasted with Form 1 (IF) and the second copy may be kept by the Section Supervisor in his custody. As an effective check against the fraudulent claims, the signature of the attesting authority in the claim form and in the copy of the nomination form should invariably be verified.
9. The correctness of the particulars in the claim Form 5 (IF) from exempted establishments should be got verified by an Enforcement Officer not necessarily the area Enforcement Officer. In this connection the following procedure may be followed:-

During the course of normal inspection of exempted establishments, the Enforcement Officer should ascertain the details of cases, if any, entitled for Assurance benefits under the Employees' Deposit Linked Insurance Scheme, 1976 and furnish the amount of Provident Fund dues and the name and address of the beneficiary in the inspection report itself. On receipt of claims in Form 5 (IF), the Accounts Branch may obtain the above details from the Enforcement Section.

In the absence of required details, as above, the following procedure should be adopted:-

The claim Form No. 5 (IF) received from the Exempted establishments should be processed

for settlement immediately on their receipt without making reference to the area Enforcement Officer for verification and confirmation of particulars in the claim application in Form 5 (IF). However, all such claims may be subject to a detailed scrutiny by the area Enforcement Officer after the settlement of claim and any over payment detected on account of furnishing of wrong figures, may be recovered from the employer of the exempted establishment. In order to pin-point this responsibility on the employer a suitable certificate to that effect is inserted in the claim Form 5 (IF) as note No. 2 under the heading "TO BE FILLED IN BY THE EMPLOYER ON DUE BASIS". To ensure the verification of claims by the area Enforcement Officer the Assistant Accounts Officer while authorising the Employees' Deposit Linked Insurance Scheme claim should simultaneously address a letter to the area Enforcement Officer, so as to verify the correctness of particulars at the time of normal inspection and submit a report to Regional Office/Sub-Regional Office. Enforcement Officer should also record his finding invariably in the Inspection Report.

- 10 An intimation regarding settlement of claim should be sent to the establishment concerned duly indicating the mode of payment

2.8. MODE OF PAYMENT

2.8.1 The payment of Assurance Benefit may be at the option of the person to whom payment is to be made (i) By Postal Money Order (Upto Rs. 2000/- only) or (ii) by deposit in the Payee's Bank Account in the scheduled Bank or any Co-operative Bank (including Urban Co-operative Banks) or any Post Office or (iii) by deposit in the Payee's name (the whole or part of the amount) in the form of Annuity Term Deposit Scheme in any Nationalised Banks or (iv) through the employer.

2.8.2 Since the Employees Provident Fund claim application in Form 20 and Employees Deposit Linked Insurance application in Form 5 (IF) in respect of the deceased members (wherever applicable) are required to be processed and authorised simultaneously, the cheque for Assurance benefit should be sent along with the cheque towards Employees' Provident Fund dues by the Cash Section.

2.9 TRANSFER

Since the individual account is not required to be maintained, the question of transfer of Insurance Fund account does not arise. However, the wage details for twelve months, preceding the date of leaving service of the establishment should be furnished in the Annexure K (Transfer certificate).

INSTRUCTIONS.

The benefit under Employees' Deposit Linked Insurance Scheme, 1976 is admissible to the person (s) entitled to receive the Provident Fund accumulations of the deceased member only under the following conditions:—

1. Death should have occurred while in service
2. All the columns in the form should be filled in ink, without any overwriting.
3. Correct postal address, including PIN CODE, will enable to make prompt payment to the correct payee.
4. The claimant should also furnish the address in the acknowledgement card attached to the claims.
5. The claimant should sign the application form; in the case of illiterates left hand thumb impression of the claimant should be affixed in the form.
6. The application should be got attested by the employer under whom the member was last employed. If for any reason the claimant is unable to submit the claim through the employer, the claim may be got attested with official seal by any of the following officials.

1) Magistrate 2) A Gazetted Officer 3) Post/ Sub-Post Master 4) President of the Village Panchayat where there is not Union Board, 5) Chairman/Secretary/Member of Municipal/District Local Board, 6) Member of Parliament/Legislative Assembly 7) Member of CBT/ Regional Committee EPF 8) Manager of the Bank in which the Bank Account is maintained 9) Head of any recognised educational institution 10) Any other officials as may be approved by the Commissioner.

While forwarding the claim the employer should ensure that all the information required in the claim is furnished correctly and requisite documents are enclosed.

THE EMPLOYEES' DEPOSIT LINKED INSURANCE SCHEME, 1976

(To be filled up separately by each claimant. In case the claimant is minor it should be filled up by the Guardian on his/her behalf. Where there are more than one minor the guardian should claim in one Form on their behalf.)

1 PARTICULARS OF THE DECEASED MEMBER:—

(i) Name :

(ii) Father's Name :

or Husband's Name in case
of married woman)

(iii) Date of death :

(iv) Last employed in (Name
of factory/estt.) :

(v) Code No. & Account No. in P.F. : RO/SRO Code Estt. Code PF A/c No

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2. Details of the Claimant:—

Name of the claimant/ Guardian	Age & year of birth	Relation with the Deceased	If the claimant is a guardian of the minor nominee/heir	
			(a) Name of the minor	(b) Relationship of the guardian with minor

3. Full postal address of the claimant / :**Guardian (IN BLOCK LETTERS)** :

:

4. Mode of remittance: (Put a tick () in the box one opted)

- (a) By A/c payee cheque-sent direct for credit to my A/c No. (Scheduled Bank, Cooperative Bank, Post Office)
"If opted, furnish the details"

Name of the Bank	Branch	Bank A/c. No.	Full address of the Branch
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- (b) By Postal Money Order at own cost: (Payment by M.O. is only upto Rs. 2,000/-)

- (c) By deposit in payee's name - the whole or part of the amount in the form of annuity terms deposit Scheme in any Nationalised Bank (as detailed below)

Name of the Bank	Branch	Bank A/c. No.	Full address of the Branch
------------------	--------	---------------	----------------------------

- (d) Through the employer:

Date:

Signature/thumb impression of applicant

5. ADVANCE STAMPED RECEIPT

Received a sum of Rs. * _____ (Rupees) _____ from Regional Provident Fund Commissioner/Officer-in-charge of Sub-Regional Office _____ towards Employees Deposit Linked Insurance benefit.

(* the space _____ Office)

Affix Revenue Stamp

The space should be left blank which shall be filled in by the Regional Provident Fund Commissioner/Officer-in-charge of Sub-Regional Office.

Signature/thumb impression of the claimant

(To be furnished by the employer)

1. Certified that the claimant signed/thumb impressed before me and the particulars as furnished are true to the best of my knowledge.
2. Certified that the member died on while in service.
- 3.* Certified that the provident fund accumulations of the deceased employee Late Shri/Smt. A/c.No. were paid to Shri/Smt./ Kumari

- 1.
- 2.
- 3.

(The employer of exempted establishment shall send an attested copy of the nomination of the deceased employee)

Balance in Provident Fund at the end of the month preceding the 12 months immediately preceding the death of member

Month	Both share of contributions	Refund of withdrawal	Interest	Withdrawal	Progressive Balance
(1)	(2)	(3)	(4)	(5)	(6)

(excluding pension contribution)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.

Total of 12 months'

Provident Fund Balance:

Rs. _____

Average Balance:

Rs. _____

Encls:

Dated:

Signature of the Employer/or any authorised official
(Name & designation with Official seal)

Delete, if not applicable.

- (i) In case the death of the member occurred before 1.3.90 the average balance of 36 months should be worked out in the above form on a separate sheet which should be enclosed.
- (ii) The employer of unexempted estts. should fill in the columns 2 & 3 only and the employer of PF exempted estts. should fill in all the columns on the due basis.
- (iii) The employer of exempted estts. should ensure that the Information furnished under columns 2 - 6 above and also other particulars given in this application form are correct. In case of any excess payment resulting on account or any error of mistake in the information furnished in this application form, the same will be recovered from the employer.

(FOR THE USE OF COMMISSIONER'S OFFICE)

Entered in F-21-A/ 9(revised) / 1 (IF)/ withdrawal Register.

Clerk

Section Supervisor

(under Rs. _____ P.I. No.

..... Account No. _____

Section

Passed for payment of Rs. (Rupees.) and the
amount may be remitted * in respect of Shri/Smt. /
Kumari maintained at
..... (Bank)

This space should be filled in as per
SI.No. 4 of this form

Assistant Accounts Officer
Assistant Commissioner

Date:

Paid by inclusion in Cheque No. dated

Cashier

Section Supervisor

APFC (Cash)

WORKSHEET FOR SANCTION OF EMPLOYEES' DEPOSIT LINKED INSURANCE BENEFIT

Section	Claim Regd. No. & Dated
_____	_____
_____	_____
1. Name of the Deceased member	:
2. Account No.	:
3. Name of the Establishment (Exempted/Unexempted)	:
4. Whether the establishment is governed by the EDLI Scheme, 76 (i.e. on the day of death of the member)	:
5. Whether the deceased member was in service till his date of death and his name was in the muster roll	:
6. Date of entry in EDLI Scheme	:
7. Date of Death	:
8. Balance in PF at the end of the month preceding the 12 months immediately preceding the death of the member	:
9. Whether the progressive balance in the claim has been arrived at on actual due basis	:
10. Whether the interest is restricted to the month preceeding the month in which the death occurred (for arriving average balance)	:
11. Total progressive balance	:
12. Average balance <u>(Total Progressive Balance)</u> (No. of months) (i.e. actual period of membership subject to maximum of 12)	:
13. Amount to be paid under para 24 (3) of the Employees' Deposit Linked Insurance Scheme, 1976 (rounded off to the nearest rupee - maximum restricted to Rs. 35000/-	:
14. By whom the claim is preferred	:
and	:
Relationship with the deceased member	:
15. Whether the signature of attesting authority	:

- tallies with the specimen signature :
16. To whom the EPF dues of the deceased member is paid :
17. Mode of payment desired by the claimant
(with reference to Para 24 (3) of the EDLI Scheme) :
18. Documents produced :

- Note:
1. If case of a claim through the exempted establishments, the correctness of the particulars furnished in the claim should be verified with reference to the Inspection report of the Enf. Officer. If not, a specific reference should be made to him to ensure the bonafide/ correctness of the claim. (Adopt the procedure as in Para 2.7.9)
 2. For assessing the average balance for a period of 12 months the contribution payable to the Fund/ Exempted Fund including the contribution payable for the continued earlier period of membership through other establishment, if any, should also be taken into account for reckoning the balance for 12 months.

Linked in Form 9 (Revised / Form-1 (IF)/ Ledger Card / Withdrawal Register / Form 2 Amount due for authorisation Rs. (Rupees) submitted to Assistant Accounts Officer / Assistant Provident Fund Commissioner for approval.

APPROVED

.....

Clerk

S.S.

Asst. Account Officer/Asst. PF Commissioner

Date:

Claim in Form 5 (IF) retained for transmission to Cash Section

P.I. No.

Date:

Personal Clerk to Asst. Accounts Officer.

**CALCULATION OF AVERAGE BALANCE
MODEL WORKING SHEET**

Shri/Smt./kum

P.F. A/c No. :

EDLI A/c No. :

(MEMBER DIED ON 04.08.96)

Provident Fund contribution on 12 months wages (from 01.08.95 to 31.07.96) are to be considered for calculation of average balance under para 22 of the Employees' Deposit Linked Insurance Scheme, 1976.

OPENING BALANCE AS ON 01.04.95**CLOSING BALANCE AS ON 31.03.95**

Rs. 1,01,578.00

Contribution received on the wages for
March 1995 to July 1995 @ Rs. 600/- per month

Rs. 3,000.00

Total

Rs. 1, 04,578.00

Month (in which contr. on the wages for Aug., 95 to July, 96 were payable)	Opening Balance	Refund of withdrawal	Both share of contr.	Interest	With-drawal	Progressive balance
9/95	1,04,578	--	600	--	--	1,05,178
10/95	1,05,178	--	600	--	--	1,05,778
11/95	1,05,778	--	600	--	--	1,06,378
12/95	1,06,378	--	450	--	--	1,06,828
1/96	1,06,828	--	300	--	--	1,07,128
2/96	1,07,128	--	300	--	--	1,07,428
3/96	1,07,428	--	300	12,572*	--	1,20,300
4/96	1,20,300	--	300	--	--	1,20,600
5/96	1,20,600	--	--@	--	--	1,20,600
6/96	1,20,600	--	--@	--	25,000	95,600
7/96	95,600	--	300@@	--	--	95,900
8/96	95,900	--	300@@	432**	--	96,632
TOTAL:						12,88,350

* Interest for the period 1995-96

** Interest for the broken period (4 months) for 1996-97 calculated on Interest Bearing Balance

① Member has not earned any wages

② Establishment has not remitted the amount of dues. Anyhow, the contributions due even though not paid, has been taken into account

Total Progressive Balance in 12 months	:	Rs. 12,88,350/-
Average balance	:	Rs. 12,88,350/-
		<u>12</u>
	=	Rs. 1,07,363/-

Assurance benefits payable	:	Rs. 25,000/- + 25% of the amount in excess of Rs. 25,000/- (subject to maximum of Rs. 35,000/-)
	=	Rs. 25,000/- + 25% of Rs. 82,363/-
	=	Rs. 25,000/- + Rs. 20,591/-
	=	Rs. 45,591/-

Therefore the Assurance benefit payable is Rs. 35,000/-

- Note:**
1. Opening Balance as on 1.4.1995 includes contributions in respect of wages of the member upto 28.2.1995
 2. Contributions for 12 months upto the end of the month preceeding the date of death are taken (i.e., from August 1995 to July 1996 wage month)
 3. The interest should be restricted to the month preceeding the month in which the death occurred (in this case upto 31.7.1996).