

THE LABOUR PROVIDENT FUND LAWS (AMENDMENT)  
ACT, 1971

No. 16 OF 1971

[23rd April, 1971]

An Act further to amend the Coal Mines Provident Fund and Bonus Schemes Act, 1948, and the Employees' Provident Funds Act, 1952.

BE it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

Short  
title.

1. This Act may be called the Labour Provident Fund Laws (Amendment) Act, 1971.

Amend-  
ment of  
long  
title.

2. In the long title to the Coal Mines Provident Fund and Bonus Schemes Act, 1948 (hereinafter referred to as the Coal Mines Act), after the words "Provident Fund Scheme", the words, "a Family Pension Scheme" shall be inserted. 46 of 1948.

Amend-  
ment of  
preamble.

3. In the preamble to the Coal Mines Act, the first paragraph shall be omitted.

Amend-  
ment of  
section 1.

4. In sub-section (1) of section 1 of the Coal Mines Act, after the words "Provident Fund", the words, "Family Pension" shall be inserted.

Amend-  
ment of  
section 2.

5. In section 2 of the Coal Mines Act, after clause (e), the following clause shall be inserted, namely:—

'(ee) "Family Pension Fund" means the Family Pension Fund established under the Coal Mines Family Pension Scheme framed under sub-section (1) of section 3E;'

6. In section 3A of the Coal Mines Act,—

Amendment of section 3A.

(a) in sub-section (3), after the words "The Board shall", the words, figure and letter "3E," shall be inserted;

(b) in sub-section (4), for the words "the Scheme aforesaid", the words "the Coal Mines Provident Fund Scheme and the Coal Mines Family Pension Scheme" shall be substituted.

7. In sub-section (3) of section 3C of the Coal Mines Act, after the words "Coal Mines Provident Fund Scheme", the words "and the Coal Mines Family Pension Scheme" shall be inserted.

Amendment of section 3C.

8. After section 3D of the Coal Mines Act, the following sections shall be inserted, namely:—

Insertion of new sections 3E and 3F.

3E. (1) The Central Government may, by notification in the Official Gazette, frame a scheme to be called the Coal Mines Family Pension Scheme for the purpose of providing family pension and life assurance benefits to such employees as are covered by the Coal Mines Provident Fund Scheme.

Coal Mines Family Pension Scheme.

(2) There shall be established, as soon as may be after the framing of the aforesaid Scheme, a Family Pension Fund into which shall be paid from time to time in respect of every such employee—

(a) such portion, not exceeding one-fourth, of the amount payable under sub-section (1) of section 10D as the employer's contribution as well as the employee's contribution, as may be specified in the said Scheme, and

(b) such sums, being not less than the aggregate of the amount payable in pursuance of clause (a) out of the employer's contribution under sub-section (1) of section 10D and an amount equivalent to one-sixteenth of the employer's contribution under that sub-section in respect of such employee, as the Central Government may, after due appropriation made by Parliament by law in this behalf, specify.

(3) The Family Pension Fund shall vest in and be administered by the Board.

(4) Any scheme framed under the provisions of sub-section (1) may provide for all or any of the matters specified in the Second Schedule.

3F. The Central Government shall, after due appropriation made by Parliament by law in this behalf, pay such further sums as may be determined by it into the Family Pension Fund to meet all the expenses in connection with the administration of the Coal Mines Family Pension Scheme other than the expenses towards the cost of any benefits provided by or under the said scheme."

Special grant by Central Government.

9. In sub-section (2) of section 5 of the Coal Mines Act, for the words "Second Schedule", the words "Third Schedule" shall be substituted.

Amendment of section 5.

Amend-  
ment of  
section 8.

10. In section 8 of the Coal Mines Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) The provisions of sub-section (1) and sub-section (2) shall, so far as may be, apply in relation to the family pension or any other amount payable under the Coal Mines Family Pension Scheme as they apply in relation to any amount payable out of the Fund.”.

Insertion  
of new  
Second  
Schedule.

11. The Second Schedule to the Coal Mines Act shall be re-numbered as the Third Schedule and before the Third Schedule as so re-numbered, the following Schedule shall be inserted, namely:—

“THE SECOND SCHEDULE

(See section 3E)

MATTERS TO BE PROVIDED FOR IN THE COAL MINES FAMILY PENSION SCHEME

1. The employees or class of employees to whom the Coal Mines Family Pension Scheme shall apply and the time within which option to join that Scheme shall be exercised by those employees to whom the said Scheme does not apply.

2. Subject to the provisions of section 3E(2), the portion of employer's and employee's contribution which may be credited to the Family Pension Fund and the manner in which it may be credited.

3. The contribution by the Central Government to the Family Pension Fund and the manner in which such contribution is to be made.

4. The manner in which the accounts of the Family Pension Fund shall be kept and the investment of moneys belonging to the Family Pension Fund with the Central Government at a rate of interest which shall not be less than five and a half per centum per annum.

5. The form in which an employee shall furnish particulars about himself and his family whenever required.

6. The nomination of a person to receive the assurance amount due to the employee after his death and the cancellation or variation of such nomination.

7. The registers and records to be maintained in respect of employees, the form or design of any identity card, token or disc for the purpose of identifying any employee, or his nominee or a member of his family entitled to receive the pension.

8. The scales of family pension and the assurance amount.

9. The mode of disbursement of family pension and the arrangements to be entered into with such disbursing agencies as may be specified for the purpose.

10. The manner in which the expenses incurred in connection with the administration of the Coal Mines Family Pension Scheme may be paid by the Central Government to the Board.

11. Any other matter which is to be provided for in the Coal Mines Family Pension Scheme or which may be necessary or proper for the purpose of implementing the Coal Mines Family Pension Scheme."

19 of 1952.

12. In the long title to the Employees' Provident Funds Act, 1952 (hereinafter referred to as the Provident Funds Act), after the words "provident funds", the words "and family pension fund" shall be inserted.

Amendment of long title.

13. In section 1 of the Provident Funds Act,—

Amendment of section 1.

(a) in sub-section (1), after the words "Provident Funds", the words "and Family Pension Fund" shall be inserted;

(b) the proviso to sub-section (5) shall be omitted.

14. In section 2 of the Provident Funds Act,—

Amendment of section 2.

(a) after clause (g), the following clauses shall be inserted, namely:—

'(gg) "Family Pension Fund" means the Family Pension Fund established under the Family Pension Scheme;

(ggg) "Family Pension Scheme" means the Employees' Family Pension Scheme framed under section 6A;'

(b) for clause (l), the following clause shall be substituted, namely:—

'(l) "Scheme" means the Employees' Provident Fund Scheme framed under section 5.'

15. In section 5A of the Provident Funds Act,—

Amendment of section 5A.

(a) in sub-section (3), after the words "The Central Board shall", the words, figure and letter " , subject to the provisions of section 6A," shall be inserted;

(b) in sub-section (4), after the words "of the Scheme", the words "and the Family Pension Scheme" shall be inserted.

16. In sub-section (3) of section 5D of the Provident Funds Act, after the words "the Scheme", the words "and the Family Pension Scheme" shall be inserted.

Amendment of section 5D.

17. In section 5E of the Provident Funds Act, after the words "the Scheme", the words "and the Family Pension Scheme" shall be inserted.

Amendment of section 5E.

18. After section 6 of the Provident Funds Act, the following sections shall be inserted, namely:—

Insertion of new sections 6A and 6B.

"6A. (1) The Central Government may, by notification in the Official Gazette, frame a scheme to be called the Employees' Family Pension Scheme for the purpose of providing family pension and life assurance benefits to the employees of any establishment or class of establishments to which this Act applies.

Employees' Family Pension Schemes.

(2) There shall be established, as soon as may be after the framing of the Family Pension Scheme, a Family Pension Fund into which shall be paid from time to time in respect of every such employee—

(a) such portion, not exceeding one-fourth, of the amount payable under section 6 as contribution by the employer as well as the employee, as may be specified in the Family Pension Scheme,

(b) such sums as are payable by the employer of an exempted establishment under sub-section (6) of section 17, and

(c) such sums, being not less than the amount payable in pursuance of clause (a) out of the employer's contribution under section 6, as the Central Government may, after due appropriation made by Parliament by law in this behalf, specify.

(3) The Family Pension Fund shall vest in and be administered by the Central Board.

(4) The Family Pension Scheme may provide for all or any of the matters specified in Schedule III.

(5) The Family Pension Scheme may provide that any of its provisions shall take effect either prospectively or retrospectively on such date as may be specified in this behalf in that Scheme.

Special grant by Central Government.

6B. The Central Government shall, after due appropriation made by Parliament by law in this behalf, pay such further sums as may be determined by it into the Family Pension Fund to meet all the expenses in connection with the administration of the Family Pension Scheme other than the expenses towards the cost of any benefits provided by or under the said Scheme."

Amendment of section 7.

19. In sub-section (1) of section 7 of the Provident Funds Act, for the words "or of the Scheme", the words, ", the Scheme or the Family Pension or the Family Pension Scheme, as the case may be" shall be substituted.

Amendment of section 7A.

20. In sub-section (1) of section 7A of the Provident Funds Act, for the words "of the Scheme", the words "the Scheme or the Family Pension Scheme, as the case may be," shall be substituted.

Amendment of section 8.

21. In clause (b) of section 8 of the Provident Funds Act, for the words and figures "under section 17", the words and figures "under section 17 or in respect of the contribution payable by him towards the Family Pension Scheme under the said section 17" shall be substituted.

Amendment of section 10.

22. In section 10 of the Provident Funds Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) The provisions of sub-section (1) and sub-section (2) shall, so far as may be, apply in relation to the family pension or any other amount payable under the Family Pension Scheme as they apply in relation to any amount payable out of the Fund."

Amendment of section 11.

23. In clause (b) of section 11 of the Provident Funds Act, after the words "under the rules of the provident fund," the words, brackets and figures "any contribution payable by him towards the Family Pension Fund under sub-section (6) of section 17," shall be inserted.

## 24. In section 13 of the Provident Funds Act,—

Amend-  
ment of  
section  
13.

(a) in sub-section (1), for the words "or of any Scheme", the words ", the Scheme or the Family Pension Scheme" shall be substituted;

(b) sub-section (2A) shall be re-numbered as sub-section (2B) and before sub-section (2B) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2A) Any Inspector appointed under sub-section (1) may, for the purpose of inquiring into the correctness of any information furnished in connection with the Family Pension Scheme or for the purpose of ascertaining whether any of the provisions of this Act or of the Family Pension Scheme have been complied with in respect of an establishment to which the Family Pension Scheme applies, exercise all or any of the powers conferred on him under clause (a), clause (b), clause (c) or clause (d) of sub-section (2).";

(c) in sub-section (2B) as so re-numbered, after the words, brackets and figure "under sub-section (2)", the words, brackets, figure and letter "or under sub-section (2A), as the case may be," shall be inserted.

## 25. In section 14 of the Provident Funds Act,—

Amend-  
ment of  
section  
14.

(a) in sub-section (1), for the words "or under any Scheme", the words ", the Scheme or the Family Pension Scheme" shall be substituted;

(b) in sub-section (2), for the words "A Scheme framed under this Act", the words "The Scheme or the Family Pension Scheme" shall be substituted;

(c) in sub-section (3), for the words "or under any Scheme", the words ", the Scheme or the Family Pension Scheme" shall be substituted.

## 26. In section 14A of the Provident Funds Act,—

Amend-  
ment of  
section  
14A.

(a) in sub-section (1), for the words "or the Scheme made thereunder", the words ", the Scheme or the Family Pension Scheme" shall be substituted;

(b) in sub-section (2), for the words "or the Scheme thereunder", the words ", the Scheme or the Family Pension Scheme" shall be substituted.

## 27. In section 17 of the Provident Funds Act,—

Amend-  
ment of  
section  
17.

(a) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) The Central Government may, by notification in the Official Gazette, and subject to such conditions as may be specified in the notification, exempt from the operation of all or any of the provisions of the Family Pension Scheme, any establishment if the employees of such establishment are in enjoyment of benefits in the nature of family pension, and the Central Government

is of opinion that such benefits are on the whole not less favourable to such employees than the benefits provided under this Act or the Family Pension Scheme in relation to employees in any other establishment of a similar character.”;

(b) in sub-section (4),—

(i) in clause (a), the word “and” occurring at the end shall be omitted;

(ii) after clause (a), the following clause shall be inserted, namely:—

“(aa) in the case of an exemption granted under sub-section (1A), with any of the conditions imposed under that sub-section; and”;

(c) for sub-section (5), the following sub-sections shall be substituted, namely:—

“(5) Where any exemption granted under sub-section (1), sub-section (1A) or sub-section (2) is cancelled, the amount of accumulations to the credit of every employee to whom such exemption applied, in the provident fund or the family pension fund of the establishment in which he is employed shall be transferred within such time and in such manner as may be specified in the Scheme or the Family Pension Scheme to the credit of his account in the Fund or the Family Pension Fund, as the case may be.

(6) Subject to the provisions of sub-section (1A), the employer of an exempted establishment or of an exempted employee of an establishment to which the provisions of the Family Pension Scheme apply, shall, notwithstanding any exemption granted under sub-section (1) or sub-section (2), pay to the Family Pension Fund such portion of the employer’s contribution as well as the employee’s contribution to its provident fund within such time and in such manner as may be specified in the Family Pension Scheme.”.

Amendment of section 18.

28. In section 18 of the Provident Funds Act, for the words “or under any Scheme”, the words “, the Scheme or the Family Pension Scheme” shall be substituted.

Amendment of section 19.

29. In section 19 of the Provident Funds Act, for the words “or any Scheme”, the words “, the Scheme or the Family Pension Scheme” shall be substituted.

Insertion of new Schedule III.

30. After Schedule II to the Provident Funds Act, the following Schedule shall be inserted, namely:—

“SCHEDULE III

[See section 6A(4)]

MATTERS FOR WHICH PROVISION MAY BE MADE IN THE FAMILY PENSION SCHEME

1. The employees or class of employees to whom the Family Pension Scheme shall apply and the time within which option to join that Scheme shall be exercised by those employees to whom the said Scheme does not apply.

2. Subject to the provisions of section 6A(2), the portion of employer's and employee's contribution which may be credited to the Family Pension Fund and the manner in which it may be credited.

3. The contribution by the Central Government to the Family Pension Fund and the manner in which such contribution is to be made.

4. The manner in which the accounts of the Family Pension Fund shall be kept and the investment of moneys belonging to the Family Pension Fund with the Central Government at a rate of interest which shall not be less than five and a half per centum per annum.

5. The form in which an employee shall furnish particulars about himself and his family whenever required.

6. The nomination of a person to receive the assurance amount due to the employee after his death and the cancellation or variation of such nomination.

7. The registers and records to be maintained in respect of employees, the form or design of any identity card, token or disc for the purpose of identifying any employee, or his nominee or a member of his family entitled to receive the pension.

8. The scales of family pension and the assurance amount.

9. The manner in which the exempted establishments have to pay the contributions (both employer's and employee's shares) towards the Family Pension Fund and the submission of returns relating thereto.

10. The mode of disbursement of family pension and the arrangements to be entered into with such disbursing agencies as may be specified for the purpose.

11. The manner in which the expenses incurred in connection with the administration of the Family Pension Scheme may be paid by the Central Government to the Central Board.

12. Any other matter which is to be provided for in the Family Pension Scheme or which may be necessary or proper for the purpose of implementing the Family Pension Scheme."

31. In section 44 of the Life Insurance Corporation Act, 1956, after clause (f), the following clause shall be inserted, namely:—

Conse-  
quential  
amend-  
ment of  
Act 31 of  
1956.

"(g) any Family Pension Scheme framed under the Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948 or the Employees' Provident Funds and Family Pension Fund Act, 1952 for the purpose of providing family pension and life assurance benefits to the employees covered by the said Scheme."



Repeal  
and  
savings.

32. (1) The Labour Provident Fund Laws (Amendment) Ordinance, 1971, is hereby repealed. 3 of 1971.

(2) Notwithstanding such repeal, anything done or any action taken under the Coal Mines Act or the Provident Funds Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the Coal Mines Act or the Provident Funds Act as amended by this Act, as the case may be, as if this Act had come into force on the 13th day of February, 1971.