

THE EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS
PROVISIONS (AMENDMENT) ACT, 1996

No. 25 OF 1996

[16th August, 1996.]

An Act further to amend the Employees' Provident Funds and
Miscellaneous Provisions Act, 1952.

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

Short title and
commence-
ment.

1. (1) This Act may be called the Employees' Provident Funds and Miscellaneous
Provisions (Amendment) Act, 1996.

(2) It shall be deemed to have come into force on the 16th day of November, 1995.

Amendment
of long title.

2. In the long title to the Employees' Provident Funds and Miscellaneous Provisions
Act, 1952 (hereinafter referred to as the principal Act), for the words "family pension
fund", the words "pension fund" shall be substituted. 19 of 1952.

Amendment
of section 2.

3. In section 2 of the principal Act,—

(a) clauses (gg) and (ggg) shall be omitted;

(b) after clause (k), the following clauses shall be inserted, namely:—

'(kA) "Pension Fund" means the Employees' Pension Fund established
under sub-section (2) of section 6A;

'(kB) "Pension Scheme" means the Employees' Pension Scheme framed
under sub-section (1) of section 6A;'

(c) after clause (l), the following clause shall be inserted, namely:—

'(ll) "superannuation", in relation to an employee, who is the member
of the Pension Scheme means the attainment, by the said employee, of the age
of fifty- eight years;'

Substitution of
the word
"Pension" for
the words
"Family
Pension".

4. In the principal Act, for the words "Family Pension", wherever they occur, the
word "Pension" shall be substituted.

5. For sections 6A and 6B of the principal Act, the following section shall be substituted, namely:—

Substitution of
a new section
for sections
6A and 6B.

"6A. (1) The Central Government may, by notification in the Official Gazette, frame a scheme to be called the Employees' Pension Scheme for the purpose of providing for—

Employees'
Pension
Scheme.

(a) superannuation pension, retiring pension or permanent total disablement pension to the employees of any establishment or class of establishments to which this Act applies; and

(b) widow or widower's pension, children pension or orphan pension payable to the beneficiaries of such employees.

(2) Notwithstanding anything contained in section 6, there shall be established, as soon as may be after framing of the Pension Scheme, a Pension Fund into which there shall be paid, from time to time, in respect of every employee who is a member of the Pension Scheme,—

(a) such sums from the employer's contribution under section 6, not exceeding eight and one-third per cent. of the basic wages, dearness allowance and retaining allowance, if any, of the concerned employees, as may be specified in the Pension Scheme;

(b) such sums as are payable by the employers of exempted establishments under sub-section (6) of section 17;

(c) the net assets of the Employees' Family Pension Fund as on the date of the establishment of the Pension Fund;

(d) such sums as the Central Government may, after due appropriation by Parliament by law in this behalf, specify.

(3) On the establishment of the Pension Fund, the Family Pension Scheme (hereinafter referred to as the ceased scheme) shall cease to operate and all assets of the ceased scheme shall vest in and shall stand transferred to, and all liabilities under the ceased scheme shall be enforceable against, the Pension Fund and the beneficiaries under the ceased scheme shall be entitled to draw the benefits, not less than the benefits they were entitled to under the ceased scheme, from the Pension Fund.

(4) The Pension Fund shall vest in and be administered by the Central Board in such manner as may be specified in the Pension Scheme.

(5) Subject to the provisions of this Act, the Pension Scheme may provide for all or any of the matters specified in Schedule III.

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

(7) A Pension Scheme, framed under sub-section (1), shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the scheme or both Houses agree that the scheme should not be made, the scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that scheme."

Amendment of
section 6C.

6. In section 6C of the principal Act,—

(a) sub-section (3) shall be omitted;

(b) clause (b) of sub-section (4) shall be omitted.

Amendment of
section 17.

7. In section 17 of the principal Act,—

(a) for sub-section (1C), the following sub-section shall be substituted, namely:—

“(1C) The appropriate Government may, by notification in the Official Gazette, and subject to the condition on the pattern of investment of pension fund and such other conditions as may be specified therein, exempt any establishment or class of establishments from the operation of the Pension Scheme if the employees of such establishment or class of establishments are either members of any other pension scheme or propose to be members of such pension scheme, where the pensionary benefits are at par or more favourable than the Pension Scheme under this Act.”;

(b) in sub-section (6), the words “as well as the employees' contribution” shall be omitted.

Substitution of
new Schedule
for Schedule
III.

8. For Schedule III to the principal Act, the following Schedule shall be substituted, namely:—

“SCHEDULE III

[See section 6A(5)]

MATTERS FOR WHICH PROVISION MAY BE MADE IN THE PENSION SCHEME

1. The employees or class of employees to whom the Pension Scheme shall apply.

2. The time within which the employees who are not members of the Family Pension Scheme under section 6A as it stood before the commencement of the Employees' Provident Funds and Miscellaneous Provisions (Amendment) Act, 1996 (hereafter in this Schedule referred to as the amending Act) shall opt for the Pension Scheme.

3. The portion of employers' contribution to the Provident Fund which shall be credited to the Pension Fund and the manner in which it is credited.

4. The minimum qualifying service for being eligible for pension and the manner in which the employees may be granted the benefits of their past service under section 6A as it stood before the commencement of the amending Act.

5. The regulation of the manner in which and the period of service for which no contribution is received.

6. The manner in which employees' interest will be protected against default in payment of contribution by the employer.

7. The manner in which the accounts of the Pension Fund shall be kept and investment of moneys belonging to Pension Fund to be made subject to such pattern of investment as may be determined by the Central Government.

8. The form in which an employee shall furnish particulars about himself and the members of his family whenever required.

9. The forms, registers and records to be maintained in respect of employees, required for the administration of the Pension Scheme.

10. The scale of pension and pensionary benefits and the conditions relating to grant of such benefits to the employees.

11. The manner in which the exempted establishments have to pay contribution towards the Pension Scheme and the submission of returns relating thereto.

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

13. The manner in which the expenses for administering the Pension Scheme will be met from the income of the Pension Fund.

14. Any other matter which is to be provided for in the Pension Scheme or which may be necessary or proper for the purpose of implementation of the Pension Scheme.”

~~9. (1)~~ The Employees' Provident Funds and Miscellaneous Provisions (Amendment) Third Ordinance, 1996, is hereby repealed.

Repeal and saving.

Ord. 24 of 1996.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the principal Act, as amended by this Act.