



एसपीएमसीआईएल कर्मचारी भविष्य निधि ट्रस्ट SPMCIL EMPLOYEES PROVIDENT FUND TRUST

SPMCIL/EPF/TRUST/EPF52/2011/01/7909

January 17, 2012

01.02.2012

To,

The General Manager, All Units
The Trustees, SPMCIL EPF Trust,

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AM (G/N)

08/2/2012

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website*
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13/2/12

Sub: FAQ regarding Employee Pension Scheme under the Pension Scheme 1995.

Sir,

Please find enclosed frequently asked question regarding Employee Pension Scheme under the Pension Scheme 1995. The above scheme is applicable to all the members who are contributing towards EPF.

2. This is issued with the approval of competent authority.

Ashu Kakkar

Ashu Kakkar

Trustee SPMCIL EPF Trust

01/02/2012

Encl: - As above

CC:

- ES to CMD
- FA & CAO, All Units,
- DGM (IR), Corporate Office.

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EMPLOYEES PENSION SCHEME, 1995
FREQUENTLY ASKED QUESTIONS

Question: Who will be covered by the Pension Scheme?

Reply: Every member of the ceased Family Pension Scheme 1971 and anyone who joins any covered establishment on or after 16-11-95 is compulsorily to join this scheme, provided his/her salary/wage is less than Rs. 6500/- per month at the date of appointment.

Question: What are the benefits of the scheme?

Reply:

- An Employee is eligible for Pension after 10 years of service.
- The Pension is payable on attaining the age of 58 years, whether he is in service or superannuated.
- Early Pension at reduced rate can be availed after rendering 10 years of service and on leaving the service between 50 to 57 years.
- Where an employee is totally disabled and leaving service on account of disablement, Disablement Pension is allowed. No age and service stipulation to claim the pension.
- Every year, the pension quantum may increase.
- Wherever the Pension claims are received three months before the date of superannuation, the Regional Provident Fund Commissioner will deliver the Pension Payment Order on the day of superannuation.
- A Pensioner may nominate a person to receive a lump sum amount after his death.
- Family Pension is payable in case of death of a member:
 - after leaving the employment.
 - while in employment.
 - after drawing the pension
- Family Pension is payable even where the death occurs before 10 years of service. Thus, the minimum eligible service of 10 years is not applicable.
- On death of a pensioner, the Pension is automatically payable to the spouse (widow / widower).
- When a member dies as Bachelor or Spinster or where there is no spouse or children below 25 years, the Family Pension is payable to Nominee till his/her death.
- When there is no valid nomination, the Family Pension is payable to dependent parents (dependent father followed by dependent mother).

- In addition to Family Pension to Widow / Widower, Children below 25 years are also eligible for Pension simultaneously. It is payable to the married daughters also, below the age of 25 years.
- On death or re-marriage of widow / widower, Children will be given enhanced pension treating such children as Orphan.
- On behalf of the minor children the pension is payable to guardian.
- Any child in a family with total and permanent disablement will receive Children Pension till death.
- The pension can be drawn anywhere in India.
- The employees with less than 10 years of service on the day of superannuation may avail the benefit of withdrawal from Pension Fund.
- Where an employee has not served for 10 years on the date of leaving service, he may obtain a Scheme Certificate so as to continue his membership during un-employment period and the same can be used to count the previous service as and when he joins another establishment covered under the Act.
- The employees who have not contributed to Employees Family Pension Scheme 1971 can also join Employees Pension Scheme before attaining the age of 58 years at their option after paying the contribution and interest up to date.
- The Pension for the service rendered after 15.11.1995 is calculated through formula namely, **Pensionable Salary x Pensionable Service / 70**
- An employee on his superannuation is entitled for Pension (through the above formula) upto 60% of the pensionable salary. (Pensionable Salary would mean, the salary drawn by the employee for a period of 12 months prior to the date of superannuation).

Question: Is employee the only beneficiary of Fund?

Reply: Benefit will be paid to him/her and to his/her family after his/her death.

Question: What is meant by Family?

Reply: Family means employees' spouse and children below 25 years of age.

Question: Suppose an employee does not have a Family and he/she dies before receiving benefit. Does his/her pension get lost?

Reply: No, if he/she does not have a family, benefits will be paid to his/her nominee, who will receive the benefit in his/her absence. *If there is no nominee, the pension is payable to parents*

Question: What is nomination?

Reply: Every member has to give the details of himself & details of the nominee for Employees' Provident Fund & Employees' Deposit Linked Insurance Schemes and details of family for Employees Pension Scheme, 1995 in Form no. 2.

A member if, is having a family can nominate any one or more persons to receive the Provident Fund on his death. In case of him having no family he can nominate any other person.

Family for the purpose of Employee Provident Fund Scheme '52 means wife/husband, children, whether married or unmarried, including adopted children, if adoption is recognized and dependant parents of member.

For the purpose of Employees Pension Scheme, 1995 the member has to furnish the details, such as name, relationship & age of all the family members in the form no. 2. Family for the purpose of Employees Pension Scheme, 1995 means wife/husband & children. Whenever member wants to make a change in the nomination already made for Provident Fund, or to update the details of family for Employees Pension Scheme, 1995, he has to send a revised form no. 2. The form no.2 is routed through the employer.

Question: Suppose member has not nominated anyone.

Reply: The pension / ROC will be paid to the dependent parents.

Question: Can member change his/her nomination?

Reply: He/She can change his/her nomination whenever he/she decides within the framework of rules for such nomination. In other words if he/she has a family, nomination should be in favour of a member(s) of the family. If he/she has no family he/she can nominate anyone he/she wishes.

Question: How many years service is required to be eligible to receive member pension?

Reply: Minimum 10 years eligible service will entitle for member pension. It is clarified that the period of eligible service for 9 years and 6 months and above is construed as 10 years and in such cases the payment of Return of contribution / withdrawal benefit does not arise.

Question: When was the withdrawal benefit is payable to a member?

Reply: Withdrawal Benefit is payable to a member on exit from employment rendering the eligible service for a period of less than 10 years on the date of exit or on attaining the age of 58 years of age, whichever is earlier.

Wherever the period of past service or Actual service after excluding the period of Break in Service / non contributory service is more than 6 months but less than ten years, the Withdrawal benefit is to be paid.

Question: Employee is a member of Employees' Pension Scheme. He/She has left employment at 48 yrs. of age and 8 yrs. of service. When shall he/she receive his/her pension?

Reply: He/She can take either withdrawal benefit or can take scheme certificate so that the 8 years service can be added to any future service that he / she may put in, in any other covered establishment. By virtue of being a holder of a scheme certificate, if the member dies before 58 years widow / widower and children shall be entitled for pension.

Question: What will happen if member attains 58 years of age and continue in service beyond 58 years of age?

Reply: Such of the members who attain the age of 58 years but still continue in service beyond the age of 58 years would start getting pension on attaining the age of 58 years. Thereafter no diversion of PF contribution to the Pension Fund would require to be made. The employer's share of contribution in respect of them will remain in their respective provident fund account.

Question: What are the types of Pension?

Reply:

DISABLED MEMBER PENSION

A Member, who is permanently and totally disabled during the employment shall be entitled to pension as admissible under sub-paragraphs (2) to (5) of paragraph 12 of the EPS 1995 as the case may be subject to a minimum of Rs.250/- per month notwithstanding the fact that he / she not rendered the pensionable service entitling him / her to pension under paragraph 12 provided that he / she has made at least one month's contribution to the Pension Fund.

CONTINGENCY FOR PAYMENT

If an employee retires from service on account of any bodily or mental infirmity, which permanently and totally incapacitated him for performing all work, which he was capable of performing at the time of disablement, regardless whether such disablement is sustained in the course of employment or otherwise

The member should undergo a medical examination before the Medical Board of the area constituted either by the Central or State Government or the Employees' State Insurance Corporation or any other local authority competent to constitute such a Medical board.

COMMENCEMENT

The disabled pension is payable from the day following the date of disablement and consequent exit from the employment. The pension is payable for life time of the member followed by family pension to widow and children.

BENEFITS TO THE FAMILY ON THE DEATH OF A MEMBER

The "family" of a member includes spouse, sons and daughters (including legally adopted children). The children whose age is beyond 25 years also falls under the definition of family. On death of a member, the family (spouse and children below 25 years) is entitled to receive monthly family pension.

The occurrence of death is divided into three categories as indicated below:

OCCURANCE OF DEATH	CONDITION FOR PAYMENT
Para 16 (1) (a) Death while in service (before attaining the age of 58 years)	Having paid at least 1 month or part of a months' contribution**.

Para 16 (1)(b) Death after the date of exit. (During out of employment) (Before attaining 58 years)	With 10 years eligible service Or below 10 years eligible service.
Para 16 (1) (c) Death after commencement of pension (as a pensioner)	No condition

**** MONTHLY WIDOW / CHILDREN PENSION – ONE MONTH'S CONTRIBUTION MEANING.**

CHILDREN PENSION - [PARA 16(3)]

The "family" of a member includes spouse, sons and daughters (including legally adopted children). The children whose age is beyond 25 years also falls under the definition of family.

CONTINGENCY FOR PAYMENT:

The surviving children of the deceased member, shall be entitled to a monthly Children Pension in addition to the widow / widower pension.

The monthly children pension shall be admissible to all surviving children who have not attained the age of 25 years. However it shall be admissible to maximum of two children at a time and will run from the oldest to youngest child in that order irrespective of whether the eligible child is through first or second wife and so on.

CONDITIONS FOR ELIGIBILITY:

Monthly Children Pension for each child shall be payable until the child attains the age of 25 years.

On the date of death of the member, the children should not have attained the age of 25 years.

Legally adopted children shall also be eligible for pension.

Monthly children pension for each child shall be equal to 25 % of the Pension admissible to the Widow of the deceased member subject to a minimum of Rs.150/- per month.

Question: What are the modalities to be followed for payment through cheque?

Reply: The member has to open an account in the nationalized bank, scheduled bank, urban bank or post office savings bank. He has to furnish the details of bank a/c no. with the full address of the bank in application form. An advance stamped receipt has also to be annexed in the form.

For receipt of pension member/claimant has to open an account only in State Bank of India or Punjab National Bank or any other authorized bank.

Question: In case of returning of cheque what is the procedure to be followed?

Reply: Generally the cheques are returned by the bankers when the a/c number is furnished incorrect or a/c has been closed. On receipt of the cheque from the bankers the Provident Fund office will write to the member & employer about the fact & request them to intimate the bank, a/c number & detailed address. In case, the member comes to know about returning of the cheque before this, he can write to the Provident Fund office through his former employer regarding his present address & bank a/c number.

Question: What is the time taken for disposal of the application in the Provident Fund office?

Reply: The claims received complete in all respects are disposed off within a maximum period of 30 days from the date of receipt of claims in the Provident Fund office. In case the member is not hearing anything about his application within 30 days, he can approach the Public Relation Officer.

Question: What are the forms to be used for pension claim?

Reply: The benefits under the Employees' Pension Scheme, 1995 shall be authorised through the forms prescribed below for the purpose indicated against each:-

By Member/Beneficiary	Form 10-C	1. Withdrawal benefit
		Or
		2. Scheme Certificate
By a Member	Form 10-D	1. Monthly Member Pension
		2. Monthly disabled Member Pension

By eligible family
Member

- DO -

3. Widow/Widower Pension
4. Children including Disabled/Orphan pension
5. Nominee pension

It is sufficient to submit a single application in the prescribed form, irrespective of the number of beneficiaries. If the place of payment falls outside the jurisdiction of Regional Office/Sub-Regional Office, the application in Form 10-D should be submitted, in triplicate.

Question: Instructions for a member while sending application to Employees' Provident Fund Organization:

Reply:

General:

1. Use the appropriate form for claiming Provident Fund Pension as given above.
2. Ensure that all columns of the application are filled completely.
3. Information in the application form relating to name, a/c no. should agree with the details available with Employees' Provident Fund Organization; which were furnished by the employer at the time of enrolling to Provident Fund.
4. Application should be signed by the member/claimant.
5. It should be attested by the former employer. In case attestation by the former employer is not possible, it should be got attested by any other authorized official specified with application form.
6. Desired mode of payment can be given legibly. The amount will be sent by deposit in payees' bank a/c. To facilitate this, Bank a/c no., name and address of the bank should be furnished. An advance stamped receipt should also accompany this application.
7. Application may be supported by the return Form-5(PS), showing the details of leaving service and details of contribution for the year in Form-7(PS), if not sent earlier by the employer.

Specific additional requirements:

A) Death cases:

- Nominee/legal heir should apply in Form-10D.

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- If the member has not executed any nomination, application should be supported by certificate of family members issued by employer/revenue official/sworn in an affidavit by the family/ member/legal certificate from a court of law.
- Death certificate of the member.
- Certificate of the employer stating whether the death was while in service of the member or not.

B) Pension cases:

- Joint photograph of member/spouse or the claimant should accompany the application.
- Details of non-contributory period during the service, wages/salary for last 12 months should also accompany, if not already sent.
- Details of the branch of the specified bank may be given legibly.
- Date of birth certificates of children
- *The bank account of children shall invariably be in the same bank branch where the pensioner is having his/her account*

In case of death away from service, an undertaking by the claimant to the effect that the member was not working / had not worked in any other covered establishment after exit from the establishment on the basis of which pension is being claimed.