

BCH Electric Limited - Surrender of exemption granted to Provident Fund (PF) trust

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1. What is the rationale for surrender of Cutler Hammer Provident Fund Trust exemption and transfer of accumulated member balances to RPFC?

The Employees' Provident Fund Organisation (EPFO) is a statutory body set up under the Ministry of Labour & Employment, with the responsibility for legislating the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF Act). The EPFO functions through its regional offices – Regional Provident Fund Commissioners (RPFCs), which are in charge of administering the Employees Provident Fund Scheme (EPF), Employees' Pension Scheme (EPS), and Employees Deposit Linked Insurance Scheme (EDLI).

As you are aware, BCH Electric Limited (BCH) is maintaining Provident Fund (PF) for a class of employees (Office staff) through Cutler Hammer Provident Fund Trust (EPF Trust) which has been granted exemption by Labour and Employment Dept, Government of Haryana. Under granted conditions of exemption, PF contributions for a class of BCH employees (i.e. office staff) is managed by exempted Trust, whereas EPS is contributed to Regional PF Office, Faridabad by BCH.

In the past, forming exempted PF trust was a viable option, as:

- a. Both serving and ex-Employees were extended prompt service on their PF related issues; and
- b. Chances of getting higher returns on their investment as compared to EPFO was possible.

In the recent years, EPFO has enhanced its service levels post introduction of the UAN (Universal Account Number). Now if the employees have updated their KYC and activated the UAN, then whole PF/Pension related online services by the EPFO can be availed seamlessly, which include the view of PF statements, partial withdrawals for housing, education, pandemic, and other reasons, personal data corrections, settlement or PF transfer on separation, etc.

Recently, it has become difficult for trust to match returns on investments which EPFO declares on a year-on-year basis.

To leverage enhanced services provided by the EPFO, the Management has decided to surrender the exemption granted to its EPF trust and move the funds to Regional PF Office, Faridabad under whose jurisdiction PF compliances are being reported.

2. What is the cut-off date for PF Trust surrender?

Based on the recent filings by the company for the surrender of EPF trust to RPFC, the Establishment intends to comply as an un-exempted establishment from the effective date of July 01, 2024.

Post the above-mentioned cut-off date (subject to approval by the RPFC), the process for transfer of member details to EPFO would be initiated and the EPFO shall be maintaining the employee's complete EPF and EPS records.

3. How long would it take for the accumulated balances to be transferred to EPFO and by when would members be able to see the updated balance on the EPFO portal ('transfer period')?

As stated in FAQ # 2, the transfer from EPF Trust to EPFO would be initiated post the cut-off date. It is expected that the transfer could take approximately 6~9 months for the member records to be reconciled and updated in the EPFO's portal (i.e., transfer period). The transfer period may be longer in case of any unforeseen circumstances or discrepancy in member details, KYC, etc.

Separate communications will be shared with employee's time to time to keep them apprised of the status of the transfer process, although we will try our best to cut short this period. Rest assured transferred accumulations will keep on accruing interest from the date such funds are transferred to PF authorities.

4. Will there be any change in the PF contributions made by employees due to surrender of EPF Trust?

There will be no change or impact on the percentage of contribution made by the employees towards EPF and EPS. The same percentage of contribution towards EPF and EPS would continue post the cut-off date.

The below structure will clearly help you understand the contribution Structure with the Trust and EPFO:

| | | Currently -With PF Trust | After 1.07.2024 when transferred to - EPFO |
|-----|-----------------------|---|--|
| EPF | Employer Contribution | 12% of the Basic salary minus contribution to EPS | Status Quo |

| | | | |
|----------------------------|--|---|---|
| | | of 8.33% ¹ | |
| | Employee Contribution | 12% of the Basic salary | Status Quo |
| | Where is the contribution remitted? | Cutler Hammer Provident Fund Trust | PF Regional office- Sector 15A, Faridabad |
| EPS | Employer Contribution | 8.33% of Basic Salary capped at Rs.1,250/-per month ² | Status Quo |
| | Where is the contribution remitted? | PF Regional office- Sector 15A, Faridabad | Status Quo |
| Interest on Provident Fund | Interest rate credited to my PF balance. | Match EPFO rate of interest or have the option to pay additional interest | As declared by the EPFO |

5. Will there be any change in the Voluntary PF contributions made by employees due to surrender of EPF Trust?

There will be no change or impact on the percentage of voluntary contribution made by the employees towards EPF. The same percentage of voluntary contribution towards EPF would continue post the cut-off date.

6. Will the employees have an option to discontinue the VPF post the cut-off date?

As an exempted establishment, BCH employees were allowed to opt for VPF at the beginning of the financial year and the same was applicable throughout the year.

The same policy would be continued post the cut-off date as well. If any employee would like to opt out of VPF, they can do so at the beginning of the next Financial Year.

7. As an employee, how can I find out which RPFC is my PF and Pension aligned with after the cut-off date?

PF and Pension will get aligned with Regional PF Office, Faridabad. PF and EPS numbers are available on the face of pay slips.

8. What will be the changes in the way the EPF, EPS, EDLI Schemes are managed?

Post-migration, administration of the EPF, EPS and EDLI for all the members would be carried out by the respective RPFCs. Change in the administration of EPS, EPS and EDLI is given as below:

| S.No. | Details | Existing | Post transfer - RPFC |
|-------|--|-------------------------|--|
| 1 | Remittance of Contributions | | |
| | EPF | EPF Trust / Trustees | RPFC Faridabad, Haryana |
| | EPS | RPFC Faridabad, Haryana | Status quo |
| | EDLI (Employees Deposit Linked Insurance Scheme) | PNB MetLife India | ³ RPFC Faridabad, Haryana |
| 2 | Maintaining of accumulated PF balance | Trust / Trustees | RPFC Faridabad, Haryana |
| 3 | Processing of applications (Advances/ Withdrawals/ | Trust / Trustees | Employees to apply online portal for advances, |

¹ In case employee, who is not an existing EPF member joins on or after 01/09/2024 with the wages above Rs 15,000/-, in such cases the pension contribution part will be added to employer portion.

² In case employee, who is not an existing EPF member joins on or after 01/09/2024 with the wages above Rs 15,000/-, in such cases the pension contribution part will be added to employer portion.

³ The surrender of EDLI exemption is under process

| | | | |
|---|---------------------------------------|--|--|
| | Loans / Transfer-in and transfer outs | | withdrawals, loans and transfers (Subject to activated UAN's) |
| 4 | PF passbook/ statement | Trustees through the PF administrator vendor for BCH | This will be available online on EPFO Portal. Members can download their PF passbook after activating Universal Account Number (UAN). |
| 5 | Grievance redressal mechanism | For BCH - time_office@bchindia.com | <ul style="list-style-type: none"> ⇒ Through EPFO portal, grievance can be raised. URL: https://epfigms.gov.in/. ⇒ Member should have an active UAN to register a grievance. ⇒ Member has an option to view the status and send reminders. Any claim status can also be used by submitting the UAN details. |
| 6 | PF and Pension account number | PF and Pension numbers are different as allotted by EPF Trust | <ul style="list-style-type: none"> ⇒ PF and Pension number will be the same. ⇒ EPS number, which is currently used for remitting EPS contributions, will become your PF number. ⇒ Both PF and EPS contributions will be remitted to the same account number maintained at respective RPFCs. ⇒ Past, present and future PF passbook and EPS service records can be centrally viewed in EPFO portal against allotted UAN |

9. What happens to my current EPF balance with the EPF Trust?

Based on the recent filings by the company for the surrender of PF trust to RPFC, the Establishment is contemplating to be an un-exempted establishment from the effective date of July 01, 2024.

The current EPF balance with the trust comprising of accumulated balance and contributions deposited with Trust till June 30, 2024 and accrued interest will be transferred to the respective RPFC as part of the surrender process. These transfers will be made to your PF account which will be maintained further by the respective RPFC. It is highly recommended that employees should download past history along with latest updated PF statement by exempted Trust and retain at their end for future reference & resolution of any related query, if any.

10. What happens to the interest earned on the accumulated EPF balance for the current financial year till cut-off date?

The interest accrued on accumulated EPF balance till the month of transfer, will be as per the interest rate declared by the Trustees which would not be less than the rate notified by the EPFO.

11. Who will be responsible for payment of interest on EPF balance from cut-off date till the completion of data transfer process?

Interest during this period will be credited to your account by the RPFC in accordance with interest rate

declared by EPFO.

12. *I have already filed for a transfer-in? How will that be handled?*

- Amounts received in the EPF Trust's Bank account up to cut-off date based on the Transfer-in requests already approved would be allocated to the member's balances and would form part of the accumulated balance being transferred to EPFO.
- Amounts received in the EPF Trust's Bank account after Cut-off date would be transferred to EPFO with details of the member for credit of such amount to the respective member's records with the EPFO.
- EPFO would credit the member balance upon reconciliation of members details / KYC.

Employees are requested to review their passbooks from time to time and intimate BCH about any communication from the previous employer Trust/ EPFO.

13. *Can employees/ members submit request for transfer-in with the EPF Trust till cut-off date?*

Employees who have not yet submitted the request for transfer-in of accumulated balance from previous employer are advised to submit the same with the EPFO post completion of the transfer process. The transfer-in request would be submitted on the EPFO' unified portal/ EPF Trust belonging to previous employer.

In view of the activities related to reconciling member balances, EPF Trust would not be able to accept any request for transfer-in.

14. *How Can I obtain a loan/advance from PF Trust?*

As you may be aware, the loan can be availed for following purposes:

- Construction or purchase of house
- Education
- Medical reasons
- Marriage

⇒ If the application is complete and supporting documents are adequate, the request for loan/advance received up to June 28, 2024 will be processed by the EPF Trust and payments will be made to you.

⇒ Effective July 01, 2024, the transfer process will be initiated, and the Trust will not be able to process any applications due to accounting closure and member balance reconciliation related activities to be initiated.

⇒ The EPFO will accept and process such applications after the transfer period.

15. *What would be the status of advance taken by the employee in the past?*

EPF Trust does not have the process of refund of advances against PF balance. Therefore, the advance taken by employees has already been adjusted against their PF balance at the time of disbursal. The PF balance as on cut-off date (i.e., net of any advances disbursed in the past) would be transferred to EPFO.

16. *What would be the implications for members during the transfer period?*

- Post cut-off date, the EPFO would be the custodian for the member's balances and administration of related benefits. However, the administration of benefits would be possible once the member balances are duly reconciled and updated in the EPFO records.
- During the transfer period, employees would not be in a position to submit any requests for advances/ withdrawals/ settlements/ transfers-in/ transfers-out.
- During the transfer period, reconciliation and updating of member's balance and details is carried out by the EPFO through the respective RPFC.
- During the transfer period, if any transfer-in amounts are received in the EPF Trust' Bank Account, same will be deposited with respective RPFC with a request to credit the same to the member account. Employees will be intimated on the receipt of the transfer in amount. Please note that RPFC would be able to credit the member balance upon reconciliation of members details / KYC.

17. *Whom should I reach out to for any transfer/ withdrawal request during the transition phase?*

During the transfer period, you would not be able to initiate or submit any request for transfer or withdrawal request.

18. How will employees who resign from BCH during the transfer period be affected?

Employees, who resign from the services of BCH during the transfer period will be able to submit their claims for processing with the respective RPFC only upon completion of transfer process.

The EPF Trust will process all applications which will be received till June 30, 2024.

19. How can I view my EPF and EPS balance maintained with EPFO?

- Members are required to activate UAN on the EPFO online portal. On completion of the transfer period and activation of UAN, members can view the statement online or download the statement from EPFO website for their records.
- The statement includes both EPF and EPS balances shown together in separate columns. The EPF statement includes personal details such as Name, Father's/Husband's name, Date of Birth, Date of Joining and Date of Leaving, if applicable.
- Members should note that after cut-off date and post completion of transfer of member balances to EPFO, a single entry of the transfer of accumulations from EPF Trust to RPFC shall appear in the EPFO records. The year wise breakup of contributions will not be available in the PF passbook for period preceding the cut-off date, as the same was maintained by EPF Trust. Accordingly, statement issued by EPF Trust can be relied for that specific period.

20. Where can I access the details of annual EPF contributions made till cut-off date?

The employees can download their historical annual EPF statements up to the cut-off date from <http://172.16.0.4/salslip/NEWPF.aspx>. Time-to-time mails have been sent to employees in the past years as well for this facility and the same access would continue.

21. What if there is a discrepancy in balance as on cut-off date and balance transferred to RPFC?

- Post the transfer period, members are advised to check the PF balance appearing on the EPFO portal against the PF balance as on cut-off date available on the portal <http://172.16.0.4/salslip/NEWPF.aspx>.
- In case of any discrepancy in the amount, members are requested to contact at time_office@bchindia.com

22. What is UAN and what are the advantages of activating UAN?

- Universal Account Number or UAN is a 12-digit unique number provided to each employee contributing to the Employees Provident Fund. This unique number is generated and assigned by the EPFO. This number remains the same for each employee throughout their life irrespective of the number of times they have joined new organizations.
- The UAN will act as an umbrella for the multiple Member IDs (PF Numbers) allotted to an individual by different establishments. This is to link multiple Member Identification Numbers (Member Id/ PF Numbers) allotted to a single member under single UAN.
- Some of the advantages of UAN activation are as under:
 - ⇒ SMS is sent from EPFO immediately after credit of the monthly EPF contribution to member's account. SMS notification is sent for any transaction that takes place.
 - ⇒ Members can view the EPF balances till the remittance of the last month's contribution received, including any transfer-ins received and accounted by the RPFC in the PF account.
 - ⇒ In case of UAN linked member accounts, employers can successfully transfer funds by submitting UAN and KYC details to the new employer. Once the employer verifies all data, EPF transactions from the previous employer's account under one RPFC to the new employer in a separate RPFC can be completed hassle-freely.

23. What happens if I do not have an UAN?

Employees are required to ensure that they have an active UAN and the same is also linked to their Aadhaar number.

The following consequences can get triggered in case of failure to link UAN and Aadhaar:

- Accumulated balance till cut-off date will not be transferred to the credit of member's account with RPFC and the same shall not be reflected in your PF passbook;
- In the absence of Aadhaar-UAN linking, the Company will not be able to deposit monthly EPF and EPS contributions with the EPFO post the cut-off date;

- In the absence of UAN, EPFO will not be able to settle your EPF balances when you apply for withdrawal or transfer in case of new employment;
- In the absence of UAN, the withdrawal of accumulated PF after retirement and commencement of pension benefit would not be possible.

Members are therefore required to ensure their KYC details viz., Aadhar, Bank account and PAN are updated and UAN is linked to Aadhaar.

24. What is the process of activating UAN on EPFO portal?

The members may activate UAN through the EPFO portal through this link <https://unifiedportal-mem.epfindia.gov.in/memberinterface/> by selecting from important links section. *The guide on activation of UAN has been attached as Annexure 1 of our email.*

25. I already have a UAN as per my employment with previous employer. How will this be linked to current employer? What is the action point for me in this case?

The UAN will be same for previous and current employer. In case the same is different, the UAN can be merged online by login in to the EPFO portal through this link (<https://unifiedportal-mem.epfindia.gov.in/memberinterface/>).

26. Whom should I reach out to for UAN query (activation/merging etc.)?

You can raise a query relating to relating to UAN activation at time_office@bchindia.com

27. How to update KYC on EPFO Portal

It's mandatory to update your KYC (PAN, Bank Details & Aadhaar) on EPFO web portal. Post updating of KYC, member can apply for the online PF Transfer from old PF account to new PF account. One can also apply for PF advance after completion of the transfer period.

For process of updating of KYC, please refer Annexure 1 of our email.

28. Updating the details of beneficiary/ e-Nomination on EPFO Portal The rules for updating of beneficiary/e-Nomination is as under:

a) Each member shall make e-nomination declaration from EPFO Portal, a nomination conferring of the right to receive the amount that may stand to his/her credit in the Fund in the event of his/her death before the amount standing to his/her credit has become payable, or where the amount has become payable before payment has been made.

b) A member may in his/her nomination distribute the amount that may stand to his/her credit in the Fund amongst his/her nominees at his/her own discretion.

c) If a member has a family at the time of making a nomination, the nomination shall be in favor of one or more persons belonging to his/her family. Any nomination made by such member in favor of a person not belonging to his/her family shall be invalid:

PROVIDED that a fresh nomination shall be made by the member on his/her marriage and any nomination made before such marriage shall be deemed to be invalid.

d) If at the time of making a nomination the member has no family, the nomination may be in favor of any person or persons but if the member subsequently acquires a family, such nomination shall forthwith be deemed to be invalid, and the member shall make a fresh nomination in favor of one or more persons belonging to his family.

e) Where the nomination is wholly or partly in favor of a minor, the member may, for the purpose of this Scheme, appoint a major person of his/her family, as defined in clause (g) of Paragraph 2, to be the guardian of the minor nominee in the event of the member predeceasing the nominee and the guardian so appointed.

PROVIDED that where there is no major person in the family, the member may, at his/her discretion, appoint any other person to be a guardian of the minor nominee.

f) If employee wants to change their nominee, he/she can change from the EPFO Portal.

For Complete e-nomination process please refer Annexure 2 of our email.

29. If eKYC/ nomination has already been done with EPF Trust, do I need to do the same again post moving to RPFC?

There are two instances where eKYC/nominations are required to be filed i.e., one with the EPF trust for the

purpose of PF contributions and the other with the EPFO on their portal, for the purpose of EPS contributions. If the eKYC/nomination has already been done on the PF portal, then it is not required to be done again for PF purposes post surrender.

On the other hand, if the eKYC/ nomination are not done on the EPFO portal, then it is advised to update/complete the same at the earliest for availing service benefits extended by EPFO.

30. *How will the PF Surrender process impact me as I have joined the company recently, before the cut-off date (e.g. in the month of April/May/June)? What are the action points for me?*

If you have joined the company prior to the start of PF Trust surrender process, you may have already submitted the application for transfer-in of the accumulated EPF from previous employer to the EPF Trust.

As mentioned under FAQ # 12, where the transfer-in has been approved and the funds received by the EPF Trust by Cut-off date, no further action is required from your side.

However, in case you have not submitted the transfer-in request, kindly do so by raising online PF transfer request in EPFO website once portal allows you to do so. Alternatively, you are advised to retain the balances with the previous employer and submit the application for transfer-in (Form 13) with the RPFC post the transfer period.

Your EPF contributions to EPF Trust will be maintained as-is and be remitted to the RPFC as part of the transfer process.

31. *I have joined the company post the cut-off date. How is my PF going to be impacted?*

If you have joined BCH after cut-off date, you will not be able to transfer-in your EPF from the previous employer during the transfer period. The accumulated balance would remain with the previous employer, and you can move to EPFO post completion of the transfer period.

Your monthly PF contributions will be remitted by BCH to the EPFO directly post the cut-off date.

32. *Will the EPF Trust surrender process impact my application for Higher Pension?*

There will be no impact on the application for higher pension already submitted to the EPFO.

33. *Whom to contact for any queries related to the process of surrender of EPF Trust?*

For any queries, employees may reach out to our help desk at time_office@bchindia.com