

Cabinet approves the proposal to extend the EPF contribution 24% (12% employees share and 12% employers share) for another three months from June to August 2020 under PMGKY/AATMANIRBHAR BHARAT

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi today has given its approval for extending contribution both 12% employees' share and 12% employers' share under Employees Provident Fund, totaling 24% for another three months from June to August, 2020, as part of the package announced by the Government under Pradhan Mantri Garib Kalyan Yojana (PMGKY)/ Aatmanirbhar Bharat in the light of COVID-19, a Pandemic.

This approval is in addition to the existing scheme for the wage months of March to May, 2020 approved on 15.04.2020. The total estimated expenditure is of Rs.4,860 crore. Over 72 lakh employees in 3.67 lakh establishments will be benefitted.

Salient Features:

The salient features of the proposal are as under:

- i. For the wage months of June, July and August, 2020, the scheme will cover all the establishments having upto 100 employees and 90% of such employees earning less than Rs. 15,000 monthly wage.
- ii. About 72.22 lakh workers working in 3.67 lakh establishments will be benefitted and would likely to continue on their payrolls despite disruptions.
- iii. Government will provide Budgetary Support of Rs.4800 crore for the year 2020-21 for this purpose.
- iv. The beneficiaries entitled for 12% employers' contribution for the months of June to August, 2020 under Pradhan Mantri Rozgar Protsahan Yojana (PMRPY) will be excluded to prevent overlapping benefit.
- v. Due to prolonged lockdown, it was felt that businesses continue to face financial crisis as they get back to work. Therefore, the Hon'ble FM, as part of Aatmanirbhar Bharat, announced on 13.5.2020 that the EPF support for business and workers will be extended by another 3 months viz. for the wage months of June, July, and August, 2020.

The steps taken by the Government from time to time to ameliorate the hardships faced by the low paid workers are well accepted by the stakeholders.

VRRK/SH

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