



**Circular No. 301**

**Dated 17.07.2013**

**NO. 500-85/CA-II/BSNL/EPF/2013/Vol.VII**

To,  
The Chief General Manager,  
All Circles  
BSNL

**Sub.: Deduction of Pension Contribution under EPS, 1995 – reg.**

1.0 Certain references have been received in this office for clarification on regulating the contribution towards Pension out of employer's contribution of 12%, as different practices have been followed by the circles/ units.

1.1 Two options are available under EPS, 1995 –

- (a) Contribute, out of Employer's Share, an amount equivalent to 8.33% of the actual salary towards Pension Scheme and remaining 3.67% towards EPF; and
- (b) Contribute, out of Employer's Share, an amount equivalent to 8.33% of salary restricting to statutory limit (at present Rs.6,500/- p.m.) towards Pension Scheme and remaining amount of employers' contribution towards EPF.

1.2 After lot of persuasion/follow up with EPFO regarding allowing employees to choose/change option as detailed in Para 1.1 above, the EPFO has issued a clarification that ***“there is no provision in the Scheme to opt for this provision retrospectively. The matter if necessary be taken up with the concerned RPFC to whom pension contribution is being made”***.

2.0 In view of the above, I am directed to convey the following:-

2.1 **EXISTING EMPLOYEES WHO HAVE OPTED FOR HIGHER PENSION**:- The existing employees, who had opted for higher pension at the time of joining of the scheme and EPFO had allowed to do so but later on either transferred to other unit within BSNL or joined BSNL who is deducting pension contribution on statutory limit of Rs.6,500, may be allowed to continue with the option of higher pension. The following procedure may be followed:-

- (a) The employee concerned whose contribution towards pension under EPS is changed due to transfer or otherwise should apply for the same in writing in this regard to the concerned DDO/ AO(EPF) who is maintaining his/ her EPF account.
- (b) The unit where the employee is posted after appointment/ transfer should get details of his option chosen at the time of joining of EPF scheme from the previous organization/ unit who was managing his EPF a/c and where he was working before joining the present unit.
- (c) The said unit should revise the relevant EPF returns/ forms for period(s) which need revision.
- (d) The said unit should complete all the formalities as required under EPF Act/ Scheme and prescribed by EPFO in this regard.
- (e) At the time of transfer of the employee concerned from the unit, the entry regarding option applicable will be made by the transferring unit in Last Pay Certificate (LPC).
- (f) The said unit should make arrangement to make entry regarding the applicable option in the service book of all the employees covered under EPF Scheme so that the same may be followed in the new unit where the employee may get transferred in future.



- (g) The unit should provide the copies of the revised forms 3A and 6A for the period(s) under revision to the concerned employees and ensure the updation of the revised balances in the existing EPF a/c of the concerned employee.

**2.2 EXISTING EMPLOYEES WHO HAVE NOT EXERCISED ANY OPTION AT THE TIME OF JOINING:**

In case no option was chosen by the existing employee, the default option (i.e. pension contribution based on statutory limit of Rs.6,500 per month) will become applicable. As intimated by the EPFO, employee will not be allowed to change his option now retrospectively due to the provisions of EPF Act/ Scheme in this regard and he has to continue with the same option. However, as stated by Head Office, EPFO vide its letter no. Pension/Misc./2013/ Higher Salary/5286 dated 29<sup>th</sup> May 2013 (copy enclosed as annexure-I), in response to our letter no. 500-85/CA-II/BSNL/EPF/2013/Vol.V dated 16.05.2013 (copy enclosed as annexure-II), circles/ field units may take up the matter, if necessary with concerned RPF to whom pension contribution is being made.

**2.3 NEW APPOINTEES (TO BE RECRUITED/ APPOINTED IN FUTURE):** An option should be given to new employees to be recruited in future to opt for the higher pension. In this case, the following necessary steps need to be taken:

- (a) An option form duly filled (a draft format attached as Annexure III) should be taken from the new appointee in this regard along with the Form 2 and Form 11 at the time of joining BSNL and EPF Scheme which clearly state that the option once chosen cannot be changed in future. **This option form should be pasted in service book of the concerned employee.**
- (b) The concerned field unit/ circle on behalf of BSNL and concerned employee should make joint request to an officer not below the rank of Assistant Provident Fund Commissioner in concerned Regional Provident Fund Office as required in terms of Para 26(6) of EPF Scheme, 1952.
- (c) At the time of transfer of the employee concerned from the unit, the entry regarding option exercised should be mentioned in Last Pay Certificate (LPC).

This issues with the approval of the competent authority.

**Encls:** as above

**(Rajeve Singh)**  
**General Manager (CA)**

**Copy for information and taking necessary action to:**

1. PPS to CMD, BSNL.
2. PPS/ES to Dir(Fin.)/(HR), BSNL.
3. ED(Fin), BSNL.
4. CGM (ITPC), Pune, in continuation of this office letter of even no. dated 07.06.2013.
5. GM (ERP), CO, BSNL, in continuation of this office letter of even no. dated 07.06.2013.
6. GM (Finance)/ IFAs of all BSNL Circle.
7. GM(Pers.)/(Est.)/(SR)/(FP), Corporate Office, BSNL.
8. CPAO(ITI Bills), Bengaluru.
9. AGM(R&P), Corporate Office, BSNL.