

What's New

News Flash



June 2014

Employers cannot be forced to contribute over and above the statutory wage limit

The Employees Provident Fund Organisation (EPFO) recently issued a circular and directed regional PF authorities to not force employers to contribute over and above the statutory wage limit (presently 6,500 INR per month) with respect to employees.

The direction has been issued by the EPFO after considering a recent judgement of the Kolkata High Court in the case of Nava Nalanda High School and Another vs Employees Provident Fund Organisation and Anr. [W.P 32587 (W) (2014)]. While answering the question of law on this issue, the HC relied on the decision of the Supreme Court of India in the case of Marathwada Gramin Bank Karamchari Sanghatana and Another v. Management of Marathwada Gramin Bank and Others [4 L.L.N. 422 (2011) - SC] and held that the employer could not be compelled to pay contribution on an amount in excess of the statutory wage limit fixed by the statute.

The EPFO has also decided not to file a review petition against the apex court's judgement in the Marathwada Gramin Bank Karamchari Sanghatana case.

It may be noted that the statutory wage limit (presently 6,500 INR) is not applicable to international workers (IWs) and therefore this circular is not applicable in respect of contribution by employers for their IWs. For IWs, employers need to contribute on their full salary.

The link to the circular is attached below.

http://epfindia.com/Circulars/Y2014-15/LC_ReviewPet_MarathwaraGraminBank_203.pdf

If your interest lies in a specific area or subject, do advise us so we can send you only the relevant alerts. For any additional information, please reach out to your PwC relationship manager or write in to [***pwctrs.knowledgemanagement@in.pwc.com***](mailto:pwctrs.knowledgemanagement@in.pwc.com)

With Best Regards
PwC TRS Team

About PwC

PwC helps organisations and individuals create the value they're looking for. We're a network of firms in 157 countries with more than 184,000 people who are committed to delivering quality in Assurance, Tax and Advisory services. Tell us what matters to you and find out more by visiting us at www.pwc.com.

In India, PwC has offices in these cities: Ahmedabad, Bangalore, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, visit [**www.pwc.in**](http://www.pwc.in)

PwC refers to the PwC network and / or one or more of its member firms, each of which is a separate legal entity. Please see [**www.pwc.com/structure**](http://www.pwc.com/structure) for further details.

Follow us on [**Facebook**](#), [**LinkedIn**](#), [**Twitter**](#) and [**YouTube**](#).

© 2014 PricewaterhouseCoopers Private Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity..

Our Tax & Regulatory Services **Direct Tax** **Indirect Tax** **Transfer Pricing** **Regulatory** **M & A**
Tax Controversy and Dispute Resolution **Financial Services**

NOTE : If you wish to unsubscribe receiving communications, please send in a blank email as reply to this mail with subject line "Unsubscribe".
