

Electronic facility for principal employers to monitor their contractors' EPF compliances

Under the Employees Provident Funds and Miscellaneous Provisions (EPF and MP) Act, an employer is obliged to pay/contribute a certain percentage of its employees' wages into the EPF A/C maintained by the employer. The term 'employee' includes a person employed directly by the employer himself or indirectly through an outsourced agency or a contractor. Many employers outsource their business processes (including engaging/hiring of their workers, payment of monthly EPF contributions of their employees) to 'contractors.' The contractors are themselves registered independently as an 'establishment' under the Act and hence, they undertake the payment and filing work in respect of the workers/employees of the Principal Employers (PE.)

The PEs can now register the details of the outsourced contractor and view the compliance by logging in on the EPFO's Unified Portal: epfindia.gov.in. This ensures that the information and return of workers filed, payments made by the contractor/outsourced agency are up-to-date and the mismatches, if any, can be rectified. PEs not registered with EPFO can also obtain login ID and password with their Income Tax TAN and add/register the outsourced contractor's details to view the compliances.

On adding contractor's & employees' details, the PE can view through their login:

- the employee wise remittance made by contractors through electronic return cum challan (ECR) for any wage month during the tenure of the contract
- whether the EPF contribution for each employee has been remitted by the contractor in respect of all the contract workers.

This facilitates the ease of compliance and timely check on non-compliances by the outsourced contractors.

Weblink <https://unifiedportal-emp.epfindia.gov.in/epfo/>

Therefore

The facility of viewing the EPF compliances has eased the principal employers from soliciting the employee-wise payment reconciliations from the contractors periodically. Also, it has done away with the requirement of the PE to obtain the EPF registration since the access to the data is entirely TAN based. Employers like the Railways, CPWD, Government Departments can also utilize the facility for viewing the compliance by their contractors and can know of the exact amount of subsidy received against their contract workers.