

## Employees' Provident Fund Organisation issues clarifications on International Workers and Overseas Citizen of India/Person of Indian Origin card holders

18 February 2015



### Background

In October 2008, the Government of India (GOI) made fundamental changes in the Employees' Provident Funds Scheme, 1952 (EPFS) and Employees' Pension Scheme, 1995 (EPS) by bringing International Workers (IWs) under the purview of the Indian social security regime.

In October 2012, the GOI had issued a notification to amend the provisions for withdrawal of Provident Fund (PF)/ Pension Fund accumulations in respect of IWs.

In November 2012 the Employees' Provident Fund Organisation (EPFO) had issued a circular to its officers for implementation of the aforesaid notification issued by the GOI.

EPFO has now come out with clarifications on certain specific issues related to IWs raised under the Right to Information Act, 2005 (RTI Act).

### Key clarifications

Some questions were raised under the RTI Act pertaining to the following aspect:

#### Questions

1. A person is working and also drawing a salary in India. She/he was an Indian passport holder in the past but currently holds a foreign passport. She/he is a holder of either an OCI (Overseas Citizen of India) or a PIO (Person of Indian Origin) card. Will she/he be considered as an IW under Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF Act)?

#### Response by EPFO

An employee holding a foreign passport/ other than Indian passport and working for an establishment in India, to which the EPF Act applies, will fall under the category of IWs.

2. If an IW has contributed for 10 years under EPS, will she/he be eligible to get a pension benefit under EPS?

**Response by EPFO**

Yes, the IW would be eligible to claim a pension benefit.

3. If an IW has not completed 10 years of membership under EPS, will she/he be eligible to get a pension benefit under EPS?

**Response by EPFO**

- *For employees coming from countries with which India has Social Security Agreement (SSA) in force*

These employees would be eligible to avail the benefit of totalisation.

In case the employees have completed 10 years of eligible service after totalisation of service in both countries, they would become eligible for monthly pension. However, if the eligible service is less than 10 years even after including totalisation period, such IWs will be eligible for a withdrawal benefit (lump sum refund).

- *For employees coming from countries with which India does not have SSA in force*

Such IWs cannot avail the totalisation benefit. These employees would qualify to receive monthly pension if they have completed 10 years of service under EPS.

These employees would not be eligible to receive withdrawal benefit (lump sum refund) under EPS.

## Our comments

EPFO has clarified the position on whether OCI/PIO card holders should be treated as International Workers. Companies should review their PF compliances for International Workers especially for employees who are OCI or PIO card holders. Benefits available to International Workers from SSA and non-SSA countries have also been reiterated by the EPFO.



Source: [http://www.epfindia.com/Circulars/Y2014-15/IWU\\_RTJ\\_JM\\_11997.pdf](http://www.epfindia.com/Circulars/Y2014-15/IWU_RTJ_JM_11997.pdf)

Accessed on 18 February 2015

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