



Blog by Paku Kalyanarama Sastry
CEO – THE HUB / Career HUB

<https://pakukalyanaramasastry.blogspot.com/>

Form – 11 under PF & Excluded Employee

Most of us use Form – 11 to exclude employees under the EPF / EPS scheme to avoid the cost of Employer PF and deduction of Provident Fund from the Gross Salary, this article provides inputs on the same from the Statutory Compliance angle.

What is Form – 11 under Provident Fund?

The New Form – 11 under Employees Provident Fund, is a Self-Declaration Form for their respective provident and pension fund schemes by the employee taking up employment in any establishment for which the EPF Scheme 1952 and EPS Scheme 1995 are applicable.

It is to be retained by the employer, under Employees Provident Fund Scheme 1952 (Paragraph 34 & 57) and Employees' Pension Scheme 1995 (Paragraph 24).

EPF form 11 consists of the employee's EPF history, ensures that the Provident Fund department is updated with a thorough database. The database is inclusive of information about employees. It can be used for activities like audits, cross-checking, and inspection.

It can also be used for the purpose of automatic PF account transfer.

Employer should get all the new joiners fill out the declaration form (New format of Form No. 11) within a period of one month from the date of joining and upload the information on the UAN portal within a period of 25 days from the end of every month.

In case the employee's salary is above Rs.15000 and he is filling out the form for his employment, the employee has the option to not opt for EPF. Such an employee would be called an **excluded employee**.

Reasons to fill out EPF Form – 11

- ✚ If you are an existing employee of the EPF Scheme and want to continue receiving scheme benefits with the New Member ID
- ✚ If you were not a member of EPFO previously and now you wish to contribute to EPF / EPS since your new organisation offers this option
- ✚ If you want to automatically transfer your PF Funds from your previous organisation to the new organisation



Blog by Paku Kalyanarama Sastry CEO – THE HUB / Career HUB

<https://pakukalyanaramasastry.blogspot.com/>

Purpose of EPF Form – 11

- ✚ EPF Form 11 ensures that your contributions continue effortlessly
- ✚ By linking your Universal Account Number (UAN) with your new employer the form helps prevent the creation of multiple accounts
- ✚ The form serves as a declaration off your previous employer and EPF membership helping in the accurate verification of your details
- ✚ For those who were not previously members of EPFO and if your salary exceeds Rs. 15,000/- per month, you can choose not to contribute to EPF / EPS classifying you as an **“Excluded Employee”**

Who is Excluded Employee under Provident Fund?

An excluded employee under the Employees' Provident Funds Scheme, 1952 is an employee who is not eligible to be a member of the fund.

As per The Employees' Provident Funds Scheme, 1952, Section 2 (f),

"Excluded employee" means—

1. An employee who, having been a member of the Fund, withdrew the full amount of his accumulations in the Fund under clause (a) or (c) of sub-paragraph (1) of paragraph 69,
2. An employee whose pay at the time he is otherwise entitled to become a member of the Fund, exceeds Rs. 15,000/- per month
3. An apprentice

Meaning of Pay - includes basic wages with dearness allowance and cash value of food concessions admissible thereon

An **Apprentice means** a person who, according to the certified standing orders applicable to the factory or establishment, is an apprentice, or who is declared to be an apprentice by the authority specified in this behalf by the appropriate Government.



Blog by Paku Kalyanarama Sastry CEO – THE HUB / Career HUB

<https://pakukalyanaramasastry.blogspot.com/>

Steps to be taken for exclusion of the employees from PF Contributions

Provident Fund is a personal savings for the employees and will help a lot during the retirement for pensionary benefits. It is advised that every employee should opt for the EPF and EPS Scheme during their employment. Similarly, the Provident Fund is a contribution by the Employer to the employee for the future and savings and it is suggested to be administered for all the employees.

Both the Employer should follow these steps before considering an employee as **EXEMPTED EMPLOYEE** under EPF and EPS Scheme.

1. Check if this is the **Employee Aadhaar is seeded to any of the previous EPF Account and if the UAN is active.**
 - If the answer is YES, then the employee cannot be exempted from EPF / EPS.
 - If the answer is NO, then the employee can be considered as exempted provided the Employee wants to opt out of the EPF Scheme and signs the Form – 11
2. Check if there is UAN / EPF Account and **if the whole PF Balance is withdrawn in full.**
 - If the answer is YES, then the employee can be considered for exemption provided the Employee wants to opt out of the EPF Scheme and signs the Form – 11
 - IF the answer is NO, then the employee cannot be considered for exemption, and you need to include him in the Provident Fund Scheme
3. Check if the **Salary / Pay / Basic Pay is above Rs. 15,000/-**
 - If the answer is YES, then he can be exempted from the EPF Scheme provided he had never been into EPS Scheme or he had fully withdrawn his PF Balance
 - If the answer is NO, and his salary is less than Rs. 15,000/- then he needs to be included for the EPF Scheme
4. Also, ensure that the Form – 11 is duly filled by the Exempted Employee within 30 days from the date of joining and the same is duly submitted to the respective EPF Office within the next 30 days after signing.