

Frequently Asked Questions
on
Pradhan Mantri Rojgar Protsahan Yojana

Q1: What is Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) scheme?

Ans: The **Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)** Plan Scheme has been designed to incentivise employers **for generation of new employment**, where Government of India will be paying the 8.33% EPS contribution of the employer for the new employment.

Q2: Which establishments are eligible for PMRPY scheme?

Ans: All establishments **registered with Employees' Provident Fund Organisation (EPFO)** can apply for availing benefits under the scheme subject to the following conditions:

(a) Establishments registered with the Employees' Provident Fund Organisation (EPFO) **should also have a Labour Identification Number (LIN)** allotted to them under the Shram Suvidha Portal (<https://shramsuvudha.gov.in>).

(b) The eligible employer must have **added new employees** to the **reference base** of workers in order to avail benefits under the Scheme from August, 2016 onwards.

In addition to above, the **establishment should have a valid organisational PAN**, which would be validated. Further, the establishment must have a valid Bank Account through which the payments may be made to the establishment.

Q3: What is reference base of workers under PMRPY scheme?

Ans: The reference base of workers is determined by the number of employees against whom the employer has deposited the 12% (3.67% EPF + 8.33% EPS) with EPFO as on 31st March, 2016, **as ascertained/verified from the monthly Electronic Challan cum Return (ECR) for March, 2016**. Thus it is necessary that the establishment should have submitted their ECR for the month of March, 2016.

Q4: How the increase in new employment is determined for benefits under PMRPY scheme?

Ans: Under the PMRPY scheme, the establishment should have increased the number of employees on or after 01.04.2016 to avail the benefits. For example, an establishment, say

M/s ABC Ltd. had filed an ECR for the employers' contribution for 45 employees/workers in March, 2016. In the month of April, 2016, the establishment has added, say, 15 new workers bringing the total of employees to 60, the employer will be eligible to apply for the PMRPY scheme benefits for these 15 **new employees**.

Similarly for 2017-18, the reference base will be taken as 31st March, 2017 and so on in subsequent years.

Q5: What would happen if there is no new employment vis-à-vis the reference base in any subsequent month?

Ans: The employer cannot avail PMRPY benefits if there is no new employment vis-à-vis the reference base in any subsequent month. Thus, in case an establishment eligible for a scheme has a drop/fall in employment from the reference base, the establishment will not be eligible for the scheme in the months where employment is below this reference base.

Q6: What would be the reference base for the new establishments coming into existence/ getting registered with EPFO after 01st April, 2016?

Ans: In case of new establishments getting registered with EPFO after 01st April, 2016, the reference base would be taken as Zero/NIL and all new employees would be entitled to be covered under the Scheme, subject to other eligibility conditions.

Q7: What is the definition of new employee under the PMRPY scheme?

Ans: New Employee, for the purposes of the scheme, is defined as

- (i) an employee earning less than Rs. 15000 per month,
- (ii) not working in any establishment registered with the EPFO in the past (prior to 01st April, 2016) and
- (iii) did not have a Universal Account Number prior to 01st April, 2016.

All the above conditions should be satisfied for an employee to be categorised as new employee.

Q8: Which employees are eligible under the PMRPY scheme?

Ans: The PMRPY scheme is meant for the following employees:

- (a) This scheme is for the employees **earning wages less than Rs 15,000/- per month** under semi-skilled and unskilled category. Thus, new employees earning wages more than Rs 15,000/- per month will not be eligible.
- (b) A new employee is one who has not been working in an EPFO registered establishment on a regular basis prior to 01st April, 2016. This will be determined by checking that he was allotted a **new Aadhaar seeded Universal Account Number (UAN)** on or after 01.04.2016. It is important to note that for the purpose of the PMRPY Scheme, **the UANs need to be Aadhaar seeded and verified.**

In case the new employee does not have a UAN at all, the employer will facilitate its allotment through UAN portal of EPFO.

Q9: When will the PMRPY scheme become operational?

Ans: The PMRPY Scheme is operational from the date of issue/approval of the Scheme Guidelines (i.e.9thAug, 2016).

Q10: How long the employer will get the benefit for the eligible new employees?

Ans: The Scheme will be in operation for a period of 3 years. Hence, the employers will continue to get the 8.33% contribution paid by the Government for the eligible new employee for the next 3 years, provided such employee continues in employment with the same employer.

Q11: How the employer would avail the benefits under the scheme?

Ans: The brief process for employer to avail benefits under the scheme is provided below:

- The eligible establishment will update the PMRPY interface each month (latest by 10th of following month) through a PMRPY form wherein the description of the post (job role) for the new employment needs to be specified along with the date of joining and date of exit, if applicable.
- PMRPY form for a month should be submitted by eligible employers, preferably by the 10th day of the following month.

- In case the employer does not submit the information on-line on the PMRPY form by 10th of the following month, he will not be eligible for availing benefits under the PMRPY Scheme for that month.
- An online certificate/ undertaking would be made by the employer in prescribed format duly digitally signed.
- Till the introduction of new ECR 2.0, the release of the contribution fund would be made directly to the employer in his bank account.
- The details of the new employee (as submitted by the employer in the ECR) will be validated from the UAN database
- UAN seeded with Aadhaar number would be validated in UIDAI/EPFO database for verification and deduplication
- After due verification, the system will compute the amount due for that establishment against the verified new employee

Q12: How the eligibility and benefits under the scheme for an employee would be determined, in case multiple ECRs are filed by the employer?

Ans: The eligibility and benefits under the scheme for an employee would be determined on the basis of first ECR filed by the employer for the respective month. No benefits would be admissible on the basis of supplementary ECRs.

Q13: What will happen if due to filing of any supplementary ECR by the employer for the base month at a later stage leads to increase in employment strengthen for the base month and the employer becomes ineligible for benefits for some or all months?

Ans: Due to filing of any supplementary ECR by the employer for the base month at a later stage leading to increase in employment strengthen for the base month, there is a possibility that the employer may become ineligible for benefits for some or all months, where he has already availed the benefits under the scheme. In such cases, the employer is liable to pay back the subsidy amount availed by him for the respective months, where he is found ineligible, along with penal provisions as per the EPF & Miscellaneous Provisions Act, 1952 & Schemes framed thereunder.

Q14: How the terms used in PMRPY scheme guidelines are to be interpreted, if they are not defined in the scheme guidelines?

Ans: The definitions mentioned in The Employees' Provident Fund Scheme, 1952, Section 2 would be applicable mutatis mutandis to the PMRPY scheme as well.

Q15: What is National Industrial Classification Code (NIC) – 2008?

Ans: National Industrial Classification Code (NIC) – 2008 is the code developed and maintained by Ministry of Statistics & Programme Implementation for codification and categorisation of industries based on their economic activity. For availing the benefits under PMRPY scheme, it is necessary to mention the nature of industry/sector as per National Industrial Classification Code NIC-2008, maintained by the Ministry of Statistics & Programme Implementation.

Q16: How is the appropriate NIC Code determined while applying for PMRPY scheme?

Ans: The appropriate NIC code is determined/ assessed by the value added by production of different products and services or net revenue derived from various activities, i.e. the industry code of the primary manufactured product (output) of that establishment. In case of multi-product establishments, the appropriate NIC code is determined by the category of the product contributing the maximum value added for the establishment. Where such assessment is not possible, classification may be done in terms of gross revenue attributed to the products, or services of the establishments, the number of persons employed for various activities.

Q17: What is the additional benefit provided by the Government of India to Textile Industry establishments in addition to those under PMRPY scheme?

Ans: There is another scheme in the name of **Pradhan Mantri Paridhan Rojgar Protsahan Yojana (PMPRPY)**, wherein **for the textile (apparel) sector**, the employers are also eligible to get the 3.67% EPF contribution paid by the Government as mentioned in the PMRPY on-line form. This benefit can be availed of by **the textile (apparel) sector establishments dealing with the Manufacture of wearing apparel, in particular NIC Codes 1410 and 1430.**

The Government, in this case, will also pay the EPF contribution of 3.67% in addition to paying the EPS contribution of 8.33%.

The payment of 8.33% EPS and 3.67% EPF by the Government will be made after the employer has credited the 12% EPF contribution of the employees with EPFO.

Q18: What are the sub-sectors covered for the component of PMPRPY scheme meant for textile (apparel) sector?

Ans: For the textile (apparel) sector dealing with the Manufacture of wearing apparel, in particular, NIC 1410 (Manufacture of wearing apparel, except fur apparel); and NIC 1430 (Manufacture of knitted and crocheted apparel), the detailed sub-sectors covered for this component are given below:

(1) NIC 1410: Manufacture of wearing apparel, except fur apparel

- a. NIC 14101: Manufacture of all types of textile garments and clothing accessories
- b. NIC 14102: Manufacture of rain coats of waterproof textile fabrics or plastic sheetings
- c. NIC 14105: Custom tailoring
- d. NIC 14109: Manufacture of wearing apparel not elsewhere classified

(2) NIC 1430: Manufacture of knitted and crocheted apparel

- a. NIC 14301: Manufacture of knitted or crocheted wearing apparel and other made-up articles directly into shape (pullovers, cardigans, jerseys, waistcoats and similar articles)
- b. NIC 14309: Manufacture of other knitted and crocheted apparel including hosiery

Q19: What is the responsibility of the employers while availing the benefits under the scheme?

Ans: Employers/Establishments applying for the Scheme shall be fully responsible for the information uploaded. If at any time, it is found that the information submitted is incorrect or false, it will be assumed that the EPS payment (and EPF payment for textile sector) has not been made for these employees. The employer will be liable for dues and penalties as already specified under the relevant provisions of The Employees' Provident Fund Scheme, 1952.