

24/02/2022



सत्यमेव जयते

ईपीएफओ, मुख्य कार्यालय
श्रम एवं रोज़गार मंत्रालय, भारत सरकार
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EPFO, HEAD OFFICE
MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA
BHAVISHYA NIDHI BHAWAN, 14, BHIKAJI CAMA PLACE, NEW DELHI 110066
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To

ACC (HQ)/ACC
All ZOs

Sub: Clarification on NEEM Trainees-Reg

Sir/Madam,

Several representations have been received in Head Office for seeking clarification whether NEEM Trainees are exempted from the EPF & MP Act, 1952 in the light of Regulation 15.2 of the AICTE (NEEM) Regulation, 2017. The matter was examined in detail and it is clarified that:

- a. The NEEM trainees are not exempted from the definition of "employee" under section 2(f) of the EPF & MP Act, 1952 and the Regulation 15.2 of the NEEM Regulation, 2017 is *ultra vires* to the provisions of the Act.
- b. However certain criteria have been laid down in HO circular dated 12.10.2015 (copy enclosed) to distinguish a student-trainee from an employee engaged by an establishment covered under the Act. EPF Scheme, 1952 after ascertaining the facts and circumstances of each case on merit.
- c. Further a mechanism under para 26B of the EPF Scheme has already been provided whereby a Regional PF Commissioner has been vested with power to decide a question whether an employee is entitled to, or required to become a member of the scheme. after ascertaining the facts and circumstances of each case on merit.
- d. Cases of subterfuge shall be distinguished from genuine arrangements for training

2. Hence, any question whether a person is a trainee or employee may be decided as per law and considering the circular dated 12.10.2015.

(This issues with the approval of CPFC.)

Yours faithfully,

Encl: As above


(Jag Mohan)

Additional CPFC (HQ)



कर्मचारी भविष्य निधि संगठन
(श्रम मंत्रालय भारत सरकार)

**Employees' Provident Fund Organisation
(Ministry of Labour, Govt. Of India)**

मुख्य कार्यालय / Head Office

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WEB CIRCULATION

No. Coord./40(5)2015/Misc./clarification/
To

21308

Dated:12.10.2015

12 OCT 2015

All Addl. Central P.F. Commissioners (Zone)
All Regional P.F. Commissioners/ OICs (Regional Office/SRO).

Sub: Clarification of status of student-trainees of educational/ technical institutes recognised by Central/ State Government or any authority constituted by them, vis-à-vis the Employees Provident Funds & Miscellaneous Provisions Act, 1952-reg.

Sir,

A reference was received in which a clarification on the status of student- trainee vis-à-vis the provision of the Employee Provident Funds & Miscellaneous Provisions Act, 1952 was sought from Head Office.

2. It is a matter of common observation that now-a-days most technical/professional educational institutes impart industrial training/ practical on the job training to their students as an integral component of academic curriculum. During such training period, student-trainees are exposed to modern technical development and hands-on-training of working on sophisticated equipments/ instruments etc. Stipend may also be provided to such student-trainees, sometime. After such industrial/ on the job training, the student-trainee goes back to his respective institution for completion of the academic course.

3. In such cases, it is made clear that employer employee relationship does not exist between the industry and student-trainee, who is on industrial on the job training as an integral component of a recognized course of an educational/ technical institute recognized by the Central/ State Government or any other authority constituted by the Central/State Government. Therefore, the payment of stipend, if any, provided by the industry to such student-trainees do not attract the provisions of the Employee Provident Funds & Miscellaneous Provisions Act, 1952. However for the students getting placement in companies and appointed as employees of establishment, Employee Provident Funds & Miscellaneous Provisions Act, 1952 will be applicable on such employees even during on the job training/induction/other trainings taken after becoming employee.

4. All concerned are advised to proceed in the matter accordingly.

(This issue with the approval of CPFC)

Yours faithfully,

(K.L. Taneja)

Additional Central PF Commissioner-I (Compliance)

Copy:

1. PS to CPFC.
2. CVO, FACAO & ACCs (HQ).
3. All Addl. CPFCs-I and- II, Head Office.
4. Director, NATRSS
5. All RPFCs, Head Office.
6. All DDs (Vig.) of Zonal Vigilance Directorates.
7. All RPFCs (ZTIs).
8. RPFC (Compliance) with a request to add such flags in the ECR' version 2.0.
9. RPFC (NDC) - with a request to upload the circular on official website of EPFO.
10. DD (OL) Head Office for Hindi Version.
11. Guard File.

For information, please.

(Dr. Shiv Kumar)
Regional PF Commissioner-II (Coord.)