EPFO GR/GO : Trainees doesnt attract PF

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WEB CIRCULATION

No. Coord./40(5)2015/Misc./clarification/27308 Dated:12.10.2015

12 OCT 2015

To
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.

For information, please.

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

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File No. Compliance/TrainingSchemesUnderStateGovt/2021-22/9503

Dated-26.07.2022

27 JUL 2022

To,
All ACCs/ACC(HQs),
Zonal Offices.

Subject: Clarification on status of student-trainees of educational/technical institute recognized by a competent authority vis-à-vis the Employees' Provident Funds & Miscellaneous Provisions Act, 1952- Regarding.

Ref: H.O. Circular No. Coord./40(5)2015/Misc./clarification/27308 dated 12.10.2015.

Sir/Madam,

The Central Government has initiated several programmes for skill-imparting and skill-development to enhance the employability of youths in India. In the light of these developments, several references were received from various stakeholders to issue further clarification to the Head Office circular dated 12.10.2015 (copy enclosed for ready reference).

2. Hence, following further clarification/guidelines are prescribed to decide about the status of a student-trainees under any scheme: -

a. The educational/technical institute/University and the academic course in which a student-trainee is enrolled shall be recognized by the competent authority.
b. "On-the-job-training" shall be an integral component of such course.
c. "On-the-job-training" shall not exceed period as may be specified in such course.
d. In case a student-trainee does not complete the training within the specified time including the period of extension, if any, as may be specified in such course, s/he shall cease to be student-trainee.
e. The industry shall engage a student-trainees who are pursuing the course which are relevant to the industry.
f. The number of such student-trainee should not exceed such per cent. of the total workforce employed in the concerned factory/branch of an establishment as may be specified in a scheme or a similar scheme of the Central/State Government.
g. The engagement of student-trainees shall not be for a purpose other than as specified in such course/scheme.
h. The employer shall declare the details of such student-trainees in Electronic-challan-cum-returns (ECR) or furnish such details of student-trainees every month as may be directed by the Commissioner.

3. However, should a dispute arises regarding the eligibility of a person to become member of

aithfully,

(Jag Mohan)
Additional Central PF Commissioner (HQ)(Compliance)

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.

bvg
Humanity Ahead