

Date: 25/02/2023

Dear all Employees/ ex-employees of M&M Ltd.,

As some of you would be aware, **EPFO has released revised guidelines on 20th Feb' 23, wherein you have the choice to opt for higher Employee Pension Scheme (EPS) contribution** (subject to the defined eligibility criteria).

There are various factors which you should consider before you opt in. For easy reference, key highlights are summarized below:

1. What is changing?:

	Current state	Revised Guidelines
Employer & Employee PF contribution	12% of Basic	12% of Basic
Employee contribution	100% allocation to Provident Fund (PF)	100% allocation to Provident Fund (PF)
Employer Contribution	8.33% of Basic (capped at INR 15K per month i.e. INR 1,250) allocated to Employee Pension Scheme (EPS 95)	8.33% of Basic (without any capping) can be allocated to EPS 95, based on Employee consent)
	Remaining amount (12% of Basic – INR 1,250) allocated to PF	Remaining amount (12% - 8.33%, i.e. 3.67% of Basic) to be allocated to PF

2. Eligibility criteria to opt for higher EPS contribution:

- You should be a member of India Employee Pension Scheme (EPS) before 1 September 2014
- Your PF contributions should have been on wages greater than the applicable wage ceiling (INR 5,000, INR 6,500 or INR 15,000 per month as applicable)
- Ex-employees who have retired after 01.09.2014 and are drawing/ eligible to draw pension under EPS 95

- Employees/ ex-employees who joined company on or after 1st Sep 2014 and are not member of EPS 95 or those who exited from EPS 95 prior to 1st Sep 2014 without exercising the option, are not eligible for enhanced pension and cannot exercise the Joint Option.

4. Process to be followed:

- a. The option for higher EPS should be exercised by way of a joint declaration signed by the Employee and the Employer
- b. As per the EPFO circular, **EPFO will release URL shortly to facilitate this choice**
- c. Employees will have to register and digitally log in their applications using this URL on the EPFO portal
- d. Employees opting in will get a unique receipt number subsequently by the EPFO
- e. All applications submitted on EPFO portal, will be visible to the Employer for digital verification to complete the process

5. Timeline:

As per Supreme court directive & EPFO guidelines, Employee consent to opt for higher EPS has to be submitted to EPFO by 3rd March 2023

Note:

1. An additional contribution of 1.16% from Employees PF will be allocated to EPS (for those opting in for higher EPS) on an interim basis for the next 6 months. EPFO is expected to come out with further guidance on this aspect
2. For active employees and also those in respect of whom the employee contribution is with Company Trust/ EPFO, remittance of contribution shall be done by the Trust/ EPFO. Shortfall, if any, should be managed by Employees/ ex-employees from their own resources
3. Ex-employees who have withdrawn their Provident Fund, shall be required to deposit the mandated amount demanded by EPFO as per modalities and timelines prescribed by EPFO.
4. Central Government / EPFO may bring in new guidelines which may differ from what is currently outlined in this communication
5. The increased EPS contribution, will be applicable on a retrospective basis for the entire past contribution period (w.e.f. November 1995 or the date of Pension Fund membership, whichever is later)
6. No action on the EPFO portal by employee / ex-employee will be considered by EPFO as not opting in for higher pension
7. Opting in choice, once completed on EPFO portal will be irrevocable. Please exercise your choice after careful due diligence

For Mahindra & Mahindra Ltd.



Rajeshwar Tripathi
Chief Human Resource Officer