

## Insights into Aatmanirbhar Bharat Rozgar Yojana (ABRY)

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The Scheme proposes to incentivize employers, registered with Employees Provident Fund Organisation (EPFO), for giving employment to new employees. The Scheme commenced from 1<sup>st</sup> October 2020 and remain open for registration of eligible employers and new employees up to 31 March 2022.

### **Reference Base:**

The number of employees with Universal Account Number (UAN) for whom employer has remitted EPF/EPF contributions through ECR filed for wage month of September 2020 shall be taken as reference base number of employees. Establishment will be eligible only if the ECR for wage month September 2020 is filed on or before 15<sup>th</sup> December 2020. For any new establishment getting registered under EPF from 1.10.2020 to 31.3.2022, the reference base shall be treated as zero.

### **Eligibility Criteria of Establishments:**

Establishments shall have to employ, over and above the reference base, minimum two new employees (if the reference base of employee is less than or equal to 50) and minimum five new employees (if the reference base of employees is more than 50).

The establishment must continue to maintain minimum number of additional new employees (over and above reference base) for availing the benefit and also continue to maintain the base number of employees.

### **New Employee:**

Any employee drawing EPF wages less than Rs. 15,000 per month, not working in any establishment and did not have a UAN prior to 1<sup>st</sup> October 2020 and joins in any establishment on or after 01<sup>st</sup> October 2020 up to 31 March 2022.

If a new employee whose wages are less than Rs.15,000 per month and subsequently his wages are above Rs 15,000 per month, such employee will become ineligible.

### **Benefit under the Scheme:**

#### **Maximum 24 months in respect of new employees.**

- (a) Establishments employing up to 1,000 employees (contributing EPF members with UAN) in the wage month of September 2020 will be eligible for both employer and employee contribution that is 12 + 12 percent. The Government will credit the **employer and employee** share and no collections are made from employer or employee.
- (b) Establishments employing more than 1,000 employees (contributing EPF members with UAN) in the wage month of September 2020 only **employees** contribution of 12% will be eligible.

That means employee share should not be deducted from employee wages and the Government would credit such share. However, employer's share should be borne by the employer.

- (c) If the employer deducts the employee's share from his/her wages and claims the amount from Government, the employer is liable for legal action.
- (d) If an establishment is making compliance under various code numbers obtained from EPFO, then for the purpose of counting the number 50 or 1,000 employees, all employees in the establishment as a whole shall be included.

**Process:**

- In the EPFO employer portal, establishments have to declare reference base of employees and update Form 5A to register the establishment and register its "new employees" on the portal.
- Form 5A should contain particulars of all branches and departments of the establishment and also code numbers, if any, taken for the branches.
- Every month at the time of submission of ECR employer shall be required to certify correctness of information furnished electronically in ECR in the certificate and declaration deployed with ECR.