

EPFO onboards Air India for social security coverage

Posted On: 29 JAN 2022 2:34PM by PIB Delhi

EPFO onboards Air India for social security coverage to service the Social Security needs of their employees. Air India Ltd applied for voluntarily covered u/s 1(4) of the EPF & MP Act 1952 which has been allowed vide gazette notification dated 13.01.2022 w.e.f. 01-12-2021.

The social security benefits will be provided to around 7,453 employees for whom contributions have been filed by Air India with EPFO for the month of December 2021. These Employees of AIR INDIA now will be entitled to following benefits:

1. The employees will receive extra 2% employer's contributions in their Provident Fund Accounts at 12% of their wages. Earlier they were covered under the PF Act of 1925, where the contributions to the Provident Fund was at 10% by employer and 10% by employee,
2. EPF Scheme 1952, EPS 1995 and EDLI 1976 will now be applicable to the employees.
3. A guaranteed minimum pension of Rs 1,000/- will be available to employees and pensions to family and dependents in case of death of employee.
4. An assured insurance benefit in case of death of member will be available in the range of minimum Rs.2.50 Lakh and maximum 7 Lakhs. No premium is charged to the EPFO covered employees for this benefit.

Since 1952-53, Air India and Indian Airlines were the two separate companies that were covered under PF Act 1925. In 2007, both the companies merged into one company- Air India Ltd. Under the PF Act 1925, benefit of Provident Fund was available but there was no statutory pension scheme or insurance Scheme. The employees used to participate in self-contributory annuity-based pension scheme. Based on the scheme parameters, the accumulations used to be paid to the employees. There was no minimum pension guarantee and no extra benefit in case of death of a member

HRK

(Release ID: 1793491)