

# Pradhan Mantri Rojgar Protsahan Yojana

The Pradhan Mantri Rojgar Protsahan Yojana Scheme aims to incentivise employers for employment generation by the Government paying the employers' EPS contribution of 8.33%, for the new employees, for the first three years of their employment and is proposed to be made applicable for unemployed persons that are semi-skilled and unskilled. The scheme is being implemented by the Ministry of Labour and Employment and is operational since August, 2016.

The Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) is a scheme to incentivise employers registered with the Employees' Provident Fund Organisation (EPFO) for job creation by the Government paying the 8.33% contribution of employers to the Employee Pension Scheme (EPS) in respect of new employees having a new Universal Account Number (UAN). For the textile (apparel) sector, the Government will also be paying the 3.67% Employees Provident Fund (EPF) contribution of the eligible employer for these new employees.

This Scheme has a dual benefit, where, on the one hand, the employer is incentivised for increasing the employment base of workers in the establishment. And on the other hand, a large number of workers will find jobs in such establishments. A direct benefit is that these workers will have access to social security benefits of the organized sector.

Launched on 9th August 2016, with an aim to incentivise employers for employment generation, Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) has benefitted as many as 98.38 lakh employees. Under the PMRPY, the Government of India pays Employer's full contribution i.e. 12% towards EPF and EPS both (as admissible from time to time) w.e.f. 01.04.2018 for a period of three years to the new employees and to the existing beneficiaries for their remaining period of three years through EPFO.

All establishments registered with Employees' Provident Fund Organisation (EPFO) can apply for availing benefits under the scheme subject to the following conditions

Establishments registered with the Employees' Provident Fund Organisation (EPFO) should also have a Labour identification Number (LN) allotted to them under the Shram Suvidha Portal . The LIN will be the primary reference number for all communication to be made under the PMRPY Scheme.

The Scheme will be in operation for a period of 3 years and the Government of India will continue to pay the 8.33% EPS contribution to be made by the employer for the next 3 years. That is, all new eligible employees will be covered under the PMRPY Scheme till 2019 - 20.

## Eligibility Criteria for establishments for claiming benefit under the scheme

- Establishment should be registered with EPFO under EPF Act 1952 and have a valid LIN
- Establishment should have a valid organisational PAN
- Establishment must have a valid Bank Account, the details of which are to be entered and through which payments may be made to the establishment.
- Establishment should have submitted their ECR for the month of March, 2016
- Establishment should have increased the number of employees on or after 01.04.2016
- For new establishments registered after 01.04.2016, all new employees can be covered subject to meeting of necessary conditions.

### *New Employee, for the purposes of the scheme, is defined as*

- (i) an employee earning less than Rs. 15000 per month,
- (ii) not working in any establishment registered with the EPFO in the past (prior to 01st April, 2016) and
- (iii) did not have a Universal Account Number prior to 01st April, 2016.

All the above conditions should be satisfied for an employee to be categorised as new employee.