

The Insight

Weekly Newsletter from HR Vidyalyaya Corporate Services LLP

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Latest News

News - 1

To reduce the time taken to file IT Returns and avoid difficulties, the Income Tax department has proposed draft ITR - which takes a relook at the return filing system in tandem with international best practices. It proposes to introduce a common ITR by merging all the existing returns of income except ITR-7.

However, the current ITR-1 and ITR-4 will continue. This will give an option to such taxpayers to file the return either in the existing form (ITR-1 or ITR-4) or the proposed common ITR, at their convenience.

The department is inviting inputs on the draft ITR.

One may send their suggestions, electronically to the email address:

dirtpl4@nic.in with a copy to dirtpl1@nic.in

by 15th December 2022

News -2

On its 70th Foundation day, EPFO has discussed five objectives of Chintan Shivir:

1. Mission 10 crore,
2. Ease of compliance,
3. EPFO Karmayogi,
4. Satisfied members and
5. Preparing for the future

The above have been identified as mission areas for work to be taken up by EPFO in the future.



Smooth Workplace to Perform, is one of the Women's Rights

DEI in Employment

Diversity: A workplace which intentionally employs a diverse workforce comprised of individuals with a range of characteristics, (a) Age (b) Religion (c) Race (d) Geographical Location-Domicile (e) Education (f) Physical ability (g) Linguistic ability (h) Sexual Orientation (i) Education (j) Ethnicity, etc.

Equity: Without discrimination providing Fair Opportunities for all... Recognizing all employees with (a) Skill Based Hirings / Promotions / Trainings (b) Equitable access and benefits (c) Equal wages

Inclusivity: Making sure that everyone feels they have the same opportunity to advance and make an impact. Ensure everyone is valued (do not have a practice which can unfairly benefit only one group.)

P.S.: Dear Employers, do not Claim yourself as Diversity Champion / DEI Champion, where you restrict Hiring only thru Campus (that too only from Tier-1 institution) and advertising that you discourage people over 45 years, discourage just married woman, etc.

Disclaimer

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AskSree



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The column on “*AskSree*” answers your questions regarding work life. **Organizational Psychologist Gayathiri Sridharan** uses Psychological Research to answer your everyday dilemmas.

She received her training from *Loughborough University, UK*. As an Organizational Development Consultant with almost a decade of experience in various realms of Strategic Human Resource Management, she is committed to help organizations maximize their effectiveness. You may please send your queries @ itsmegayathiri@gmail.com

AskSree

Dear Sree,

My wife and I, are professors. We have a daughter who is in her sixth standard. During her early age she was very curious and used to be interested in experiments. We thought she will have a special interest in science but now she seems to lose all her interest. We try to talk with her a lot, but all our efforts go in vain. What can we do to help her to retain her natural scientific impulse? - **Sam**

Dear Sam,

A series of studies by Marjorie Rhodes at New York University and her colleagues suggests an interesting and unexpected answer. It has a lot to do with subtle features of how we talk to children about science. Do we talk about “being a scientist” or “doing science”? It turns out that children are more likely to stay engaged in science if they think of it as something you do rather than something you are.

You can watch “Enola Holmes 1 & 2” in Netflix to have a clear picture of how Enola (the sister of Sherlock Holmes) was trained by her mother to be a deductive through experiments.

Reference/s: Rhodes, M., Cardarelli, A., and Leslie, S.J. (2020). Asking young children to “do science” instead of “be scientists” increases science engagement in a randomized field experiment. Proceedings of the National Academy of Sciences, 117(18): 9808-9814.



News Bites

1. For State of Tamil nadu, filing HOLIDAY LIST for Shops & Commercial Establishment is only through ONLINE mode.
2. For TN Factories, it can be Online mode or Physical mode (to the respective Joint Director Office)
3. Due date for Half-Yearly Return under ESIC was 11th November 2022. Those who had not done so far, can do so now. It takes only 2-3 minutes of your time. There will not be any acknowledgement..... if you require one, you can take screen-shot of pages.
4. Following States have published List of Holidays for the year 2023
 - a. Kerala,
 - b. Tamil Nadu,
 - c. Pondicherry,
 - d. Goa,
 - e. West Bengal,
 - f. Himachal Pradesh,
 - g. Bihar
 - h. Odisha
 - i. Gujarat

(Need a copy? Visit: <http://hrvidyalaya.in/holiday-list-2023/>)

5. Wish to get a copy of Important Updates / Judgments on Labour Legislations – kindly visit the following link:

[Circulars | Judgements | Labour legislation – HR VIDYALAYA CORPORATE SERVICES LLP](#)

Hon'ble Supreme Court's Judgment on Higher Pension and afterwards.....

(Disclaimer: the interpretation & computation in the following pages are for information purposes only and not a legal advice)

1. EPS Amendment (Vide notification no. GSR 609(E) dated 22nd August 2014, effective from 1st September 2014,) is VALID
2. Para 6 of the Scheme - For NEW EMPLOYEES (who joined after 1st September 2014) - EPS Scheme (Pension) shall apply only to:
 - a. whose pay on such date is less than or equal to fifteen thousand rupees
3. As per Para 11(3) Pension contribution on higher salary was OMITTED..... **THIS WAS STRUCK DOWN and the Hon'ble Court and has given 4 months' time for Members to OPT for Higher Pension.**
4. Fresh Option to be exercised by the existing member (who were member before 1st September and were contributing more than Rs.5000 or Rs.6500). (Para 11(4))
5. Additional contribution of 1.16% by members who opted higher pension (Para 11 (4))
6. Calculation of pensionable salary from 12-month average to 60 months wages average

Possible Scenarios:

I Joined before 1 st September 2014 and not opted for Higher Pension	You are not eligible for Higher Pension Option 
<p>I Joined before 1st September 2014 and OPTED for Higher Pension, then and</p> <ol style="list-style-type: none"> 1. Still employed or 2. Not working for now, or 3. Superannuated after & getting pension 	<ul style="list-style-type: none"> » You have 4 months' time from 4-November-2022 (i.e before 4-March-2023) to OPT for Higher Pension..... » Just fill the option form and give it to your EMPLOYER  » Only for these Members, who are making this declaration, the pension will be calculated on their higher salary (and not at the capped Rs 15,000/month). » Though Hon'ble Court has one of the amendments that required employees to make an additional contribution of 1.16% on salary exceeding Rs 15,000 per month (Kept abeyance for 6 months for the EPFO to find out other possible legal ways to generate fund to manage the Higher pension liability) » But until such time, such Members who opt for Higher Pension has to make 1.16% extra on higher contribution » Those who have already superannuated has to pay the difference to EPFO (from their pocket)
I joined after 01-09-2014 (first time Job or joined the establishment which was covered under EPF Act for the first time)	<ul style="list-style-type: none"> » If your PF wages is more than Rs.15,000 (i.e 15,001 or above) you cannot be a Member at all. So there is no option for you to exercise Higher Pension. 

Sample calculation (illustrative only):

» I Joined before 1st September 2014 and OPTED for Higher Pension, then and still employed.

» My Basic wages after 1st September 2014 were:

Period	Basic Wages (monthly)	Monthly EPS (which will be adjusted from your EPF account accumulation)	Monthly 1.16% (currently to be borne by Member, until EPFO decides)
September 2014 to March 2015	Rs.25,000	8.33% on 25000 = Rs.2,083.00 (12 * 2083 = 24,996)	1.16% on 10000 (more than 15000) = Rs.116.00 (12 * 116 = 1,392)
April 2015 to March 2016	Rs.32,000	8.33% on 32000 = Rs.2,666.00 (12 * 2666 = 31,992)	1.16% on 17000 (more than 15000) = Rs.197.00 (12 * 197 = 2,364)
April 2016 to March 2017	Rs.45,000	8.33% on 45000 = Rs.3,749.00 (12 * 3749 = 44,988)	1.16% on 30000 (more than 15000) = Rs.348.00 (12 * 348 = 4,176)
April 2017 to March 2018	Rs.55,000	8.33% on 55000 = Rs.4,582.00 (12 * 4582 = 54,984)	1.16% on 40000 (more than 15000) = Rs.464.00 (12 * 464 = 5,568)
April 2018 to March 2019	Rs.67,000	8.33% on 67000 = Rs.5,581.00 (12 * 5581 = 66,972)	1.16% on 52000 (more than 15000) = Rs.603.00 (12 * 603 = 7,236)
April 2019 to March 2022 (no change in Basic due to Pandemic)	Rs.75,000	8.33% on 75000 = Rs.6,248.00 (12 * 6248 = 74,976)	1.16% on 60000 (more than 15000) = Rs.696.00 (12 * 696 = 8,352)
April 2022	Rs.85,000	8.33% on 85000 = Rs.7,081.00 (12 * 7081 = 84,972)	1.16% on 10000 (more than 15000) = Rs.812.00 (12 * 812 = 9,744)

If I opt for higher pension now, a Total sum of Rs.4,22,712.00 will be adjusted from your EPF Account..... (E&OE)

Further thoughts:

- » From the above case scenario..... let us go deep:
- » My current EPF Accumulation is (approx.): Rs.26 Lakhs (illustration only)
- » If I opt for Higher Pension then the new accumulation will be **Rs.26,00,000 – Rs.4,22,712 = Rs.21,77,288.00**
- » From next year onwards I may lose **8.1% (assuming current interest)** on Rs.4,22,712 = **Rs.34,240.00**
- » And if such other PERCENTAGE on the Higher SUM towards PENSION, which will not attract Interest, until I superannuate.....
- » Considering my services in EPFO is 25 years from 2000 and I am going to superannuate in March 2025.... My pension would be

Monthly member's pension = Pensionable salary X Pensionable service

Formula

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Refer the previous calculation.....and Assume, my Basic would be @

1. Rs.85,000 till March 2023
2. Rs.95,000 between April 2023 to March 2024 and
3. Rs.1,00,000 from April 2024 to March 2025

My average monthly member pension would be:

- | | |
|-------------------|---------------------------------|
| 1. 2020 to 2021 : | Rs.75,000 / month = 9,00,000 |
| 2. 2021 to 2022 : | Rs.75,000 / month = 9,00,000 |
| 3. 2022 to 2023 : | Rs.85,000 / month = 10,20,000 |
| 4. 2023 to 2024 : | Rs.95,000 / month = 11,40,000 |
| 5. 2024 to 2025 : | Rs.1,00,000 / month = 12,00,000 |

Average = Rs.86,000

86,000 x 25

----- = **Rs.30,714.00 / month** (Rs.5,357/month if not opted for Higher pension)

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****** Consider the amount redirected from PF to Pension..... which may attract Interest and can be withdrawn once you superannuate....which is worthwhile.... Money in hand or monthly pension.....**

(Disclaimer: above is for illustrative purpose only)

CODES

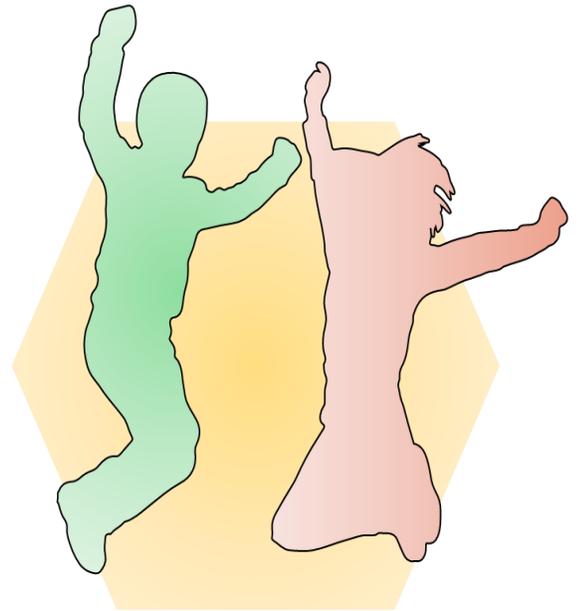
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