

## INTERNATIONAL WORKER in EPF & MP Act Definitions

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In any PF covered establishments in India, not all employees shall be covered under PF Act. Besides, not all employees are considered to be Domestic Workers. According to provisions of the EPF & MP Act, various types of Passport Holders or Nationalities/ Citizens who are divided into Domestic or International Worker.

### **DEFINITION**

Section 83 (2) (ja) "International Worker" means,-

- » an Indian employee having worked or going to work in a foreign country with which India has entered into a social security agreement and being eligible to avail the benefits under a social security programme of that country, by virtue of the eligibility gained or going to gain, under the said agreement;
- » an employee other than an Indian employee, holding other than an Indian passport, working for an establishment in India to which the Act applies.

### **Illustration:**

- (a) Rohit an Indian Employee working for an Indian company in India, goes to Japan (SSA Country) for employment (on the rolls of the Indian company registered under EPF & MP Act), will be considered as IW until he was there in Japan on employment
- (b) Stephen a US passport Holder, comes to India on Employment, to work in an establishment covered under EPF & MP Act

Types of Nationalities and consideration for PF:

<b>Employee</b>	<b>Type of Worker</b>
Employee who is employed in an EPF covered establishment » Who holds <u>only</u> Indian Passport (or having no Passport)	Domestic Worker
» Employee who is employed in an EPF covered establishment Who is either from Nepal (Treat of Peace and Friendship, 1950) or from Bhutan (India Bhutan Friendship Treaty, 2007)	Domestic Worker

<ul style="list-style-type: none"> <li>» An employee, who is an International Worker, from an SSA Country, who had come with Certificate of Coverage issued by the Host Country, are considered as “Detached Worker”.</li> <li>» Singapore Nationals or Citizens, who come to India on a short-term Employment Visa are</li> </ul>	<p>Excluded from PF contribution</p>
<ul style="list-style-type: none"> <li>» Those who are from SSA signed countries but did not obtain Certificate of Coverage from the Host country and</li> <li>» Those who are from Non-SSA countries</li> </ul>	<p>International Workers</p>

Besides, there is another type of Individuals, who are called as OCI (Overseas Citizen of India). These individuals do not come with Employment Visa but have a Passport other than the Indian Passport. Also, many will come on their own to work in India and not sponsored by an Establishment in the Home country to get the Certificate of Coverage.

Such persons who are holding an OCI Status, whether they have an AADHAR card or not shall be considered as an International Worker. (PIO – Person of Indian Origin status was abolished on 1-9-2015)

#### Definition of PAY:

Pay means:

- » Gross Wages excluding HRA & and Overtime Allowance paid monthly
- » HRA (to the maximum as applicable to the City in which the employee is employed)
- » Overtime Allowance which is not paid across the board to all employees in a particular category or were being paid especially to those who avail the opportunity. And extra amount beyond the normal work which he was otherwise required to put

Contribution is made on:

- » total salary payable on account of the employment of the employee employed for wages by establishment covered
- » in India even for responsibility outside India also

Will discuss on definition in relation to SSA countries & Benefits, in the next blog.

**Anandan S**

**Feature Writer, Skill Enhancer & Webinar Specialist**