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SJVN LIMITED
Corporate HR DIVISION
SHANAN, SHIMLA-6

Our Shared Vision – 5000 MW by 2023, 25000 MW by 2030 & 50000 MW by 2040

SJVN/CHQ/HR/Policy/15(30/44)/ 2023-9943

Dated: 13.01.2023

CIRCULAR

Sub:- Employee Pension Scheme,1995- Joint option of Employee and Employer and details of contributions for the purpose of implementing Hon'ble Supreme Court Judgment dated 04/11/2022.

In pursuance to Hon'ble Supreme Court Judgment dated 04.11.2022 on the Employee Pension Scheme 1995 case, Circular was issued on 06.01.2023 seeking details of provident fund data from employees including retirees. As per judgment, the joint option is to be exercised by employee (Serving employees & those retired from EPS after 01.09.2014) and employer & amount on actual salary with upto date interest as declared under EPF scheme shall be required to be transferred from EPF to EPS/deposited in EPS w.e.f. 16.11.1995/ date of joining alongwith additional contribution @ 1.16% of salary exceeding Rs. 15,000/- per month w.e.f. 01.09.2014 (which will be subject to adjustment as per Court directives).

A. Contribution amount required to be transferred from EPF to EPS or deposited in EPS:

The existing and retired employees shall be required to contribute @ 8.33% on the actual salary alongwith the interest declared under EPF schemes to Employee Pension Scheme w.e.f. 16.11.1995 / date of Joining for availing the benefit of enhanced pension.

- a. The requisite contribution required to be deposited in respect of employees having joined SJVN w.e.f. 01.04.2004 onwards & who are members of EPS,95 has been calculated / derived and is available on SAP ERP ESS portal.
- b. Employees are required to check and verify the data and intimate changes, if any before 15.01.2023 by providing documentary proof.
- c. The data in respect of other employees (joined SJVN prior to 31.03.2004) shall be made available on SJVN Intranet/Internet on or before 19.01.2023.
- d. Alongwith, additional contribution @ 1.16% of salary exceeding Rs. 15,000/- per month w.e.f 01.09.2014 onwards shall be required to be made, which may subsequently be adjusted from employer/GOI contribution subject to EPFO notification on the subject.

B. Joint option to be exercised by Employee & Employer:

- a. As per Hon'ble Supreme Court latest Judgment, the willing employees shall exercise joint option for contribution on actual salary exceeding notified wage ceilings within 04 month from the date of Judgment (i.e. 04.11.2022).
- b. All willing employees shall exercise the joint option for availing the benefit of pension on higher salary by submitting the forms as under:-



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1. Option under para 11(3) (deleted) and 11(4) of the EPS, 1995 – **Annexure-I.**
 2. Submission under Para 26(6) of EPF & MP Act 1952 – **Annexure-II.**
 3. Form for pensioners – **Annexure-III.**
- c. **The serving employees / members** shall be required to execute options by submitting – **Annexure-I & II** and **retired employees** shall be required to execute joint option by submitting **Annexure-II & III**, latest by 25.01.2023.
- C. All the employees after exercising the option (in triplicate & in original) shall forward the same to Corporate Estb. at CHQ/ Concerned HR at other locations who shall verify and forward the option form duly filled to SJVN EPF Trust latest by 27.01.2023 for onward transmission to RPFC.
- D. SJVN EPF Trust shall also verify the documents and submit it to the RPFC office or return it to the concerned office, if documents are incomplete, as early as possible.
- E. One copy of the option form shall be kept in personal file of the concerned employee, as well as in the SJVN EPF Trust, as the case may be. The option duly accepted by Regional Provident Fund Commissioner will be maintained in the SJVN EPF Trust and Concerned HR.
- F. On acceptance of options of the employees by the concerned Regional Provident Fund Commissioner, the contribution @ 8.33% of actual salary alongwith the interest thereon as declared under EPF scheme after adjustment of earlier contribution made w.e.f. 16.11.1995/ date of joining alongwith additional contribution @ 1.16% of salary exceeding Rs. 15,000/- per month w.e.f. 01.09.2014 will be remitted by the SJVN EPF Trust to the Pension Fund.
- G. The remittance of requisite contribution with enhanced pension benefit thereon shall be subject to acceptance of joint option by EPFO as per Rules.
- H. The highlights of Supreme Court Judgment on EPS 95 alongwith an illustration of the implications of the same on contributions and pension is enclosed as **Annexure-IV.**

This issues with the approval of Competent Authority.

(ENCLS: 4 Nos Annexes)

21 MAR 13/01/23
(Shallinder Singh)
CGM / HOD (HR)

Distribution Through e-mail :

1. CMD
2. D(P)/D(C)/D(F)/D(E)/CVO
3. All CEOs/HOPs/HODs/Location Incharge(s) - for information of all employees under them.
4. AGM (Estb.), CHQ, Shimla
5. All HR Heads, Projects/Stations } with request to verify the option exercised by employees.
6. SJVN Intranet/SJVN Retired employees Corner.

(For serving Members)

To

The Regional P.F. Commissioner,
Regional Office, S.D.A. Complex,
Kasumpti, Shimla-171009
Himachal Pradesh

Sub:- Joint option under Para 11(3) (Now deleted) & Para 11(4) of Employees' Pension Scheme, 1995 based upon the Hon'ble Supreme Court's Order in SLP No. 8658-8659 of 2019 dated 04.11.2022.

Sir,

1. With reference to the above, I hereby opt for higher pension (Pension on full salary i.e. the salary on which EPF is deducted) under Para 11(3) OF THE EPS, 1995 & Para 11(4) as SJVN has already been contributing the employer share of EPF contribution on higher wages exceeding the statutory wage ceiling of Rs. 5000/- or 6500/- or Rs.15,000/- since my joining in SJVN Limited w.e.f.....
2. I being the member of EPS 1995, authorize the Employer (SJVN Limited) to divert 8.33% of the salary exceeding Rs.5000/- or Rs. 6500/- or Rs.15000/- to the Pension Fund from the effective date (i.e. w.e.f.....) with up to date interest as declared under EPF scheme, 1952, from time to time.
3. I also do hereby agree to contribute @ 1.16% on my salary (Pay+DA) exceeding ₹ 15,000/- p.m. from my/employer share of contribution, w,e,f, 01/09/2014 onwards.
4. I have understood all the terms and conditions governing the Higher Pension option of EPS-1995 and I am willing to abide by all the terms & conditions. I understand that the Joint option form shall be subject to acceptance by EPFO as per Rules. I further understand that the Option exercised is irrevocable at any later date, and no claim for change of Option shall be entertained or considered under any circumstances.
5. I understand that the option exercised herein is subject to EPFO instructions, and Court directions issued from time to time in this regard.

Yours faithfully,

Signature / Right or Left Hand

Thumb impression of the Employee _____

Name _____ Designation _____

EPS No. _____ UAN No. _____

Aadhaar No. _____

Place of posting _____ Project/Station _____

Emp. No. _____

Date of Option _____

Declaration by the Employer:

Accepted and recommended for affording necessary higher contribution from the employer's share of Provident Fund holdings, diverting to Employees Pension Scheme. SJVN is already paying Inspection charges on actual salary and shall comply with all statutory provisions in this regard.

SIGNATURE (with office Seal)

Annexure - II

PERMISSION UNDER PARA 26(6) OF EPF, & MP, ACT, 52:

I _____ S/o _____ Account
No: _____ employee of SJVN Limited is drawing more than Rs. 5000/-
w.e.f.16.11.1995 and Rs. 6500/-w.e.f.01.06.2001 and Rs. 15000/- w.e.f.01.09.2014.
I therefore request your good office that I may be permitted to contribute to the fund on my actual pay
w.e.f.16.11.1995 or _____ (DOJ).

SIGNATURE OF THE APPLICANT

UNDERTAKING ON BEHALF OF THE EMPLOYER

I _____ an authorized signatory of SJVN Limited undertake that in the event
of allowing aforesaid applicant to contribute on actual pay which is more than Rs. 5000/-w.e.f.16.11.1995
and Rs. 6500/-w.e.f.01.06.2001 and Rs. 15000/- w.e.f.01.09.2014, SJVN will contribute to his account
contributions towards EPS, EDLI, EPF, Administrative/Inspection charges as per actual pay and comply
with all statutory levies of the said act and the scheme framed thereunder.

SIGNATURE (with office Seal)

FOR USE OF COMMISSIONER OFFICE

Dated:

I _____ Regional Provident Fund Commissioner Shimla in exercise of powers
conferred under Para 26(6) of the EPF, & MP. Act, 1952 hereby permit the member to contribute to the
fund on wages exceeding Rs. 5000/-w.e.f.16.11.1995 and Rs. 6500/-w.e.f.01.06.2001 and Rs. 15000/-
w.e.f.01.09.2014.

REGIONAL P.F. COMMISSIONER

M/s _____

Copy:-

- 1) Employees Personal File
- 2) SJVN EPF Trust

ANNEXURE-III**(For EPFO pensioner)**

Application by Pensioners for revision of pension under the Employees' Pension Scheme 1995 on actual (Higher) wages exceeding the wage limit of Rs. 5000/- or Rs. 6500/- or Rs.15000/- per month.

1	Name of Pensioner	
2	PPO NO. with EPFO Branch address	
3	EPF A/c No.	
4	Name of Pension disbursing Bank & Branch with IFSC Code	
5	Bank A/c No.	
6	Mobile No.	
7	Aadhaar No.	
8	UAN No.	

Declaration by Pensioner

I, _____ am a pensioner under the Employees' Pension Scheme, 1995 drawing monthly pension with effect from _____. I am a retired employee of SJVN Ltd. retired from _____ and was drawing salary more than of Rs. 5000/- or Rs.6500/- or Rs.15000/- per month and my employer had deposited 12% of my actual salary (above the statutory wage ceiling) as employer's share of the EPF contribution, on the basis of joint option executed by me and my employer, under Paragraph 26(6) of the Employees' Provident Funds Scheme.

I understand that I am eligible for pension on my actual salary and therefore I may be permitted to remit the amount due to the Pension Fund to become eligible for pension on my actual salary and I undertake to remit the amount (including up to date interest) and additional contribution @ 1.16% as calculated by the office of the Regional Provident Fund Commissioner.

I understand that the joint option form shall be subject to acceptance by EPFO as per Rules.

I understand that the option exercised herein is subject to EPFO instructions and Court directions issued from time to time in this regard.

Place:

(Signature)

Date:

(Name and Address)

Undertaking by the Employer

I, _____ (Name and Designation) being the authorized signatory of SJVN Limited _____ do hereby certify that Mr./Mrs. _____ Who is the holder of PPO No. _____ was an employee of this establishment with PF A/c No. _____. During his/her service, we as the employer's have contributed the employer's share of provident Fund contribution on his actual salary, without break, as per the terms of paragraph 26(6) of the Employees' Provident Funds Scheme. Certified details of monthly contribution alongwith other document in respect of the said individual w.e.f.16.11.1995/to the date of exit is forwarded herewith for further necessary action by the Regional Provident Fund Commissioner.

I certify that the particulars furnished are correct as per the records available.

Place:

Date:

(Name and Address)

Brief Background: Under EPS 1995, there prevailed provision for contributing on salary exceeding the notified wage ceiling of Rs.5000/- or Rs 6500/- or Rs.15000/-, (from employer's share of EPF contribution) to avail the benefit of enhanced pension for which joint option was required to be exercised by employee & employer. However, in SJVN (as per other CPSES) such option could not be exercised earlier because of the Stand taken by Provident Fund Authorities that option under provision to para 11 (3) of the scheme has to be exercised with a specified date, which stand has been negated by Supreme Court. Accordingly, the time limit for coverage beyond the ceiling amount has been extended by a further period of 4 months from 04/11/2022 to enable all members of pension fund drawing more than notified wage ceilings to exercise the joint option, covering pre amended para 11(3) and also the amended para 11(4) of pension scheme.

Impact of Exercising Joint Option and its acceptance by EPFO:

1) **Enhanced Contribution along with applicable interest shall be required to be :**

a) **Diverted from EPF to EPS by Serving Employees.**

b) **Deposited by Retired Employees in EPS.**

SJVN contributes @ 12% of actual salary of the employee as employer share of EPF contribution out of which 8.33% of the notified wage ceiling is presently deposited in EPS.

Exercise of Joint option is for consenting to allow SJVN to divert 8.33 % of actual pay from Employer's Share of EPF to EPS in place of notified wage ceiling & depositing the differential amount in EPS from the effective date (i.e. w.e.f 16.11.1995 or the date of joining SJVN) with up to date interest as declared under EPF scheme, 1952 form time to time and to make additional contribution @ 1.16% of salary exceeding Rs. 15,000/- per month w.e.f. 01.09.2014.

Illustration of Impact on EPS Contributions:

Scheme	Employer's Contribution per month	
	Employees joined prior to 01.09.2014	Employees joined After 01.09.2014
A. Employees monthly pay less than or equal to Rs.15000/-		
EPS	8.33% of monthly Pay	8.33% of monthly Pay
EPF	3.67% of monthly Pay	3.67% of monthly Pay
Total	12% of monthly Pay	12% of monthly Pay

* Supreme Court Judgment carries no impact in this case.

B. Employees monthly pay more than Rs.15000/- (Prior to Supreme Court Judgement dated 04.11.2022)		
EPS	8.33% of monthly Pay limited to	Not Applicable

	Rs. 15000/- (Rs.1250/- per Month)	
EPF	12% of monthly Pay less Rs.1250/- per Month	12% of monthly Pay
Total	12% of monthly Pay	12% of monthly Pay
(After Supreme Court Judgement dated 04.11.2022)		
EPS	8.33% of actual monthly Pay	Not Applicable
EPF	3.67% of actual monthly Pay	12% of monthly Pay
Total	12% of monthly Pay	12% of monthly Pay
	Additional contribution @ 1.16% of salary exceeding Rs. 15,000/- per month w.e.f. 01.09.2014.	-

Example: If the monthly pay of the person is ₹ 65,000, the impact of EPS 95 judgement on contribution shall be as under:

Scheme	Employer's Contribution per month	
	Employees joined prior to 01.09.2014	Employees joined After 01.09.2014
(Prior to Supreme Court Judgement dated 04.11.2022)		
EPS	8.33% of monthly Pay limited to Rs. 15000/- (Rs.1250/- per Month)	Not Applicable
EPF	12% of monthly Pay (Rs. 65000) less Rs.1250/- per Month = Rs. 6550/-	12% of monthly Pay (Rs. 65,000/-)= Rs. 7800/-
Total	12% of monthly Pay Rs. 65,000/-)= Rs. 1250+ Rs. 6550= Rs.7800/-	12% of monthly Pay Rs. 65,000/-)= Rs. 7800/-
(After Supreme Court Judgement dated 04.11.2022)		
EPS	8.33% of actual monthly Pay (Rs. 65000) = Rs. 5414.50/-	Not Applicable =0
EPF	3.67% of actual monthly Pay(Rs. 65000) = Rs. 2385.50/-	12% of monthly Pay (Rs. 65000/-) = Rs. 7800/-
Total	12% of monthly Pay (Rs. 65000/-) = Rs. 7800/-	12% of monthly Pay(Rs. 65000/-) = Rs. 7800/-
	Additional contribution @ 1.16% of salary exceeding Rs. 15,000/- per month w.e.f. 01.09.2014.	-

2) Enhanced Pension Benefit shall become applicable:

a) Monthly Member Pension:

Pensionable Salary X Pensionable Service

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Pensionable Salary

- Pensionable salary is the average monthly pay drawn in the last 60 months before the member exits the Employees' Pension Scheme.

Pensionable Service

- The actual service period of the member is considered as the pensionable service. Service periods under different employers are added at the time of calculating the pensionable service period. The employee has to get the EPS Scheme Certificate issued and submit it to the new employer every time he switches a job.
- Employee gets a **bonus of 2 years after completing 20 years of service.**
- The pensionable service period is considered on a **6 months basis.** The minimum pensionable service period is 6 months. If the service period is 8 years 2 months, the pensionable service period considered is 8 years. However, if the service duration is 8 years and 10 months, the pensionable service period is taken as 9 years.

Presently as the contributions are being made @ 8.33% of notified wage ceilings, the pensionable salary is also limited to these notified wage ceilings only, i.e., maximum pensionable salary is Rs 6500 before 01.9.2014 and 15,000 after that.

Monthly Pension				
Event	Components	Average monthly Pay* for last 60 months is Rs. 65000/-		
		Prior to Supreme Court Judgement dated 04.11.2022	After Supreme Court Judgement dated 04.11.2022	
Case 1 (Less than 20 years service) Retired in Aug. 2017	Pensionable salary (Before 01.09.14 = 2 years)	Rs.6500/-	Rs. 65000/-	
	Pensionable salary (After 01.09.14 = 3 years)	Rs. 15000/-		
	Pensionable Salary	Rs. 11600/-		
	Pensionable Service	15 Years		15 Years
	Monthly Pension	Rs. 2482/-		Rs. 13929/-
Case 2 (22 years service) Retired in Aug. 2015	Pensionable salary (Before 01.09.14 = 4 years)	Rs.6500/-	Rs. 65000/-	
	Pensionable salary (After 01.09.14 = 1 years)	Rs. 15000/-		
	Pensionable salary	Rs. 8200/-		
	Pensionable Service	24 Years*		24 Years*
	Monthly Pension	Rs. 2811/-		Rs. 22285/-
		*2 years are added after member completes 20 years of service.		

* Pay means Basic + DA
