

**Reminder Instructions and example for checking excess EPS Payment**

**13.11.2018**

As per EPFO system, each month salary should be paid separately and applicable EPS should be submitted to EPFO on salary due month-wise (service month-wise).

For many employees back period salary was paid along with regular salary. If any basic DA was added in regular salary, EPS was getting calculated on total Basic +DA as per rules. Due to this, excess EPS is calculated in the month and back period EPS is not paid. Due to back period salary added in regular salary, EPS for back period is shown as skipped for that month. In this case, EPS is already paid in regular salary even for back period. In such cases users are still entering EPS again in EPS entry screen. **This problem occurs especially for those employees whose salary is less than the wage ceiling i.e. Rs 15000 (Rs 6500 before Sep-14).** Due to this, excess EPS is getting paid. Hence, instructions must be followed for entering EPS as per instructions given on 18-sep-2018 for checking EPS.

Following is the example for excess EPS.

Employee's salary for Apr-17 was not paid. Later when drawing salary for Apr-17, the basic DA is added in regular salary of May-17. Regular salary means salary for current month paid in current month. For May-17, Basic DA is 6500. Basic DA for Apr-17 is say 5000. When Rs 5000 is added in May-17 salary, total Basic comes as Rs 11500 on which EPS is calculated at 8.33% on Rs 11500 which comes as Rs. 958. In this EPS amount Rs. 958, EPS of Apr-17 is included as the salary of Apr-17 is added in May-17.

In above case, EPS for Apr-17 is shown as skipped in EPS skipped report. As the EPS skipped report shows the month, users enter EPS again for Apr-17 as paid in May-17. For Apr-17 EPS is 417. That means EPS of Apr-17 is getting paid in May-17 regular salary and also as per EPS entry done in EPS screen.

Summarised in below table.

Month of payment and Accounting month i.e. CPF Recovery month i.e Salary paid month	Wages paid Current month + Past month (Wages include Basic, DA, special pay) (Rs.)	EPS Deducted (Rs.)	Remark
Apr-17	Nil	0	April-17 salary not paid in Apr-17
May – 17	6500 + 5000 (Apr-17 salary in Regular)	Rs. 958 (541+417)	EPS deducted on both salaries and got paid to EPFO.
	EPS Entered in EPS screen. Basic +DA Rs. 5000 (Apr-17 paid in May-17)	<b>Rs. 417 (calculated and saved)</b>	<b>Excess EPS submitted in EPS screen as 417 was already paid in regular salary of May-17</b>

As seen above, excess EPS gets paid if salary is added in regular salary leading to EPS amount getting skipped for the past month and again getting submitted by User. In such cases, NCP (Non contributory period i.e. EOL) days must be submitted in EPS screen instead of EPS amount. **Salary of back period must never be given in regular salary.**

**EPS already submitted for such cases must be rechecked and deleted and resubmitted.**