

# A Study on Employee Perceptions on Employee Provident Fund in Amara Raja Infra Pvt. Ltd., Tirupati

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## ABSTRACT

Employees' provident fund (EPF), 1952 is retirement benefit scheme which is maintained by the Employee provident fund organization (EPFO), 1951. EPF is serve as long term savings to support an employee retirement. Under this scheme the employee and the employer contribute to the EPF scheme on monthly basis in equal proportions on 12% deducting from the basic salary and dearness allowances whole of the amount is deposited by the employer. Provident fund is also a welfare scheme for the benefits of the employees. The interest earned on their investment is also been credited in PF account of the employees. When the retirement time of employee, accumulated amount is given to the employees, if certain conditions are fulfilled by them. All the members of EPF can access their pf accounts through online and they can perform functions like withdrawal and checking EPF balance. This study aims to create awareness to the employees and assess the perceptions towards the EPF scheme, and their importance in the AMARARAJA INFRA PVT LTD, Tirupati.

**KEYWORDS:** EPF, Employee hurdles, Benefit at the time of retirement

## INTRODUCTION

Employees' provident fund (EPF), is the most beneficial investment scheme for the salaried persons in India. The Employees' Provident Fund Organization, it is one of a statutory body under the Ministry of Labour and Employment, Government of India administers schemes framed under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 namely Provident Fund, Pension and Insurance to industrial employees. The PF account benefits are extended the establishments where employees are 20 or more persons. The employee and the employer contribute to the EPF scheme on monthly basis in equal proportions on 12% deducting from the basic salary and dearness allowances whole of the amount is deposited by the employer.

Employee Provident fund is a welfare scheme for benefited the employees. The interest earned on this investment is credited in PF account of the employees. When the time of retirement, accumulated amount is given to the labours, if they satisfied with

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the conditions. All members of EPF can access their pf accounts through online and they can perform functions like withdrawal and checking EPF balance.

## Applicability of the Scheme

It is applicable:

1. Every factory engaged in any industry Schedule 1 in which 20 or more persons are employed.
2. Every other establishment employing 20 or more persons or class of such the Central Govt. may notify.
3. Every other establishment is notified by the Central Government even if employing less than 20 persons.

Every employee, including the one employed through a contractor, who is in receipt of wages up to Rs.6,500 p.m., shall be eligible for becoming a member of the funds. The condition of 3 months continuous service or 60 days of actual work, for membership of the scheme

## **BENEFITS TO EMPLOYEES UNDER EPF SCHEME**

- Employee Provident Fund is very important investment for the necessities of every employee future. The tax free interest maturity award ensure a very good growth for your money. If the PF money continued for long period of time, it can help in meeting employee's requirements including his retirement goals.
- We often fall short of funds during emergencies and at those moments borrowing is the only option left. EPF can be very helpful because the kinds of benefits it provides no other investment can offer the similar remunerations: The PF can be used for multiple purposes at different moments as it guarantees benefits such as:
  - Accumulation plus interest upon retirement, resignation and death
  - Partial withdrawals allowed for specific expenses as house construction, marriage, illness etc.

## **REVIEW OF LITERATURE:**

Sukhen Kali, In their study on “Empirical Study on Retirement Benefits of state Employees and Private Sector Employees (Which is covered by EPF & MP Act) In India” his research is mainly comparative study of working retirement benefit plans of the Government employees and also the private sector employees. The research is estimated source of secondary data. The info is collected from the Government Service Rules, Death cum Retirement Rules (DCRB), and National Pension Portals for the retirement benefits of the govt employees from websites & annual reports published by the Employees Provident Funds Organization and the Ministry of Labour.

Swarn Chatterjee, study on “Retirement Savings of personal and Public Sector Employees: A Comparative Study” examines the retirement plan participation and savings for United States government employees using the Panel Study of Income Dynamics data set. The findings of this study indicate that plan of participation increases with age, income and academic attainment. More Government employees are enrolled in defined benefit plans than the non-Government employees.

Arjuna Kanakaratnam and Ya Ping Yin, They Study on reforming the Sri Lankan Employees Provident Fund – A Historical and Counterfactual Simulation Perspective the main target of this paper is the mandatory funded retirement income support system in Sri Lanka, which is essentially provided by the Employee Provident Fund (EPF). Paper first of all seeks to reveal the deficiencies within the Sri Lankan EPF system from both a micro and a macro

perspective. objective of the paper is to use the CGE model to gauge various options for reforming the EPF through counterfactual simulation methods.

Ajay Shahin, their study on “Indian pension reform: A sustainable and scalable approach” give point on why pension reform in India in paper he also describe existing pension mechanism and therefore their difficulties in Traditional civil servants pension and employee provident fund’ (EPF) and the ‘employee pension scheme’ (EPS).in his paper he also relate present pension system and monetary cost .In the paper discussed about the New Pension System feasibility of implementation and its portability.

Dr. H. Sathak study on Impact Of Pension Reforms On Savings Investment And Growth in his paper they discuss about pension reform in several Latin American Countries Chile, Peru, Colombia, Mexico, Argentina, Uruguay and Bolivia he also mention in his paper Second Generation Pension Reforms: Main Features of the New Models then after he also write on pension system in India .in conclusion Facts and figures provided from cross section experience indicate that Pension Reforms in Latin American Countries particularly that of Chile did not have much growth and savings effect whereas they have provided boost to capital market development but at a high costs offsetting the gains of capital market development.

According to ONG & TENGKU AIZAN, 2010, significant changes introduced in 2008 include the "Beyond Savings initiative and the restructuring of members' investment choice through the Basic Savings structure. Previously members can only invest 20% of their savings in excess of RM50,000 in Account 1 for approved investments, now members can invest in excess of the basic savings amount at prescribed age intervals. They also added that savings in Account 2 are designed to help members make early preparations for a comfortable retirement.

## **OBJECTIVES OF THE STUDY:**

- To study awareness of employees about Provident Fund.
- To assess perceptions of AMARARAJA INFRA employees towards Employee Provident Fund
- To examine employee hurdles while changing their jobs with regards to EPF
- To analyse the benefits enjoyed by employees of having EPF account

## **SCOPE OF THE STUDY:**

- The present study focuses on employees of Amararaja Infra pvt ltd, Tirupati
- The study mainly focussing on employees security and benefits in ARIPL, Tirupati

- The study covers all level cadre employees in EPF in ARIPL, Tirupati
- The project focuses on the pros and cons of maintaining EPF account

**RESEARCH METHODOLOGY:**

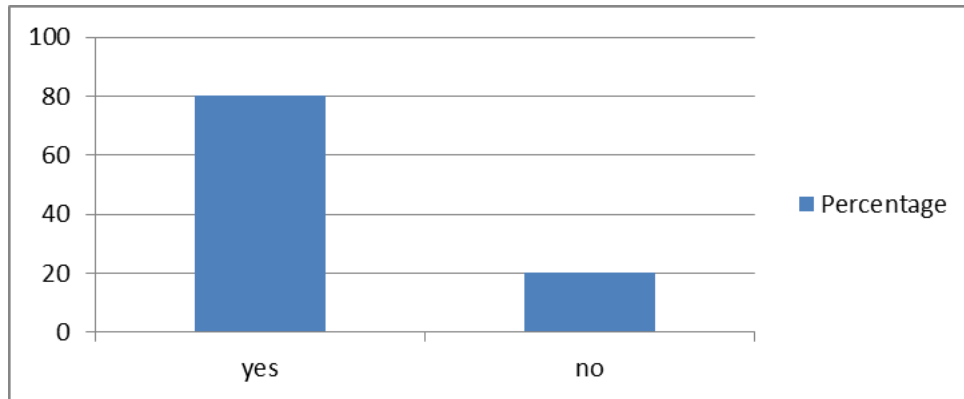
**Data collection methods:** The study proceeded through primary and secondary data.

Sample size: 100

**DATA ANALYSIS&INTERPRETATION:**

**Table-1: Employee awareness of EPF account**

| Opinion | Respondents | Percentage |
|---------|-------------|------------|
| Yes     | 80          | 80%        |
| No      | 20          | 20%        |
| Total   | 100         | 100%       |

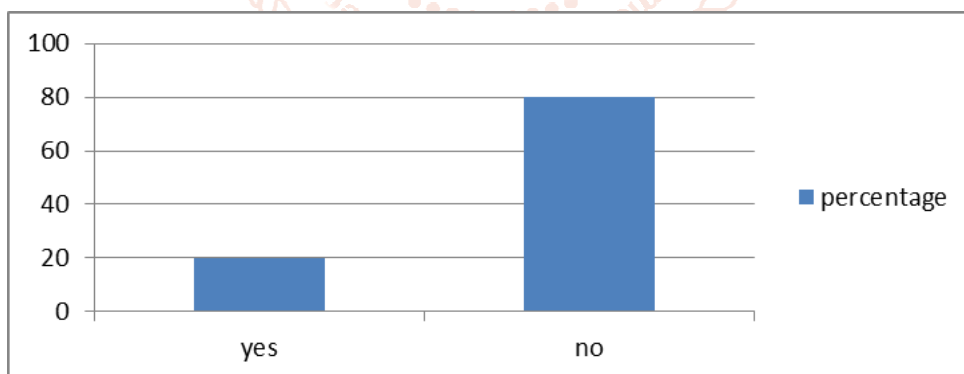


**INTERPRETATION:**

From the above table, it was observed that 80% of employees are fully aware and 20% are not aware of EPF about what they getting and how much deducting by the company.

**Table-2: Hurdles facing by employees while changing their job**

| Opinion | Respondents | Percentage |
|---------|-------------|------------|
| Yes     | 20          | 20%        |
| No      | 80          | 80%        |
| Total   | 100         | 100%       |

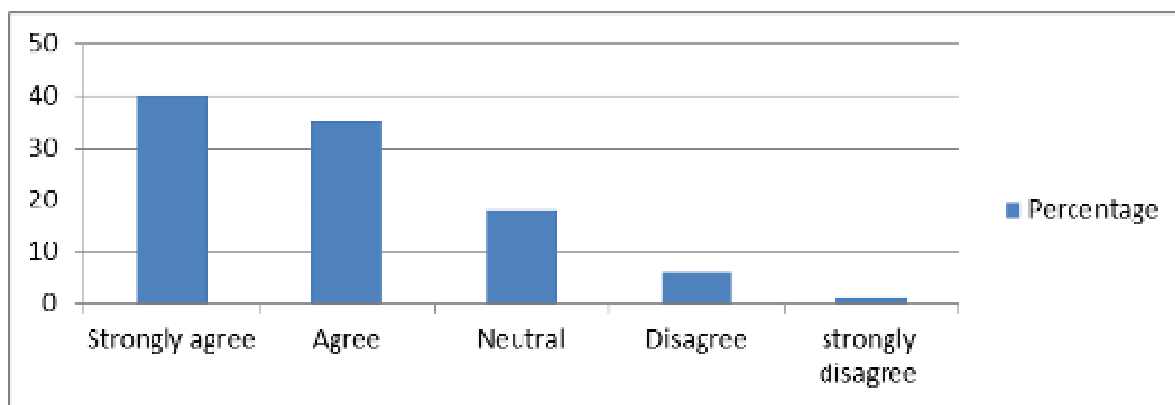


**INTERPRETATION:**

From the above table, it explains that 80% of the employees are not facing any hurdles, just 20% employees are having some consequences in EPF while changing their jobs.

**Table 3: Employees in ARIPL are enjoying the benefits of PF Scheme**

| Opinion           | Respondents | Percentage |
|-------------------|-------------|------------|
| Strongly agree    | 40          | 40%        |
| Agree             | 35          | 35%        |
| Neutral           | 18          | 18%        |
| Disagree          | 6           | 6%         |
| strongly disagree | 1           | 1%         |
| Total             | 100         | 100%       |



### INTERPRETATION:

From the above table, 40% of the employees are strongly agreed that, they are enjoying the benefits of PF scheme which is provided by the company, 35% of the respondents said that it is agree, 18% said that it is neutral, 6% are disagreed, 6% of the employees are strongly disagreed with the same.

### FINDINGS:

- From the survey it was found that 80% of Employees of the AMARARAJA INFRA PVT LTD are aware of EPF.
- From the information that 20% employees of ARIPL are facing hurdles, while changing their job.
- It is clear that 75% of the employees are happy about their benefits of EPF, because it will help them in future prospectus.
- From the information, 90% of the employees are clearly saying that, they are getting 12% of EPF.
- From the survey, 80% of the employees are saying that EPF scheme is very helpful to them for long term savings and support.
- From the collected information, 75% of employees saying that, company is providing many options to check the PF balance and also by the facility PF passbook.
- From the data, most of the employees are said that, they are enjoying the benefits which is provided by the company.

### SUGGESTIONS:

- The company should create awareness to some employees about EPF.
- As It found the employees are not facing hurdles by the EPF while changing their job, it is suggested to educate about PF transferring in the time of joining.
- As per the responses the company should provide certain/clear information of monthly benefits, which are use to enjoy by employees in ARIPL

### CONCLUSION:

Employees Provident Fund and Pension Scheme are much more helpful for the industrial workers at the time when his source of income is stopped, simultaneously the scheme provides monetary benefits to the nominee/heirs of an employee in the

event of his death while in service. Legal Formalities are involved at the time of joining of membership in Provident Fund And Pension Scheme with regard to the appointment of nominee who would be entitled to receive the amount of pension at the time of the death of the earning member of the family.

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