

# EPFO extends timeline to file ECRs without Aadhaar number seeding till 31 August 2021

## Background

In April 2021, the Ministry of Labour and Employment had notified that the provisions under the Code on Social Security, 2020 (the Code), relating to applicability of Aadhaar for beneficiaries would come into effect from 3 May 2021. As per the Code, the identity of beneficiaries and/or their family members is required to be established through Aadhaar number.

## Notification for linking of UAN and Aadhaar

In order to give effect to the above, the Employees Provident Fund Organisation (EPFO) notified that the Electronic Challan cum Return (ECR) can be filed for those employees whose Aadhaar number are seeded and verified with the Universal Account Number (UAN) issued by the EPFO. This was applicable for ECRs to be filed on or after 1 June 2021. This primarily impacted ECR to be filed for wage month of May 2021 and onwards.

Accordingly, employers initiated UAN-Aadhaar linking of their employees in cases where the same had not been carried out earlier. Non-compliance in

this regard could have resulted in non-payment of contribution on time for said employees thereby resulting in levy of interest and damages on the establishment.

However, employer/employees faced various practical challenges in linking UAN-Aadhaar on the EPFO website including match in name, date of birth, update requests not getting approved by EPFO. In this regard, several representations were made to the government for extending the timeline.

## Notification issued for extension in UAN-Aadhaar linking

Keeping in view the difficulties being faced by members, EPFO has, vide notification dated 15 June 2021, extended the timeline for filing the ECRs without employees' UAN-Aadhaar linking till 31 August 2021.

Accordingly, effective 1 September 2021, employers will be able to deposit the contribution and file ECRs only with respect to employees whose UAN-Aadhaar linking is complete

## Our comments

The extension in due date is a welcome relief to the establishments and members as the recent UAN-Aadhaar linking requirement resulted in genuine hardship due to several factors. Establishments and members should take cognisance of the extension and ensure that the linking is completed on or before 31 August 2021 to avoid any non-compliance.

However, as the linking of UAN-Aadhaar date was extended on 15 June 2021 which was the last day of filing of ECR for wage month May 2021, many establishments were not able to file the same due to factors such as:

- Unable to access the EPFO website on 15 June 2021
- Many establishments were not able to get their payments processed through banks since the extension in timeline was announced in the evening

Therefore, one would hope that the EPFO would also provide an extension in due date for filing the ECR for wage month May 2021. This would ensure that interest/damages is not levied on establishments for deposit of contribution and ECR filing on or after 15 June 2021.