

Annexure “G”

An analysis of wages for the purpose of either inclusion in or exclusion from basic wages under EPF Act, 1952

| Sr. No | Wage Components | | Coverage | Basis |
|--------|---|---|---|---|
| (1) | Basic wages or basic pay | - | Included | Sec.2(b) |
| (2) | Special pay or special allowance | - | Included if it is in the nature of basic pay but excluded if it is DA | Gordon Woodroffe Ltd. v. Regional Commissioner, Employees Provident Fund, 2002 II LLJ 653 (Mad.HC) |
| (3) | Dearness allowance | - | Included only u/s.6 Excluded from basic wage | Sec.2(b)(ii) |
| (4) | Wages during leave | - | Included | Being contract of employment |
| (5) | Wages during rest or holiday | - | Included | Being contract of employment |
| (6) | Cash value of food concession | - | Excluded (from basic wage) | Sec.2(b)(i) |
| (7) | Free-food / tiffin allowance | - | Excluded (from basic wage) | |
| (8) | HRA | - | Excluded | Sec.2(b)(ii) |
| (*9) | Travel concessions allowance | - | Excluded | |
| (*10) | City compensatory allowance | - | Excluded | |
| (11) | Retaining allowance / retention Allowance | - | Excluded (since included only u/s.6) | |
| (12) | Subsistence allowance | - | Included | Deeplip Manga Chaudhery. v/s. M.D. Maha. State Co-Op. Marketing Federation Ltd. Mumbai 2015 III CLR 829 (Bom.HC) |
| (*13) | Project Allowance | - | Excluded | |
| (*14) | Night shift allowance or night allowance | - | Excluded | |
| (15) | Overtime allowance | - | Excluded | Sec.2(b)(ii) |
| (16) | Leave encashment | - | Excluded | Manipal Academy of Higher Education v. Provident Fund Commissioner, 2008 II LLJ 666 (S.C.2J) |
| (17) | Bonus | - | Excluded | Sec.2(b)(ii) |
| (18) | Production or incentive bonus | - | Excluded | T.I. Cycles of India, Ambattur, Chennai v. M.K. Gurumani & Ors., 2001 II LLJ 1068 (S.C.2J) |
| (19) | Contract bonus | - | Excluded | Sec.2(b)(ii) |
| (20) | Service charges collected from customers and paid to employer | - | Excluded | The Rambagh Palace Hotel, Jaipur v. The Rajasthan Hotel Workers' Union, Jaipur, 1977 (34) FLR 12 (S.C.3J) |
| (21) | Contribution to PF pension or for any benefit under any law | - | Not connected | |
| (22) | Gratuity on discharge | - | Not connected | |
| (23) | Retrenchment compensation | - | Not connected | |
| (24) | Closure compensation | - | Not connected | |
| (25) | Lay off compensation | - | Included if paid for illegal lay off | P.V. Joseph v. Official Liquidator & Ors., 2001 II LLJ 1217 (Ker.HC) |
| (26) | Inam | - | Excluded | Greysam & Company v. RPF, 1978 II LLJ 95 (Del.HC) |
| (*27) | Medical / Sickness allowance | - | Excluded | |
| (28) | Maternity benefit | - | Included | Since wages on leave included |
| (29) | Good work reward | - | Included | D.C.M. Shriram Consolidated, Ltd.v.The Regional Provident Fund Commissioner, 2004 III LLJ 396 (Raj.DB) |
| (30) | Ex-gratia adhoc payment | - | Excluded | Gurukripa Beedi Industry (Pvt.) Ltd. Bantwal, Dakshina Kannada v. Assistant Provident Fund Commissioner, Employees' Provident Fund Organisation Mangalore, & Anr., 2010 I LLN 228 (Karn.HC) |

| Sr. No | Wage Components | | Coverage | Basis |
|--------|---|---|----------|--|
| (31) | Special allowance (as per settlement) In the nature of incentive | - | Excluded | Gurukripa Beedi Industry (Pvt.) Ltd. Bantwal, Dakshina Kannada v. Assistant Provident Fund Commissioner, Employees' Provident Fund Organisation Mangalore, & Anr., 2010 I LLN 228 (Karn.HC) |
| (*32) | Educational allowance | - | Excluded | |
| (33) | Notice pay in lieu of termination | - | Excluded | India United Mills Ltd.v. RPFC, 1959 II LLJ 733 (Bom.HC) |
| (34) | One month wage u/s. 33(2)(b) of Industrial Disputes Act | - | Excluded | Dinesh Khare v. Industrial Tribunal,1982 II LLJ 17 (Raj. HC) |
| (35) | Back wages | - | Excluded | Swastik Textile Engineers Pvt. Ltd. V. Virjibhai Mavjibhai Rathod & Anr., 2008 II LLJ 533 (Guj.HC) |
| (36) | Canteen subsidy | - | Excluded | Regional Provident Fund Commissioner, Tamil Nadu & Pondicherry State Employees' Provident v. Wipro, Ltd. (represented by Export Business Manager, Vellancheri & Anr., 2009 IV LLJ 513 (Mad.DB) |
| (37) | Annual increment | - | Included | If it is in the nature of basic wage |