

**ANDHRA BANK**  
(A Govt. of India Undertaking)  
Head Office  
**HYDERABAD**  
**Department : HUMAN**  
**RESOURCES**



Circular No. : 520

Ref No. : 03/92

Date : 27.3.2014

**Reg: Revision of Guidelines on Voluntary Contribution to PF**

Since long there are requests from the members to make the rate of voluntary contribution to PF flexible since it enables the employees to contribute according to their saving capacity. On examination of the rules of other public sector Banks also, it is observed that the rate of contribution of voluntary PF is flexible and leverage is given to the employees to exercise the option on rate of contribution to be made towards VPF. In this background we hereunder reproduce the relevant rules of our PF Trust.

**Rule No 9. Contribution Rate Voluntary Contribution \_ Nature of**

Each member shall contribute monthly to the fund when on duty. The payment of contribution during leave shall be optional. The amount of contribution shall be 10% of full pay from 1-11-99. Pay means Basic Pay, Stagnation increment, Special pay, Graduation pay, Professional qualification pay, officiating pay as per B.P.Settlement dated 27.03.2000

**Rule No 10. Bank's Right to collect subscription and Pay the Fund:**

The bank shall be entitled to deduct at the end of each month out of the salary payable to such member, the amount of the subscription of such member under Rule 9 to the Fund and the total amount so deducted shall be credited to the Fund mentioned above.

**Rule No 11. Time Limit for Crediting to Fund Bank's contribution**

The Bank shall contribute monthly to the Fund a sum equal to the aggregate amount of the monthly subscription of the members under Rule 9 excluding **the extra contribution of 10%** made at the option of the members, and the same shall be credited to the Fund mentioned hereinbefore, not later than 15 days after the contribution is deducted from their emoluments".

In view of the restriction placed even on Voluntary Contribution to PF (Extra Contribution as per Rule 11), we have been accepting VPF only @ 10%. The Employee had no option to contribute either more or less than the stipulated 10%. Keeping in tune with the industry level practice, and to accede to the request of our employees it is resolved by our trustees to make the rate of voluntary contribution flexible.

Hence it is now resolved by the Trustees to amend the rule no.11 partially which now reads as "the extra contribution shall be minimum Rs.100/- and maximum 100% of preceding month's net salary."

However, it may be noted that the VPF deduction will be in 2 different methods.

**1<sup>st</sup> Method** -- The existing practice of 10% VPF deduction linked to the Basic pay which changes according to the changes in the basic payable.

**2<sup>nd</sup> Method** -- New system of fixed amount of VPF at the option of the employee. This fixed deduction of VPF **continues till the next option** by the employee. It will not change according to the changes in the basic payable and the other salient features are as under.

- The employees can **opt/revoke/modify only during the month of April** and Option once exercised is irrevocable for a period of **one year**.
- Employees who are willing can opt for VPF and if they do not specify any amount the deduction will be done as per existing procedure i.e, deduction of 10% of basic pay payable. If they specify a fixed amount such fixed amount shall be deducted.
- Till now the deduction of VPF is in the 1<sup>st</sup> priority. Now as the VPF deduction amount will be higher it will be kept as the last priority so as to take care of the other statutory/loan deductions. The deduction will be affected only if the opted amount is made available.
- The amount of deduction towards VPF should not be more than his net salary at any point of time and no outside fund is allowed for contribution

A proforma of option letter is also enclosed. All the staff are requested to carefully go through this circular and expedite submission of Option Forms to their respective Zonal Offices.

  
[PRASANNA PANICKER]  
GENERAL MANAGER(HR)

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APPLICATION FORM FOR EXERCISING OPTION FOR CONTRIBUTION TO VOLUNTARY PROVIDENT FUND  
(TO BE SUBMITTED TO ZONAL OFFICE)

Name  
Designation

Code No.  
Branch

1. I am already contributing 10% of my pay towards VPF and would like to continue the same under 1<sup>st</sup> method.
2. I am already contributing 10% of pay towards Voluntary contribution and I would like to shift to 2<sup>nd</sup> method and contribute Rs. \_\_\_\_\_ fixed amount from April 2014 onwards.
3. Now I opt for Voluntary Provident Fund and I am willing to contribute 10% of pay under 1<sup>st</sup> method.
4. Now I opt for Voluntary Provident Fund and would like to contribute a fixed sum of Rs. \_\_\_\_\_ towards Voluntary PF to be deducted from my salary from April under 2<sup>nd</sup> method
5. I have gone through the circular no. dt and I am aware that this decision of mine is irrevocable upto March of next year and if any change is required by me I can make a request for only in the month of April of next year. I also agree that the contribution holds last in the priority so as to take care of the statutory/loan deductions. I do confirm that I will be contributing from my salary only and no outside fund will be used for contribution.

I confirm that my Net Take Home Pay Salary is Rs. \_\_\_\_\_.

SIGNATURE

NAME

DATE:

Forwarded to Zonal Office for doing the needful.

MANAGER  
NAME

STAMP