# A Study on Effectiveness of Schemes Under Employees' Provident Fund & Miscellanous Provision Act, 1952 as a Social Security Measure in Ernakulam District

## Reshma Raju[1], Haina George[2] and Sony Vijayan[3]

[1,2]M.Com (4th Semester), Department of Commerce and Management, School of Arts and Science, Amrita University, Kochi. Email: asaskochi@gmail.com, Email: asaskochi@gmail.com

[3]Associate Professor, Department of Commerce and Management, School of Arts and Science, Amrita University, Kochi. Email: asaskochi@gmail.com

**ABSTRACT**

Countries' welfare depends on its productivity towards every sector of the economy. The quality of work force decides the quality of productivity and that quality is depended on its health, nutrition, literacy, social value and customs of which basic one is health. So the welfare of the country depends on the welfare of its workforce for which labour welfare and social security measures were brought. Employees' Provident Fund is one such measure of social security. It's a long term savings and pension instruments for meeting once retirement goal. The fund is contributed by employer and employee. According to the workforce of the economic sector provident fund are of two types General provident fund, which takes care of government sector employees and Employees' Provident Fund, where public sector and private sector employees are taken care of. The study is limited to Employees' Provident Fund. Through this study an attempt is made to understand how employees provident fund act as social security measure, what are the benefits of Employees' Provident Fund and who all are its beneficiaries.

*Keywords:* Sectors of economy, social security, workforce, employees' provident fund, retirement, employer, employee, beneficiaries.

## 1. INTRODUCTION

A Country where poverty among workers is suffused and the workers are not in a position to look after his welfare individually, there welfare programs has got a significant role to play which includes basic facility for individual workers and provision for jovial work environment. And embodying this facility,

social security measures are needed. International Labour Organization (ILO) defined social security as "*the security that society furnishes through appropriate organization against certain risk to which its members are exposed.*"

Social insurance and social assistance are the main two features of social security measures. Social insurance helps to satisfy old age requirements, sickness, unemployment and other junctures of life with the fund contributed by employee and employer on a periodical basis. On the other hand, social assistance provides provisions for the maintenance of children, parents, and the aged. To provide social security benefits, the Government of India has made various legislations of which one is *Employees' Provident Fund and Miscellanous Provision Act*, 1952.

In 1948, begins the era of social insurance of Indian labour. It is then the Government of India boosted up the labour welfare and social security measures. As a part of it, on 1951 enactment of *Employees' Provident Fund Ordinance* took place which was replaced by *Employees' Provident Fund Act*, now referred as *Employees' Provident Fund and Miscellanous Provision Act*, 1952. Along with the annunciation of *Employees' Provident Fund Ordiance, Employees' Provident Fund* came into existence. Social security schemes framed under *Employees' Provident Fund And Miscellanous Provision Act*, 1952 (EPF & MP ACT, 1952) is administered by a tri-partite board known as Central Board of Trustee (CBT). The members of the board consist of representative of Government (both central and state), employer and employee. An organisation is made to assist the CBT – Employees' Provident Fund Organisation, a statutory body under the administrative control of Ministry of Labour and Employment, Government of India.

## Need for the Study

- To identify the benefits under each schemes of *Employees' Provident Fund and Miscellanous Provision Act*, 1952.

- To assess the implication of the schemes of *Employees' Provident Fund and Miscellanous Provision Act*, 1952 at various level.

## Objective of the Study

### *Primary Objective*

- To study the effectiveness of Employees' Provident Fund and Miscellanous Provision Act, 1952 in ensuring social security measures.

- To analysis the satisfaction level of beneficiaries under each scheme.

- To analysis is the awareness level of beneficiary under each scheme.

### *Secondary Objective*

- To study relationship between awareness level and satisfaction level of the beneficiaries.

- To compare effectiveness of the scheme with awareness level.

- To compare effectiveness of the scheme with satisfaction level.

## Statement of Problem

The social phenomena investigated in this research study that follows is the effectiveness of schemes under *Employees' Provident Fund and Miscellanous Provision Act*, 1952 among the beneficiaries in Ernakulam district.

## Hypothesis

**Hypothesis 1:**

$H_0$: The awareness level and satisfaction level are not independent.

$H_1$: The awareness level and satisfaction level are independent.

**Hypothesis 2:**

$H_0$: The effectiveness of the schemes under the act is not influenced by satisfaction level of beneficiary.

$H_1$: The effectiveness of the schemes under the act is influenced by satisfaction level of beneficiary.

**Hypothesis 3:**

$H_0$: The effectiveness of the schemes under the act is not influenced by awareness level of beneficiary.

$H_1$: The effectiveness of the schemes under the act is influenced by awareness level of beneficiary.

**Hypothesis 4:**

$H_0$: *Employees' Provident Fund and Miscellanous Provision Act*, 1952 is not effective in ensuring social security.

$H_1$: *Employees' Provident Fund and Miscellanous Provision Act*, 1952 is effective in ensuring social security.

## Research Methodology

### Data Collection

Data Collection involves both primary data collection and secondary data collection. Primary data was collected by distributing questionnaire among beneficiaries of the scheme under the Act in Ernakulam.

### Tools Used

The tools used are graphs, pie charts, correlation and chi-square.

## Research Population

Population selected is employees with PF in Ernakulam district. Sample size is 100 employees. Simple random sampling method is used to collect data from respondents. Secondary data are collected from, journals, magazines, reference book and websites.

## Limitations of the Study

- All the findings and observations made in the study are based on the questionnaire which can be biased.
- The study is limited to Ernakulam district.

- To find out the effectiveness of the EPF & MP ACT, 1952 variables used are limited to awareness level and satisfactory level.

## 2. EMPLOYEES' PROVIDENT FUND ACT

Employees' Provident Fund is a long-term saving and pension instrument. It is the most popular and beneficial investment scheme for meeting ones retirement goals. It is a lump sum payment made to a person on his retirement. It is for salaried individuals who include salaried employee, daily wagers and contract workers. In short, wherever an employee-employer relationship arises, Employees' Provident Fund is applicable.

An organized establishment that falls under any of the 187 classes of establishment extended by CBT and having 20 employees or more must compulsorily register with Employees' Provident Fund Organisation. Those establishments whose employees are less than 20 can also opt for Employees' Provident Fund coverage, provided majority of the employee as well as the employer is willing to contribute. An employee working under any establishment registered with Employees' Provident Fund Organisation is eligible to be a member of Employees' Provident Fund.

Employee whose salary is ₹15000 or less should compulsorily contribute to Employees' Provident Fund. And those employees whose salary is more than 15000 can go for voluntary contribution to the Employees' Provident Fund, provided the employer should be willing to contribute. However those employees who joined the establishment before 1st September 2014 can have Employees' Provident Fund provision up ₹15000 even though their salary is increased now. But this privilege is not there for those employees who have joined the establishment with more than ₹15000 as their basic salary after 1st September 2014. For operating Employees' Provident Fund, an account is opened for each employee known as Employees' Provident Fund Account. This account is in a particular format consisting of four parts – name of the state, name of the regional office/sub-regional office, provident fund register number of the establishment and employee's identification number, for example KR/KTM/251/1675. This account number is cancelled when the employee resigns or retires from his job and this is not given to any other employee. When an employee resigns and join another establishment he will be having two employee identification numbers. So each employee can have more than one employee identification number (only one should be working) and this give rise to some problems - the transfer of fund from each account will be a lengthy processes and manipulation by employee for receiving benefits from more than one account was possible. For easy portability of provident fund account from each identification number of an employee and avoid manipulation by employee for receiving benefits from more than one account, Universal Account Number (UAN) is introduced which was launched by the Prime Minister of India, Narendra Modi on 1st October 2014. UAN is 12 digit number allowed to each employee covered under Employees' Provident Fund Organisation and it is linked to all the employee identification number. The UAN will not change with change in job. It is a life time number for an employee.

There are three schemes under *Employees' Provident Fund and Miscellanous Provision Act*, 1952 namely, the Employees' Provident Fund Scheme, 1952 (EPF) – a long term saving instrument, the Employees' Pension Scheme, 1995 (EPS) – a pension instrument and the Employees' Deposit Linked Insurance Scheme, 1976 (EDLI) – an assurance instrument.

When a person joins an establishment as an employee, his contribution to Employees' Provident Fund begins and it's on a regular basis. The employee contributes 12% of his salary and the employer also contributes an equal percent (12%). The employee can contribute more than 12% to Employees' Provident Fund but there is no compulsion that if employee contribute more than 12% employer must also contribute that much percent, it is employer's choice to contribute more or not. When an employee contributes more than 12% to the Employees' Provident Fund, it is known as Voluntary Provident Fund (VPF). Apart from 12% contribution by employer, he has to contribute 0.50%for EDLI, 0.85% of total salary on which EPF is remitted or ₹500, whichever is higher, towards EPF administration charges and 0.01% of total salary on which EDLI is remitted or ₹200, whichever is higher, towards EDLI administration charges. Table 1 explains the percentage of contribution by employee, employer and Government of India towards Employees' Provident Fund Account.
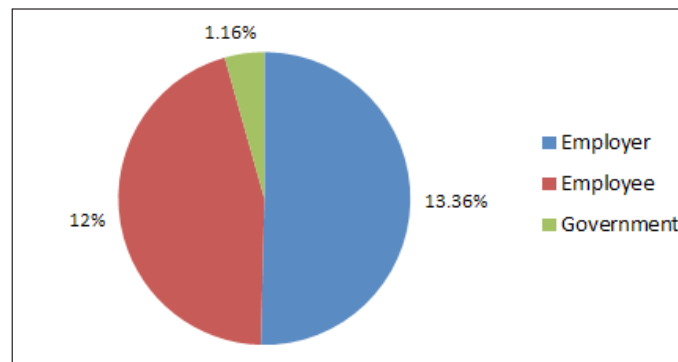
**Table 2.1**
**Contribution Percentage**

| Schemes | Employer | | Employee | Government | Total |
|---|---|---|---|---|---|
| | Contribution | Administration Charges | | | |
| EPF | 3.67% | 0.85% | 12% | 0 | 16.52% |
| EPS | 8.33% | 0 | 0 | 1.16% | 9.49% |
| EDLI | 0.50% | 0.01% | 0 | 0 | 0.51% |
| Total | 12.5% | 0.86% | 12% | 1.16% | 26.52% |

*Source:* Secondary Data
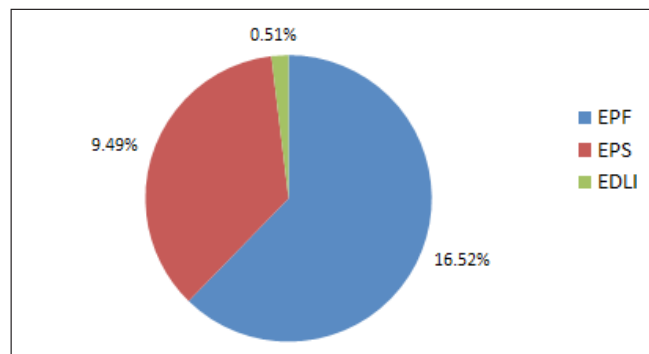


**Chart 1.1: Percentage of contribution from each scheme**
*Source:* **Table 2.1**



**Chart 1.2: Percentage of contribution from each contributer**
*Source:* **Table 2.1**

For the following establishment the rate of contribution towards Employees' Provident Fund is 10%.

- Establishment having less than 20 employees

- Sick industries

- Establishment having accumulated loss equal to or more than its entire net worth for any financial year

- Establishment in industries of jute, beedi, brick, coir, and guar gum.

## Benefits and Beneficaries of Each Scheme

### I. Employees' Provident Fund Scheme, 1952 (EPF)

It's a long term saving instrument. The amount contributed to this scheme is 12% (or more if it's VPF) of basic salary + DA of employee by the employee itself and 3.67% of basic salary of employee by the employer. Following are the benefits of this scheme.

I. *Interest accumulation:* The contribution and interest is calculated on monthly basis. The present rate of interest is 8.80%. At the beginning of each month an opening balance is there. The opening balance of next month will be: opening balance + current month contribution + interest on (opening balance + current balance). For example let ₹10000 be first month opening balance and 12000 be next month contribution, then the calculation of EPF along with interest of each month is:

**Table 2.2**
**Calculation of interest accumulation**

| Months (1) | Opening balance (2) | Contribution (3) | Interest calculation (4) = [(2 + 3) * 8.8% * 1/12] | Closing balance (5) = [2 + 3 + 4] |
|---|---|---|---|---|
| I | 10000 | – | 10000 * 8.80% * 1/12 = 73.33 | 10073.33 |
| II | 10073.33 | 12000 | (10073.33 + 12000) * 8.8% * 1/12 = 161.87 | 22235.20 |

*Source:* Primary Data

II. *Tax exemption:* Under section 80C of Income Tax Act, 1961 employees' contribution to EPF is deductible from his total income. That means taxable income will be total income minus the amount contributed to EPF along with interest. The maximum deductible limit is ₹150000. If a person is having less than 2years' service and his savings in *Provident Fund* account is more than ₹50000 then he is exempted from this tax deduction.

III. *Withdrawal:*

(A) *While in service:* For arranging funds for marriage and education for self, child, or siblings, up to 50% of contribution can be withdrawn and this benefit can be 3 times in one's life. For availing this benefit minimum 7 years' service should be there.

**Table 2.3**
**Housing purpose withdrawal limit and conditions**

| S.No: | Housing purpose | Withdrawal limit | Conditions |
|---|---|---|---|
| 1 | Purchase of site | 24 months wages or 90% of EPF whichever is lower | 5 years' service 1 time in one's life |
| 2 | Construction of house Or Purchase of house Or Purchase of flat Or Repayment of loan | 36 months wages or 90% of EPF whichever is lower | 5 years' service 1 time in one's life |
| 3 | Addition/alteration of house | 12 months wages | 5 years from the date of completion of: (i) construction of house or; (ii) purchase of house if any of these has been done before and if not 5 years' service 1 time in one's life |
| 4 | Repairs and maintains | 12 months wages | 5 years from the date of completion of: (i) construction of house or; (ii) purchase of house or; addition/alteration of house if any of these has been done before and if not 5 years' service 1 time in one's life |

*Source:* Secondary Data

For 1 & 2 purpose, both employees and employers share to EPF can be withdrawn and for 3 & 4 purpose only employees share of EPF can be withdrawn. The house can be in name of self, spouse or in jointly with spouse.

Amount can also be withdrawn for medical emergencies like major surgical operations, diseases like TB, paralysis, cancer, mental derangement, leopsy/hear aliment and purchase of equipment for physically handicapped (any one in family). Amount up to 6 times of salary or entire contribution, whichever is lower, can be withdrawn. This can be utilized for self, spouse, children or dependent parents. There is no limit for availing this facility and it can be availed till retirement.

(B) *While not in service:* When a person jobless for at least two month, then he can withdraw the fund. In case of women who resign the job for the purpose of marriage can withdraw the EPF without waiting for two months. At the time of superannuation, the member can withdraw the whole amount without any waiting period.

(IV) *Death:* When a member demises, the total amount of the EPF contribution is given his family which includes spouse, children, and dependent parents. If the member is not having any family then the amount goes to the nominee.

The beneficiaries under this scheme are the member, member's family which include spouse, children, dependent parents, husband's dependent parents (in case of female member), and deceased son's widow and children. If no family then the beneficiary is the nominee. And when the member subsequently acquires a family, a fresh nomination must be made in favour of one or more persons of his family.

## II. Employees' Pension Fund Scheme, 1995 (EPS)

It is a pension instrument. The amount contributed to this scheme is 8.33% of salary of employee or ₹15000, whichever is lower, by employer and 1.16% of salary of employee or ₹15000, whichever is lower of the Government of India. Following are the benefits of this scheme

I.  *Withdrawal:* If the member was not able to attain 10 years' service within the age of 58 years, then he has got the option to withdraw the EPS fund as the eligibility criteria for receiving pension is 10 years' service

When the member reaches the age of 58 with more than 10 years services, then he gets pension on monthly basis for entire life. And the monthly pension amount is calculated as follow: Monthly pension amount = 5 years average salary * number of years of service * 1/70. When a member opt for EPS before reaching the age of superannuation, then he gets the pension which is reduced by 4% every year. And the maximum early age for availing EPS is 50 years. To know reduced pension, one have to multiply full pension with the given factor of respective age which is as follow:

| *Age* | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 |
|---|---|---|---|---|---|---|---|---|---|
| *Factor to multiply* | 1 | .96 | .9216 | .8847 | .8493 | .8154 | .7828 | .7514 | .7214 |

When a member opts for EPS after attaining superannuation, then he gets a pension which is increased by 4% every year. And the maximum late age for availing EPS is 60 years. Following shows the increased pension which is got by multiplying full pension with the given factors of respective age:

| *Age* | 58 | 59 | 60 |
|---|---|---|---|
| *Factor to multiply* | 1 | 1.04 | 1.0816 |

However three options for receiving EPS after superannuation, they are:

• Availing actual pension at the age of 58.

• Availing enhanced pension after the age of 58 without contributing to pension.

• Availing enhanced pension after the age of 58 with contributing to pension.

(II) *Death:* When the member demises, then the pension fund is automatically payable to spouse for life long or till remarriage and two children at a time till they attain the age of 25, provided the member has made at least one month's contribution to EPS and he could have attained more than 10 years' service if he was alive.

If the member demises while in service, then the spouse gets a monthly widow pension equal to an amount which the member would have got at the time of superannuation or ₹1000, whichever is more and the children get a monthly children pension addition to widow/widower pension which is 25% of widow/widower pension or ₹250, whichever is more. And in the event of remarriage or death of widow/widower, the children shall get a monthly orphan pension which is 75% of widow/widower pension or ₹750, whichever is higher.

If the member demises after superannuation, then the spouse gets 50% of the member's monthly pension as widow pension and the children get 25% of the corresponding widow pension and 75% in case the widow/widower remarry or demises.

The beneficiaries under this scheme are the members, member's family which includes spouse and children and beneficiary in case of no family.

(III) *Employees' Deposit Linked Insurance Scheme, 1979 (EDLI):* It is an assurance instrument. The amount contributed to this scheme is 0.50% of salary of employee or ₹15000, whichever is lower, by the employer. There is only one benefit under this scheme and that is providing financial support to the family of demised member provided the death happened while in service of the member.

Irrespective of whether death happened during working hours or non-working and the cause of death, each member is covered under this scheme. And its calculation is: $x \times 30 + 50\% \, y$ where

$x$ = average monthly salary drawn during 12 months preceding the month in which the member died or ₹15000, whichever is less

$y$ = average balance in the account of the deceased during the preceding 12 months or during the period of membership, whichever is less, subject to a maximum of ₹150000.

And hence the family or nominee of the deceased member gets a maximum of ₹600000 from this scheme.

The beneficiaries under this scheme are the members, member's family which includes spouse and children and beneficiary in case of no family.
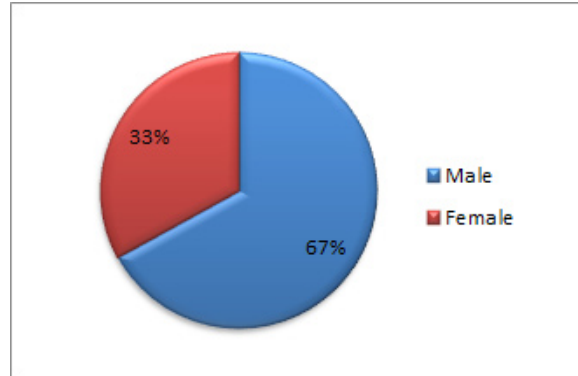
## 3. ANALYSIS AND INTERPREATION

### Part A: Personal Data Analysis

**Table 3.1**
**Showing Gender Distribution**

| Gender | Number of Respondents | Percentage |
|--------|----------------------|------------|
| Male | 67 | 67 |
| Female | 33 | 33 |
| Total | 100 | 100 |

*Source:* Primary Data

**Chart 3.1: Representing Gender Distribution**
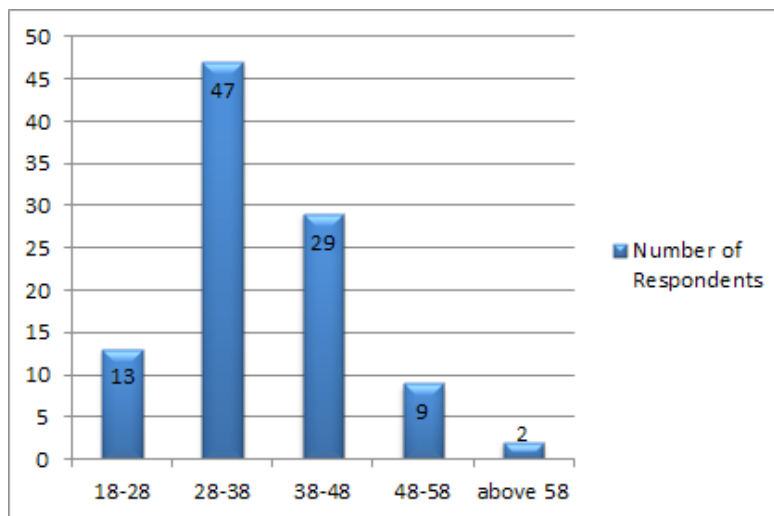*Source:* **Table 3.1**

**Interpretation:** Out of the total respondents to the questionnaire;

- 67% of the respondents were male

- 33% of the respondents were female.

**Table 3.2**
**Showing Age Distribution**

| Age | Number of Respondents | Percentage |
|---|---|---|
| 18-28 | 13 | 13 |
| 28-38 | 47 | 47 |
| 38-48 | 29 | 29 |
| 48-58 | 9 | 9 |
| above 58 | 2 | 2 |
| Total | 100 | 100 |

*Source:* Primary Data)



**Chart 3.2: Representing Age Distribution**
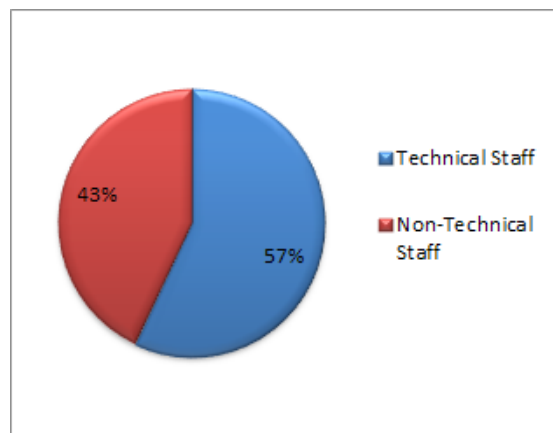*Source:* **Table 3.2**

**Interpretation:** Out of the total respondents to the questionnaire;

- 13% of the respondents are between the ages of 18-28.

- 47% of the respondents are between the ages of 28-38.

- 29% of the respondents are between the ages of 38-48.

- 9% of the respondents are between the ages of 48-58.

- 2% of the respondents are between the ages of above 58.

**Table 3.3**
**Showing Occupation Distribution**

| Occupation | Number of Respondents | Percentage |
|---|---|---|
| Technical Staff | 57 | 57 |
| Non-Technical Staff | 43 | 43 |
| Total | 100 | 100 |

*Source:* Primary Data



**Chart 3.3: Representing Occupation Distribution**
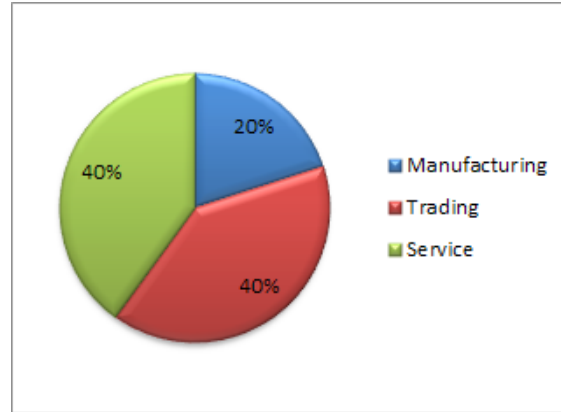*Source:* **Table 3.3**

**Interpretation:** Out of the total respondents to the questionnaire;

- 57% of the respondents come under occupation group, technical staff.

- 43% of the respondents come under occupation group, non-technical staff.

**Table 3.4**
**Showing Sector Distribution**

| Sector | Number of Respondents | Percentage |
|---|---|---|
| Manufacturing | 20 | 20 |
| Trading | 40 | 40 |
| Service | 40 | 40 |
| Total | 100 | 100 |

*Source:* Primary Data

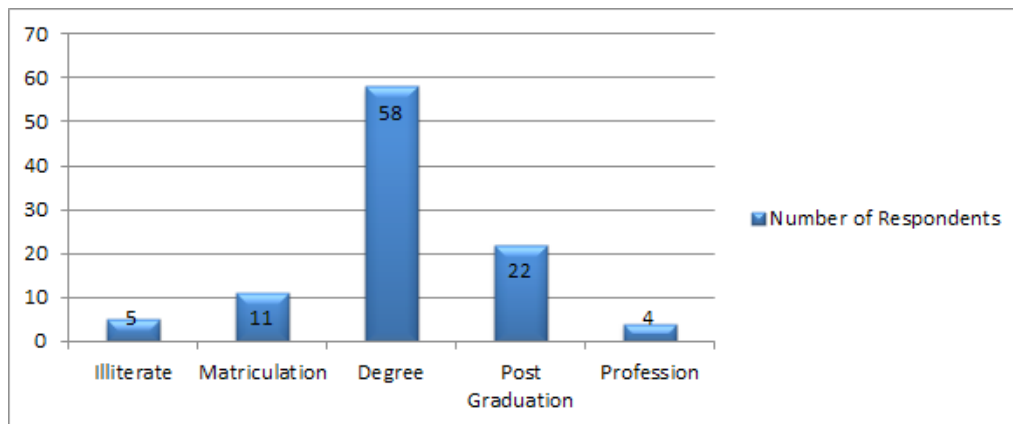**Chart 3.4: Representing Sector Distribution**
*Source:* **Table 3.4**

*Interpretation:* Out of the total respondents to the questionnaire;

- 40% of the respondents come under trading sector.

- 40% of the respondents come under service sector.

- 20% of the respondents come under manufacturing sector.

**Table 3.5**
**Showing Education Qualification**

| Education | Number of Respondents | Percentage |
|---|---|---|
| Illiterate | 5 | 5 |
| Matriculation | 11 | 11 |
| Degree | 58 | 58 |
| Post-Graduation | 22 | 22 |
| Profession | 4 | 4 |
| Total | 100 | 100 |

*Source:* Primary Data



**Chart 3.5: Representing Education Qualification**
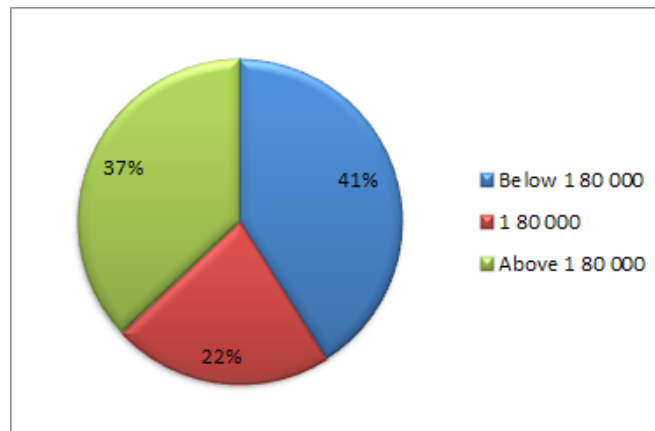*Source:* **Table 3.5**

*Interpretation:* Out of the total respondents to the questionnaire;

- 5% of the respondents are illiterate.

- 11% of the respondents have matriculation.

- 58% of the respondents have degree as there education qualification.

- 22% of the respondents are post graduate.

- 4% of the respondents have professional qualification.

**Table 3.6**
**Showing Income Distribution**

| Annual Income | Number of Respondents | Percentage |
|---|---|---|
| Below 1 80 000 | 41 | 41 |
| 1 80 000 | 22 | 22 |
| Above 1 80 000 | 37 | 37 |
| Total | 100 | 100 |

*Source:* Primary Data



**Chart 3.6: Representing Income Distribution**
*Source:* **Table 3.6**

*Interpretation:* Out of the total respondents to the questionnaire;

- 41% of the respondents have annual income below 1 80 000.

- 22% of the respondents have annual income of 1 80 000.

- 37% of the respondents have annual income above 1 80 000.
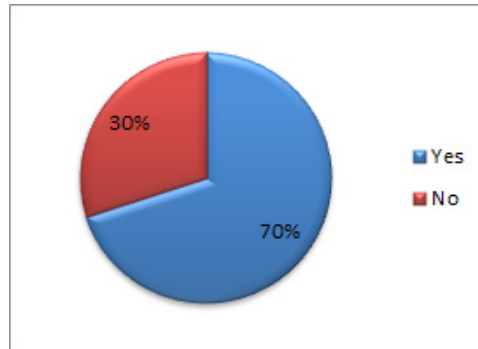
## Part B: Direct Question Analysis

*Interpretation:* Out of the total respondents to the questionnaire;

- 70% of the respondents have withdrawn their fund.

- 30% of the respondents have not withdrawn their fund.

**Table 3.7**
**Showing withdrawal of fund**

| Withdrawn | Number of Respondents | Percentage |
|-----------|----------------------|------------|
| Yes | 70 | 70 |
| No | 30 | 30 |
| Total | 100 | 100 |

*Source:* Primary Data



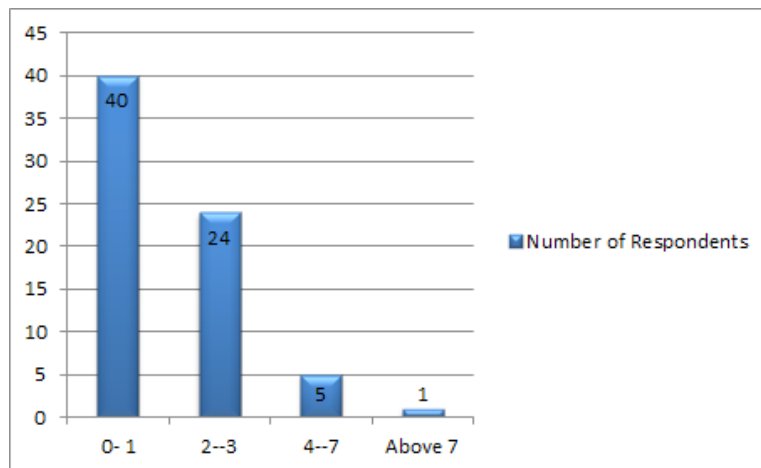**Chart 3.7: Representing withdrawal of fund**
*Source:* **Table 3.7**

**Table 3.8**
**Showing number of withdrawal**

| Times | Number of Respondents | Percentage |
|-------|----------------------|------------|
| 0- 1 | 40 | 57 |
| 2—3 | 24 | 34 |
| 4—7 | 5 | 8 |
| Above 7 | 1 | 1 |
| Total | 70 | 100 |

*Source:* Primary Data



**Chart 3.8: Representing number of withdrawal**
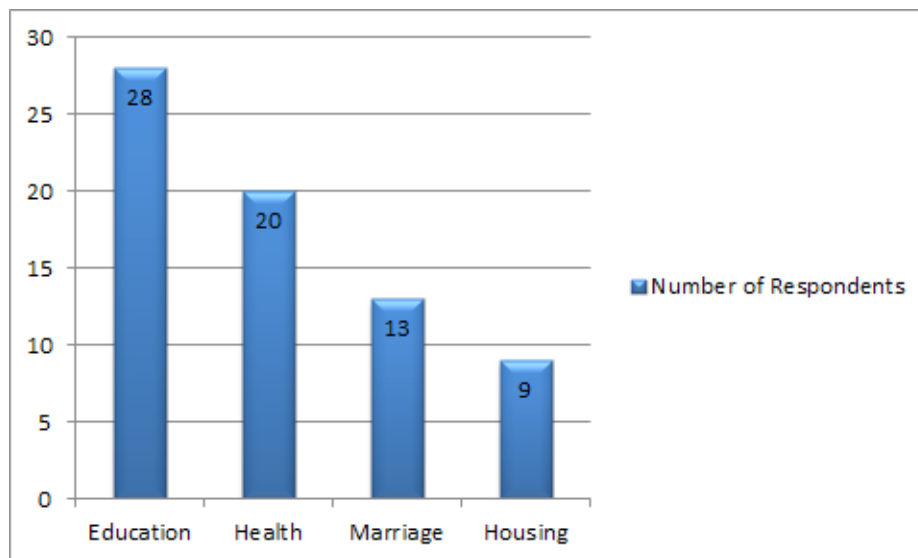*Source:* **Table 3.8**

*Interpretation:* Out of the total respondents to the questionnaire who have withdrawn their fund;

- 57% of the respondents have withdrawn for 1 time.

- 34% of the respondents have withdrawn for 2- 3 times.

- 8% of the respondents have withdrawn for 4-7 times.

- 1% of the respondents have withdrawn for more than 7 times.

**Table 3.9**
**Showing purpose of withdrawal**

| Purpose | Number of Respondents | Percentage |
|---------|----------------------|------------|
| Education | 28 | 40 |
| Health | 20 | 29 |
| Marriage | 13 | 19 |
| Housing | 9 | 13 |
| Total | 70 | 100 |

*Source:* Primary Data



**Chart 3.9: Representing purpose of withdrawal**
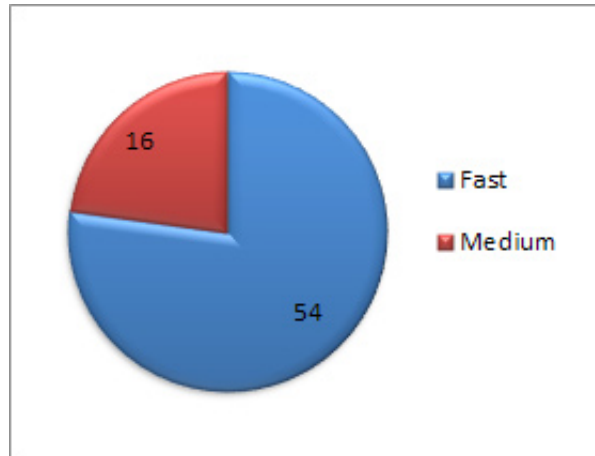*Source:* **Table 3.9**

*Interpretation:* Out of the total respondents to the questionnaire who have withdrawn their fund;

- 40% of the respondents have withdrawn for education purpose.

- 29% of the respondents have withdrawn for health matters.

- 19% of the respondents have withdrawn for marriage purpose.

- 13% of the respondents have withdrawn for housing purpose.

**Table 3.10**
**Showing procedural performance of calming fund**

| Rate | Number of Respondents | Percentage |
|---|---|---|
| Fast | 54 | 77 |
| Medium | 16 | 23 |
| Total | 70 | 100 |

*Source:* Primary Data



**Chart 3.10: Representing procedural performance of calming fund**
*Source:* **Table 3.10**

*Interpretation:* Out of the total respondents to the questionnaire who have withdrawn their fund;

- 77% of the respondents have claimed that the procedure is fast.

- 23% of the respondents have claimed that the procedure is medium.

**Table 3.11**
**Showing preference factors**

| Preference Factor | Number of Respondents | Percentage |
|---|---|---|
| Saving Instrument | 16 | 16 |
| Investment Instrument | 11 | 11 |
| Security Instrument | 73 | 73 |
| Total | 100 | 100 |

*Source:* Primary Data

*Interpretation:* Out of the total respondents to the questionnaire;

- 16% of the respondents consider this fund as a saving instrument.

- 11% of the respondents consider this fund as an investment instrument.

- 73% of the respondents consider this fund as a security instrument
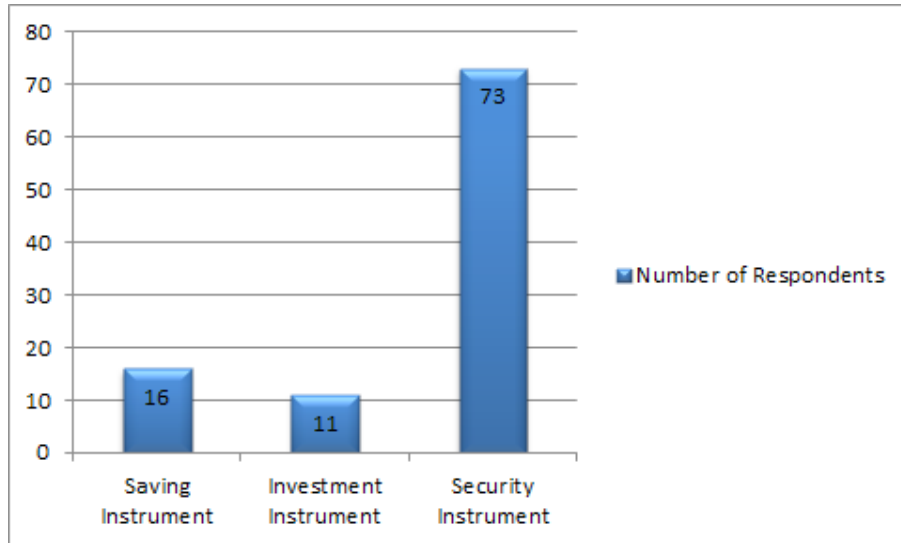
**Chart 3.11: Representing preference factors**
*Source:* **Table 3.11**

**Table 3.12**
**Showing medium of awareness**

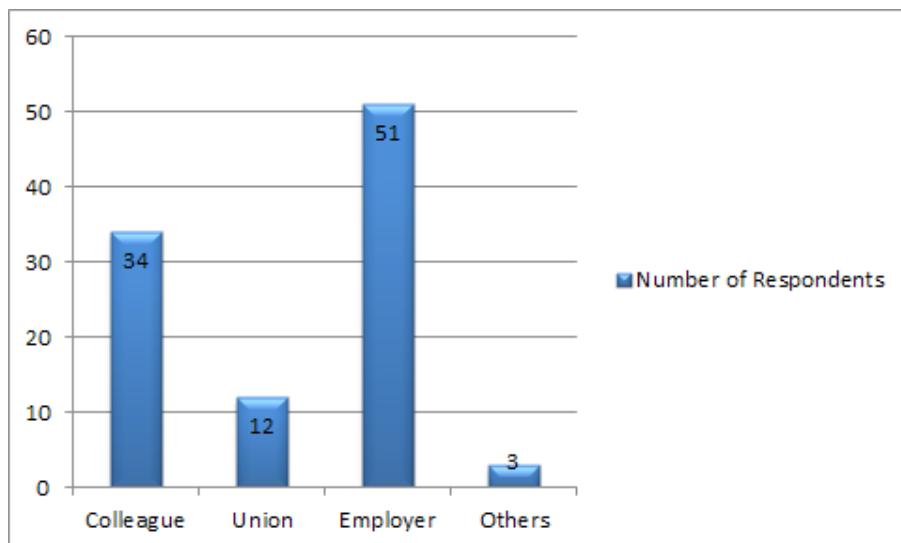| Medium | Number of Respondents | Percentage |
|--------|----------------------|------------|
| Colleague | 34 | 34 |
| Union | 12 | 12 |
| Employer | 51 | 51 |
| Others | 3 | 3 |
| Total | 100 | 100 |

*Source:* Primary Data



**Chart 3.12: Representing medium of awareness**
*Source:* **Table 3.12**

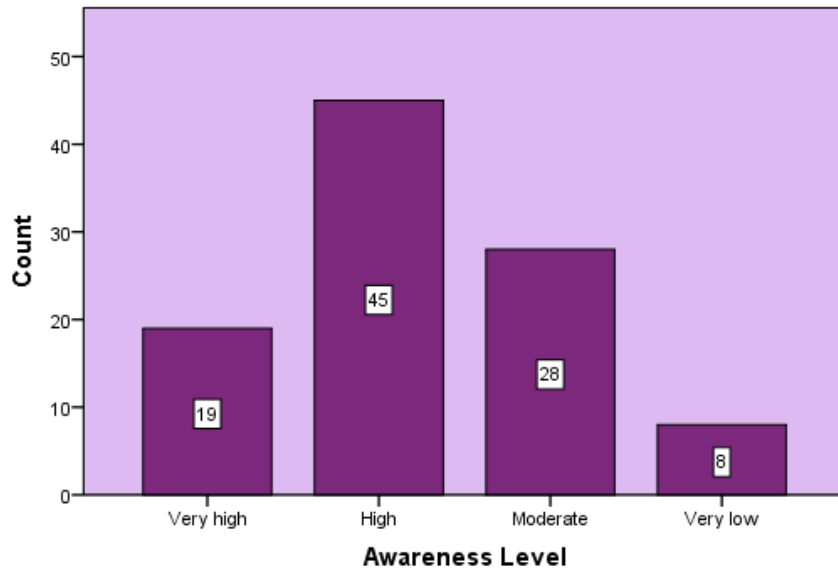*Interpretation:* Out of the total respondents to the questionnaire;

- 34% of the respondents came to know about the employees' provident fund through colleague.

- 12% of the respondents came to know about the employees' provident fund through union.

- 51% of the respondents came to know about the employees' provident fund through employer.

- 3% of the respondents came to know about the employees' provident fund through other medium.

## Part C: Analysis with SPSS

**Table 3.13**
**Showing awareness level**

| Level | Number of Respondents | Percentage |
|---|---|---|
| Very high | 19 | 19 |
| High | 45 | 45 |
| Moderate | 28 | 28 |
| Very low | 8 | 8 |
| Total | 100 | 100 |

*Source:* Primary Data



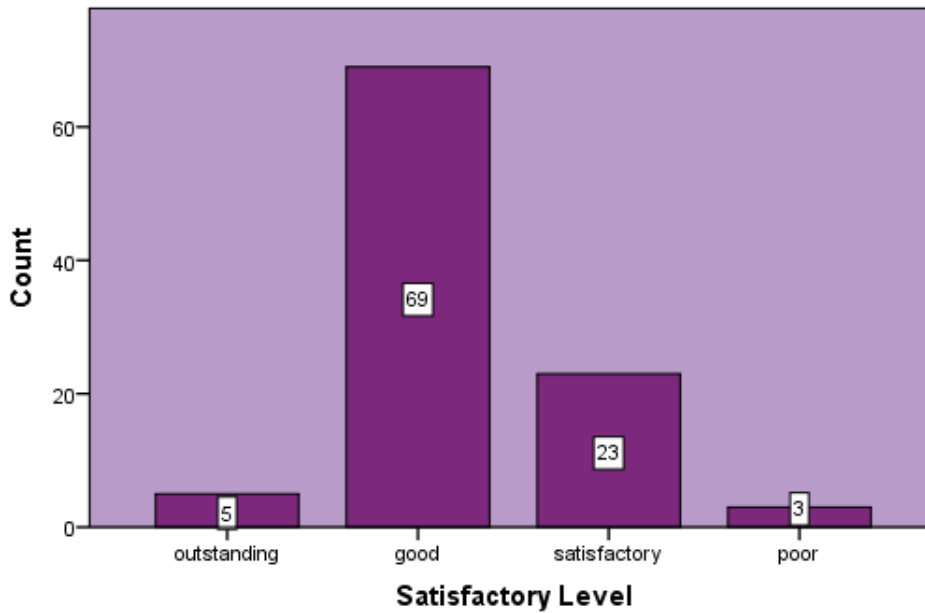**Chart 3.13: Representing awareness level**
*Source:* **Table 3.13**

*Interpretation:* Out of the total respondents to the questionnaire;

- 19% of the respondents ranked awareness level as very high.

- 45% of the respondents ranked awareness level as high.

- 28% of the respondents ranked awareness level as moderate.

- 8% of the respondents ranked awareness level as very low.

**Table 3.13**
**Showing satisfaction level**

| Level | Number of Respondents | Percentage |
|---|---|---|
| Outstanding | 5 | 5 |
| Good | 69 | 69 |
| Satisfactory | 23 | 23 |
| Poor | 3 | 3 |
| Total | 100 | 100 |

*Source:* Primary Data



**Chart 3.13: Representing satisfaction level**
*Source:* **Table 3.13**

*Interpretation:* Out of the total respondents to the questionnaire;

- 5% of the respondents ranked satisfaction level as outstanding.
- 69% of the respondents ranked satisfaction level as good.
- 23% of the respondents ranked satisfaction level as satisfactory.
- 3% of the respondents ranked satisfaction level as poor.

**Table 3.14**
**Showing effectiveness level**

| Level | Number of Respondents | Percentage |
|---|---|---|
| Highly effective | 17 | 17 |
| Effective | 67 | 67 |
| Ineffective | 15 | 15 |
| Highly ineffective | 1 | 1 |
| Total | 100 | 100 |

*Source:* Primary Data
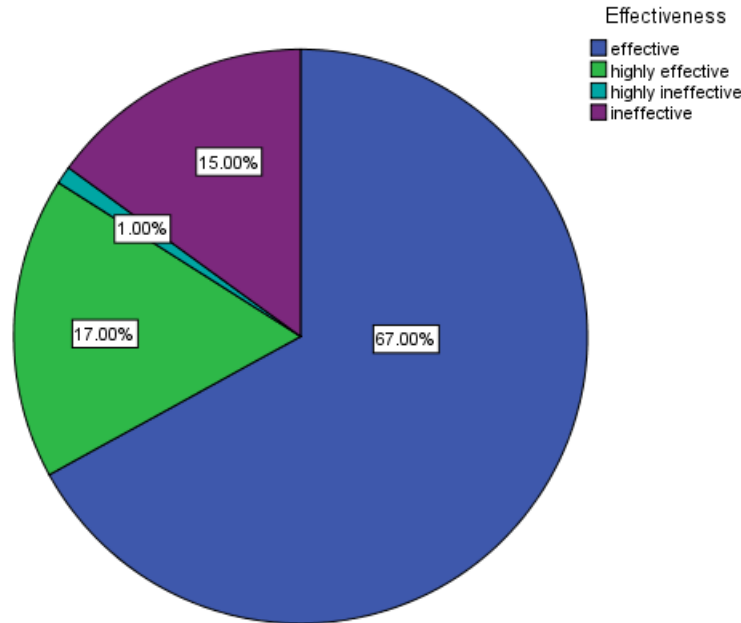
**Chart 3.14: Representing effectiveness level**
*Source:* **Table 3.14**

*Interpretation:* Out of the total respondents to the questionnaire;

- 17% of the respondents ranked effectiveness level as highly effective.

- 67% of the respondents ranked effectiveness level as effective.

- 15% of the respondents ranked effectiveness level as ineffective.

- 1% of the respondents ranked effectiveness level as highly ineffective.

## Chi-Square Test

Chi-square is one of the most wildly and simplest used non-parametric test in statistical tool. It is the significance of difference between observed frequency and corresponding theoretical frequency of distribution, without any assumption about the distribution of population. It conveys the existence or non-existence of the relationship between the variables investigated.

In this study relationship between awareness level & satisfaction level, effectiveness level & awareness level and effectiveness level & satisfaction level are taken into consideration.

**Table 3.15**
**Case Processing Summary**

| | *Cases* | | | | | |
|---|---|---|---|---|---|---|
| | *Valid* | | *Missing* | | *Total* | |
| | *N* | *Percent* | *N* | *Percent* | *N* | *Percent* |
| Awareness Level * Satisfactory Level | 100 | 100.0% | 0 | 0.0% | 100 | 100.0% |

Source: Primary Data

**Table 3.16**
**Awareness Level * Satisfactory Level Cross tabulation**

| | | | *Satisfactory Level* | | | | *Total* |
|---|---|---|---|---|---|---|---|
| | | | *Outstanding* | *Good* | *Satisfactory* | *Poor* | |
| Awareness Level | High | Count | 3 | 29 | 11 | 2 | 45 |
| | | Expected Count | 2.3 | 31.1 | 10.4 | 1.4 | 45.0 |
| | | Residual | .8 | –2.1 | .7 | .6 | |
| | Moderate | Count | 0 | 22 | 6 | 0 | 28 |
| | | Expected Count | 1.4 | 19.3 | 6.4 | .8 | 28.0 |
| | | Residual | –1.4 | 2.7 | –.4 | –.8 | |
| | Very High | Count | 2 | 12 | 5 | 0 | 19 |
| | | Expected Count | 1.0 | 13.1 | 4.4 | .6 | 19.0 |
| | | Residual | 1.1 | –1.1 | .6 | –.6 | |
| | Very Low | Count | 0 | 6 | 1 | 1 | 8 |
| | | Expected Count | .4 | 5.5 | 1.8 | .2 | 8.0 |
| | | Residual | –.4 | .5 | –.8 | .8 | |
| Total | | Count | 5 | 69 | 23 | 3 | 100 |
| | | Expected Count | 5.0 | 69.0 | 23.0 | 3.0 | 100.0 |

*Source:* Primary Data

**Table 3.17**
**Chi-Square Tests**

| | *Value* | *df* | *Asymp. Sig. (2-sided)* |
|---|---|---|---|
| Pearson Chi-Square | 8.528[a] | 9 | .482 |
| Likelihood Ratio | 10.380 | 9 | .321 |
| N of Valid Cases | 100 | | |

[a]10 cells (62.5%) have expected count less than 5. The minimum expected count is .24.
*Source:* Primary Data
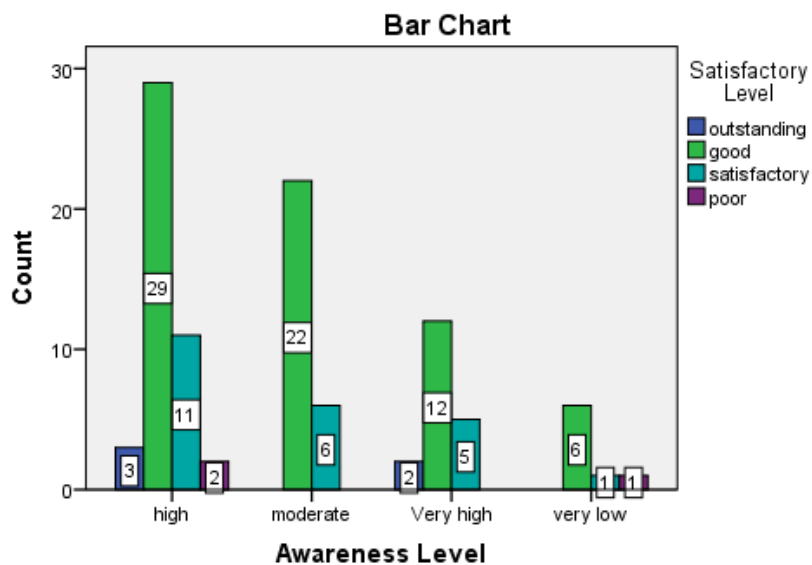


**Chart 3.15: Representing satisfaction level at each awareness level**
*Source:* **Table 3.16**

*Interpretation:* Following are the combined interpretation of awareness level and satisfaction level of the respondents

- Among the awareness level ranked very high
  - 3% have outstanding satisfaction level.
  - 29% have good satisfaction level.
  - 11% have satisfactory satisfaction level.
  - 2% have poor satisfaction level.
- Among the awareness level ranked high.
  - No one have outstanding satisfaction level.
  - 22% have good satisfaction level.
  - 6% have satisfactory satisfaction level.
  - No one have poor satisfaction level.
- Among the awareness level ranked moderate.
  - 2% have outstanding satisfaction level.
  - 12% have good satisfaction level.
  - 5% have satisfactory satisfaction level.
  - No one have poor satisfaction level
- Among the awareness level ranked very low.
  - No one have outstanding satisfaction level.
  - 6% have good satisfaction level.
  - 1% have satisfactory satisfaction level.
  - 1% have poor satisfaction level
- The key result in chi-square test table is the Pearson Chi-Square. The value of test statistics at degree of freedom (df) 9 is 8.528.The corresponding $p$-value of is .482. The chosen significance level is 0.05.
- Since the $p$ value is greater than the chosen significance value, the alternate hypothesis $(H_1)$ of hypothesis 1 is rejected and null hypothesis $(H_0)$ of hypothesis 1 is accepted. Hence there is relationship between awareness level and satisfaction level. Thus concluded that the awareness level and satisfaction level are not independent.

*Interpretation*: Following are the combined interpretation of effectiveness level and awareness level of the respondents

- Among the effectiveness level ranked highly effective
  - 3% have very high awareness level.
  - 14% have high awareness level.

- ○ No one have moderate awareness level.
- ○ No one have very low level.

**Table 3.18**
**Case Processing Summary**

| | Cases | | | | | |
|---|---|---|---|---|---|---|
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| Effectiveness * Awareness Level | 100 | 100.0% | 0 | 0.0% | 100 | 100.0% |
| Effectiveness * Satisfactory Level | 100 | 100.0% | 0 | 0.0% | 100 | 100.0% |

*Source:* Primary Data

**Table 3.19**
**Effectiveness * Awareness Level**

| | | | Awareness Level | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | High | Moderate | Very High | Very Low | |
| Effectiveness | Effective | Count | 40 | 22 | 5 | 0 | 67 |
| | | Expected Count | 30.2 | 18.8 | 12.7 | 5.4 | 67.00 |
| | | Residual | 9.9 | 3.2 | –7.7 | –5.4 | |
| | Highly Effective | Count | 3 | 0 | 14 | 0 | 17 |
| | | Expected Count | 7.7 | 4.8 | 3.2 | 1.4 | 17.00 |
| | | Residual | –4.7 | –4.8 | 10.8 | –1.4 | |
| | Highly Ineffective | Count | 0 | 0 | 0 | 1 | 1 |
| | | Expected Count | .5 | .3 | .2 | .1 | 1.00 |
| | | Residual | –.5 | –.3 | –.2 | .9 | |
| | Ineffective | Count | 2 | 6 | 0 | 7 | 15 |
| | | Expected Count | 6.8 | 4.2 | 2.9 | 1.2 | 15.00 |
| | | Residual | –4.8 | 1.8 | –2.9 | 5.8 | |
| Total | | Count | 45 | 28 | 19 | 8 | 100 |
| | | Expected Count | 45.0 | 28.0 | 19.0 | 8.0 | 100.00 |

*Source:* Primary Data

**Table 3.20**
**Chi-Square Tests**

| | Value | Df | Asymp. Sig. (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 105.186[a] | 9 | .000 |
| Likelihood Ratio | 84.884 | 9 | .000 |
| N of Valid Cases | 100 | | |

[a]10 cells (62.5%) have expected count less than 5. The minimum expected count is .08.
*Source:* Primary Data
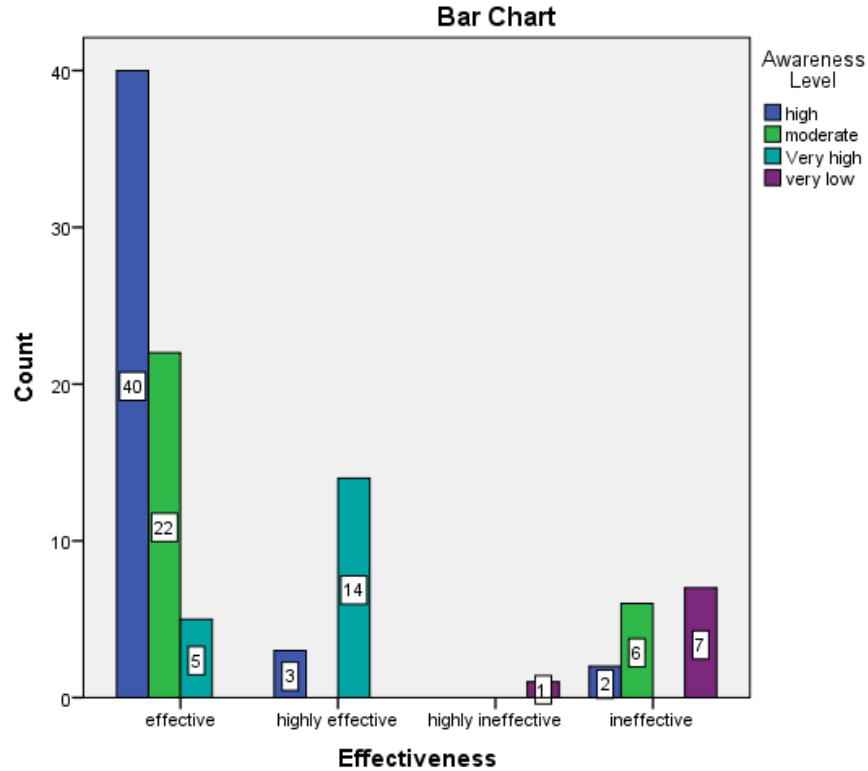
**Chart 3.16: Representing awareness level at each effectiveness level**
*Source:* **Table 3.19**

- Among the effectiveness level ranked effective
  - 5% have very high awareness level.
  - 40% have high awareness level.
  - 22% have moderate awareness level.
  - No one have very low level.
- Among the effectiveness level ranked ineffective
  - No one have very high awareness level.
  - 2% have high awareness level.
  - 6% have moderate awareness level.
  - 7% have very low level.
- Among the effectiveness level ranked highly ineffective
  - No one have very high awareness level.
  - No one have high awareness level.
  - No one have moderate awareness level.
  - 1% has very low level.

- The key result in chi-square test table is the Pearson Chi-Square. The value of test statistics at degree of freedom (df) 9 is 105.186. The corresponding $p$ value of is .000. The chosen significance level is 0.05.

- Since the $p$ value is less than the chosen significance value, the null hypothesis ($H_0$) of hypothesis 2 is rejected and the alternate hypothesis ($H_1$) of hypothesis 2 is accepted. Thus concluded that the effectiveness of the schemes under the act is influenced by awareness level of beneficiary.

**Table 3.21**
**Effectiveness * Satisfaction level**

| | | | Outstanding | Good | Satisfactory | Poor | Total |
|---|---|---|---|---|---|---|---|
| | | | *Satisfactory Level* | | | | *Total* |
| Effectiveness | Effective | Count | 0 | 51 | 16 | 0 | 67 |
| | | Expected Count | 3.4 | 46.2 | 15.4 | 2.0 | 67.00 |
| | | Residual | -3.4 | 4.8 | .6 | –2.0 | |
| | Highly Effective | Count | 5 | 12 | 0 | 0 | 17 |
| | | Expected Count | .9 | 11.7 | 3.9 | .5 | 17.00 |
| | | Residual | 4.2 | .3 | –3.9 | –.5 | |
| | Highly Ineffective | Count | 0 | 0 | 0 | 1 | 1 |
| | | Expected Count | .1 | .7 | .2 | .0 | 1.00 |
| | | Residual | –.1 | –.7 | –.2 | 1.0 | |
| | Ineffective | Count | 0 | 6 | 7 | 2 | 15 |
| | | Expected Count | .8 | 10.4 | 3.5 | .5 | 15.00 |
| | | Residual | –.8 | –4.4 | 3.6 | 1.6 | |
| Total | | Count | 5 | 69 | 23 | 3 | 100 |
| | | Expected Count | 5.0 | 69.0 | 23.0 | 3.0 | 100.00 |

*Source:* Primary Data

**Table 3.22**
**Chi-Square Tests**

| | Value | Df | Asymp. Sig. (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 74.466[a] | 9 | .000 |
| Likelihood Ratio | 45.827 | 9 | .000 |
| N of Valid Cases | 100 | | |

[a] 12 cells (75.0%) have expected count less than 5. The minimum expected count is .03.
*Source:* Primary Data

*Interpretation:* Following are the combined interpretation of effectiveness level and satisfaction level of the respondents

- Among the effectiveness level ranked highly effective

  ○ 5% have outstanding satisfaction level.

  ○ 12% have good satisfaction level.
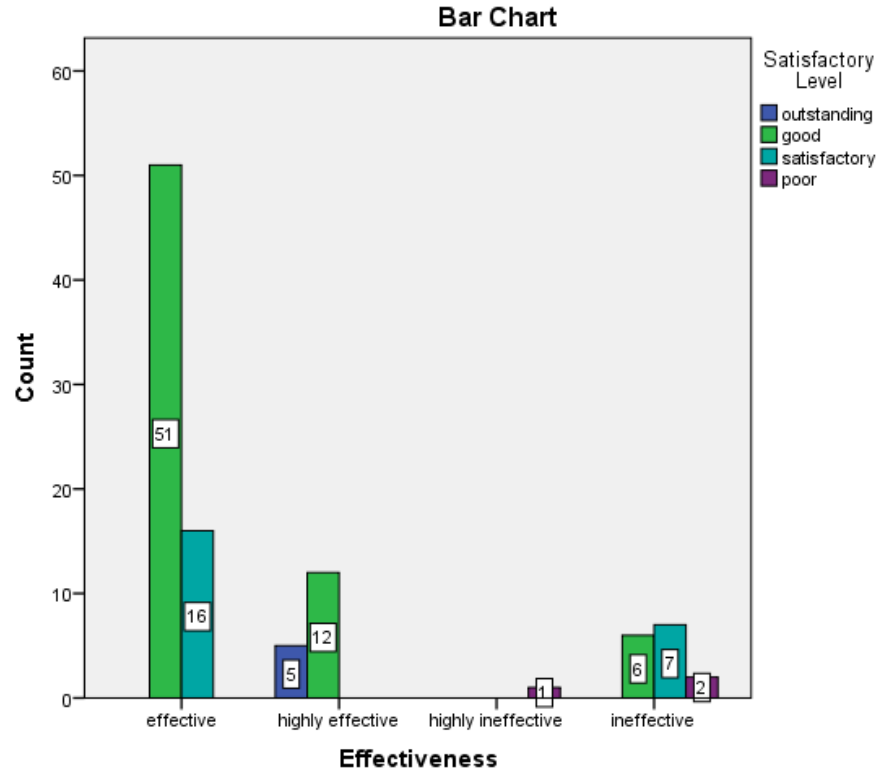
**Chart 3.17: Representing satisfaction level at each awareness level**
*Source:* **Table 3.21**

- ○ No one have satisfactory satisfaction level.
- ○ No one have poor satisfaction level.
- Among the effectiveness level ranked effective
  - ○ No one have outstanding satisfaction level.
  - ○ 51% have good satisfaction level.
  - ○ 16% have satisfactory satisfaction level.
  - ○ No one have poor satisfaction level.
- Among the effectiveness level ranked ineffective
  - ○ No one have outstanding satisfaction level.
  - ○ 6% have good satisfaction level.
  - ○ 7% have satisfactory satisfaction level.
  - ○ 2% have poor satisfaction level.
- Among the effectiveness level ranked highly ineffective
  - ○ No one have outstanding satisfaction level.
  - ○ No one have good satisfaction level.

- ○ No one have satisfactory satisfaction level.

- ○ 1% has poor satisfaction level.

- The key result in chi-square test table is the Pearson Chi-Square. The value of test statistics at degree of freedom (df) 9 is 74.666.The corresponding $p$ value of is .000. The chosen significance level is 0.05.

- Since the $p$ value is less than the chosen significance value, the null hypothesis ($H_0$) of hypothesis 3 is rejected and the alternate hypothesis ($H_1$) of hypothesis 3 is accepted. Thus concluded that the effectiveness of the schemes under the act is influenced by satisfaction level of beneficiary.

## Correlation Coefficient

Correlation refers to the technique used to measure the relation between two or more variable. The correlation coefficient rang from the value −1 to +1. Larger the absolute coefficient, stronger the relation between the variable and a 0 value indicate no relation between the variables. The sign of the correlation indicate the direction of the relation. If both variables increase or decrease together, the coefficient is positive. If one variable trends to increase and the other decrease, the coefficient is negative.

In this study correlation between awareness level & satisfaction level, effectiveness level & awareness level and effectiveness level & satisfaction level are taken into consideration.

**Table 3.22**
**Correlation between Satisfaction level and Awareness level**

|  |  | *Satisfactory Level* | *Awareness Level* |
|---|---|---|---|
| Satisfactory Level | Pearson Correlation | 1 | .780 |
|  | Sig. (2-tailed) |  | .028 |
|  | N | 100 | 100 |
| Awareness Level | Pearson Correlation | .780 | 1 |
|  | Sig. (2-tailed) | .028 |  |
|  | N | 100 | 100 |

[**]Correlation is significant at 0.05 level (2-tailed)
*Source:* Primary Data

*Interpretation:*

- The bivariate correlation is undertaken between the respondents. The key result in correlation is the Pearson correlation. The value of test statistics is .780.The corresponding p value of is .028. The chosen significance level is 0.05.

- It was hypothesized that a relationship exists between awareness level and satisfaction level. The result above shows that there exists a strong positive correlation between awareness level and satisfaction level.

**Table 3.23**
**Correlation between Effectiveness level and Awareness level**

| | | *Effective* | *Awareness Level* |
|---|---|---|---|
| Effective | Pearson Correlation | 1 | .835[**] |
| | Sig. (2-tailed) | | .000 |
| | N | 100 | 100 |
| Awareness Level | Pearson Correlation | .835[**] | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 100 | 100 |

[**]Correlation is significant at 0.05 level (2-tailed)
*Source:* Primary Data

*Interpretation:*

- The bivariate correlation is undertaken between the respondents. The key result in correlation is the Pearson correlation. The value of test statistics is .835.The corresponding p value of is .000. The chosen significance level is 0.05.

- It was hypothesized that a relationship exists between effectiveness level and awareness level. The result above shows that there exists a very strong positive correlation between effectiveness level and awareness level.

**Table 3.24**
**Correlation between Effectiveness level and Satisfaction level**

| | | *Effective* | *Satisfactory Level* |
|---|---|---|---|
| Effective | Pearson Correlation | 1 | .599[**] |
| | Sig. (2-tailed) | | .000 |
| | N | 100 | 100 |
| Satisfactory Level | Pearson Correlation | .599[**] | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 100 | 100 |

[**]Correlation is significant at 0.05 level (2-tailed) (Source: Primary Data)

*Interpretation:*

- The bivariate correlation is undertaken between the respondents. The key result in correlation is the Pearson correlation. The value of test statistics is .599.The corresponding *p* value of is .000. The chosen significance level is 0.05.

- It was hypothesized that a relationship exists between effectiveness level and satisfaction level. The result above shows that there exists a moderate positive correlation between effectiveness level and satisfaction level.

*Note:* Following were used to describe the level of correlation.
.00-.19 - "very weak"
.20-.39 - "weak"
.40-.59 - "moderate"
.60-.79 - "strong"
.80-1.0 - "very strong"

## 4. FINDINGS AND CONCLUSIONS

### Findings

1.  In gender distribution majority are male with 67%.

2.  In age distribution majority are between the age group of 28-38 with 47%.

3.  In occupation distribution majority come under technical staff with 57%.

4.  In sector distribution majority comes under trading and service with 40% each.

5.  In education qualification majority are having degree with 58%.

6.  In income distribution majority comes under annual income below 1 80 000 with 41%.

7.  Majority of the respondents with 70% have withdrawn their fund.

8.  Majority of the respondents with 57% have withdrawn their fund one time.

9.  Majority of the respondents with 40% have withdrawn their fund for education purpose.

10. Majority of the respondents with 77% have rated the procedural performance for claiming the fund as fast.

11. Majority of the respondents with 73% have considered provident fund as security instrument.

12. Majority of the respondents with 51% came to know about employee' provident fund through employer.

13. Majority of the respondents with 45% rank their awareness level as high.

14. Majority of the respondents with 69% rank their satisfaction level as good.

15. Majority of the respondents with 67% rank their effectiveness level as effective.

16. In the combined interpretation of awareness level and satisfaction level of the respondents following are found out:

    Among the awareness level ranked very high, 29% with good satisfaction level is the majority.

    Among the awareness level ranked high, 22% with good satisfaction level is the majority.

    Among the awareness level ranked moderate, 12% with good satisfaction level is the majority.

    Among the awareness level ranked very low, 6% with good satisfaction level is the majority.

17. In the combined interpretation of effectiveness level and awareness level of the respondents following are found out:

    (i)   Among the effectiveness level ranked highly effective, 14% with high awareness level is the majority.

    (ii)  Among the effectiveness level ranked effective, 40% with high awareness level is the majority.

    (iii) Among the effectiveness level ranked ineffective, 7% with very low awareness level is the majority.

(iv) Among the effectiveness level ranked highly ineffective, 1% with very low awareness level is the majority.

18. In the combined interpretation of effectiveness level and satisfaction level of the respondents following are found out:

   (i) Among the effectiveness level ranked highly effective, 12% with good satisfaction level is the majority.

   (ii) Among the effectiveness level ranked effective, 51% with good satisfaction level is the majority.

   (iii) Among the effectiveness level ranked ineffective, 7% with satisfactory satisfaction level is the majority.

   (iv) Among the effectiveness level ranked highly ineffective, 1% with poor satisfaction level is the majority.

19. The null hypothesis ($H_0$) of hypothesis 1 is accepted. The awareness level and satisfaction level are not independent. They are dependent to each other.

20. The alternate hypothesis ($H_1$) of hypothesis 2 is accepted. The effectiveness of the schemes under the act is influenced by awareness level of beneficiary.

21. The alternate hypothesis ($H_1$) of hypothesis 3 is accepted. The effectiveness of the schemes under the act is influenced by satisfaction level of beneficiary.

22. A Pearson's was run to determine the relationship between the awareness level and satisfaction level vales. There is a strong positive correlation between awareness level and satisfaction level ($r = .780$, N = 100, $p = 0.028$)

23. A Pearson's was run to determine the relationship between the effectiveness level and awareness level vales. There is a very strong positive correlation between effectiveness level and awareness level ($r = .835$, N = 100, $p < .001$)

24. A Pearson's was run to determine the relationship between the effectiveness level and satisfaction level vales. There was a moderate positive correlation between effectiveness level and satisfaction level ($r = .599$, N = 100, $p < .001$)

## 5. CONCLUSION

From the analysis and findings it is concluded that:

1. When awareness level increases, then satisfaction level also increase. And due to this positive correlation between awareness and satisfaction, these two variables where used to find the effectiveness level of the act.

2. Respondents consider Employees' Provident Fund as security instrument.

3. From findings 17 & 18 it is clear that majority of the respondents are in the opinion that the act effectiveness.

From the above conclusions it is concluded that *Employees' Provident Fund and Miscellanous Provision Act*, 1952 is effective in ensuring social security to the weaker section of the society where there are more chance of exploitation and victimization. And hence the null hypothesis ($H_0$) of hypothesis 4 is rejected and alternate hypothesis ($H_1$) of hypothesis 4 is accepted.

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