

News Letter

PAYROLL & COMPLIANCE

The monthly chronicle
April 2020

"STAY SAFE, STAY INDOORS."

ADP has been closely monitoring COVID-19 developments through local authorities and the World Health Organization. Following the on-going implications from the coronavirus pandemic, we are currently under a 3-week nationwide stay-at-home directive announced by our honorable Prime Minister on the 24th of March.

Despite of all the challenges that persist during these trying times, ADP continues to be focused on ensuring we deliver consistently in the same way that we have been for the last 70-years; on supporting our 810,000 clients through such unexpected events that challenge their business processes, across 140 countries and territories. For more information on our response and action during this period, and how are we tackling the COVID-19 pandemic, please visit us on <https://www.adp.in/>



Finance bill gets President's assent

During March session of the parliament, the proposed finance bill of the year 2020 was passed in both the houses. This bill has recently received the President's assent. Hence all the provisions and rules stated in the bill are now binding on all of us.

To refer the details of changes, you can go through the below link:

Budget updates:

http://imagesbu.adpinfo.com/Web/ADPBUServices/%7Bc3776489-fdca-4dd4-9ec9765e6ff0981f%7D.GESI.IND.FY2.Feb20.newsletter.Budget.pdf?elq_mid=5717&elq_cid=4952718&cid=elq.BUServices&assetid=5717

Webinar on Budget and how impacts payroll Part 1:

<https://wcc.on24.com/webcast/previewlobby?e=2212931&k=A67B38363B49822935DE612840F8F6E2>

Webinar on Budget and how impacts payroll Part 2:

<https://event.on24.com/wcc/r/2230853/710EFDFF21E673C8D94214263354D428?partnerref=IndiaMonthlyChronicle>

NEW AMENDMENTS IN THE LIGHT OF COVID

New advance facility under Provident Fund partial withdrawal introduced



As we all know, the Employee's Provident Fund Organisation (EPFO) has the provision of PF withdrawal for restricted categorical reasons like marriage, education or unemployment. But in the light of the current situation, EPFO has introduced a new withdrawal policy called "COVID-19 (Pandemic Advance Facility)".

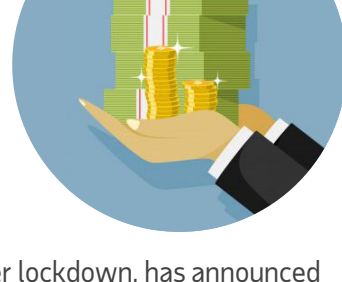
Under this new scheme, workers can withdraw up to 75% of the accumulated balance, or three months of wages in advance, whichever is less. This amount withdrawn would be considered as contingency expenditure and as non-refundable advance.

Note: This is applicable to all establishments without any restrictions. All employers and employees should ensure that complete KYC related information is updated on the EPFO Portal for all subscribers of the provident fund for seamless approval and withdrawal. All withdrawal requests are to be processed within 3 to 20 days, provided appropriate KYC information is available with EPFO.

For more information please refer the following link:

<http://egazette.nic.in/WriteReadData/2020/218950.pdf>

Government to pay PF contribution on behalf of selected companies



The Government of India, to help the companies under lockdown, has announced a major relief under EPFO provisions.

For every establishments which employs a minimum of 100 workers, and have 90% of their employees earning less than INR 15,000 per month, the Government of India has proposed to pay the EPF contribution for both, the employer and the employee (24%), for next three months.

Prohibition from Termination or Salary Reduction of Employees



Under these sensitive times, Ministry of Labour and Employment has issued an advisory, directly all companies to:

- Not cut/reduce salaries or
- Terminate or layoff off their employees.

In cases where the place of employment is made non-operational, or if any worker takes leave; then such a period would be deemed to be on duty and the salary for

such period would be paid without any deductions.

In case these directions are not followed there might be penalty and prosecution against the company.

To read further please refer the link:

<https://labour.gov.in/sites/default/files/CentralGovernmentUpdate.pdf>



More amendments issued by the authorities to ease business during this grave time:

1. The filing of Annual Returns for the Year 2019 under 8 Labour legislations and 10 central rules of Labour legislation is extended till the 30th of April 2020.
2. The Due date for Employee State Insurance (ESI) Corporation Contribution for the month of February 2020 and March 2020 has been extended i.e.
 - a. For February 2020 : 15 April 2020 (Original due date was 15th March 2020)
 - b. March 2020 : 15 May 2020 (Original due date was 15th April 2020)
3. GST returns for March, April and May can now be filed up to the 30th of June.
4. "Vivad Se Vishwas" wherein an individual can close their demand order after paying demand tax without any penalty and prosecution is now extended by three months i.e. up to the 30th of June.
5. The due date for Linking of PAN card with Aadhaar has been extended upto June 30th.
6. The due date for Revised Income Tax Return (ITR) for the FY 2018-19 can now be submitted up till the 30th of June, 2020. Also the rate of interest on such returns has been reduced to 9% (which earlier was 12%).
7. The rule for holding a board meeting and submitting MOM along with the annual returns has been relaxed for the next 2 quarters. That simply means that the company can choose to hold or avoid holding any such board meetings for the next 2 quarters, and is not required to furnish the MOM or the annual returns.
8. To enable easy cash reach to all individuals, minimum balance penalties will not be levied for next 3 months. Also the withdrawal charges from other bank's ATMs have been waived off.
9. Due dates for issue of notice, intimation, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents and time limit for completion of proceedings by the authority and any compliance by the taxpayer including investment in saving instruments or investments for roll over benefit of capital gains under Income Tax Act, Wealth Tax Act, Prohibition of Benami Property Transaction Act, Black Money Act, STT law, CTT Law, Equalization Levy law, Vivad Se Vishwas law where the time limit is expiring between the 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.
10. For delayed payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT made between 20th March 2020 and 30th June 2020, a reduced interest rate of 9% would be applied instead of 12%/18% per annum (i.e. 0.75% per month instead of 1/1.5% per month). No late fee/penalty shall be charged for delay relating to this period.
11. It is to be noted that there has NOT been an Extension of financial year. Many are under the assumption that the attached notification states the financial year has been extended to 1st of July. This notification actually means that the Central Government appoints 01.07.2020 instead of 01.04.2020, as the date on which the provisions of Part I of Chapter IV related to Amendments to Indian Stamp Act, 1899 which were notified by Finance Act, 2019 (7 of 2019) and NOT the financial year.
12. The proof submission period has been changed and extended from April to June by the Government of India.
13. The Government of India has introduced a new donation scheme i.e. "PM CARES Fund" wherein if an individual can contribute any fund or amount, which would be 100% tax-free, and allowable for exemption u/s 80G.

Monthly Compliance calendar



TDS	
Particulars	Due Date
TDS payment for the month	30 th April 2020
PROVIDENT FUND	
Particulars	Due Date
Payment for March	15 th April 2020
EMPLOYEE STATE INSURANCE	
Particulars	Due Date
Payment for March	15 th April 2020
PROFESSIONAL TAX	
State	Payment Due Date
Andhra Pradesh, Madhya Pradesh & Telangana	10 th April 2020
Assam, Odisha, Maharashtra	30 th April 2020
Gujarat	15 th April 2020
Karnataka	20 th April 2020
West Bengal	21 st April 2020
LABOUR WELFARE FUND (LWF)	
State	Due Date
Kerala (For S&E) - (Worker Welfare Fund)	5 th April 2020