



Enhancement of Wage Ceiling for purposes of the Employee Provident Fund

Prior Regulatory Framework

Under the Employees' Provident Funds Scheme, 1952 ("**EPF Scheme**"), the statutory wage threshold for coverage was initially prescribed in paragraph 2(f)(ii) thereof a Rs 6,500 per month. This meant that for employees drawing wages of more than this amount, the contribution was not mandatory. The Central Government subsequently issued Notification No. G.S.R. 608 (E) dated 22 August 2014, to increase this under paragraph 2(f)(ii) of the EPF Scheme to Rs. 15,000 with effect from 1 September 2014. Accordingly, for more than a decade, Rs. 15,000 per month remained the benchmark for coverage of eligible employees joining covered establishments.

The Code on Social Security, 2020 ("**Code**") has subsumed the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and provides for provident fund benefits under Chapter III. The Government of India, Ministry of Labour and Employment ("**MoLE**") issued Notification No. S.O. 2702 (E) dated 29 May 2026 ("**May Notification**"), prescribing Rs. 15,000 per month as the wage ceiling for the purposes of Chapter III of the Code, in exercise of its powers under Section 2(89) of the Code.

Enhancement of the Wage Ceiling

On 16 September 2026, the Union Cabinet, chaired by the Hon'ble Prime Minister Narendra Modi, approved the Ministry of Labour and Employment's proposal to increase the wage ceiling for mandatory Employees' Provident Fund Organization coverage from Rs. 15,000 to Rs. 25,000 per month.

Accordingly, by Notification bearing no. S.O. 5109(E) dated 17 September 2026, the MoLE has, in exercise of powers conferred under Section 2(89) of the Code and in supersession of the May Notification, has now notified Rs. 25,000 per month as the wage ceiling for the purposes of Chapter III of the Code, with effect from the date of publication of this notification in the Official Gazette i.e., 17 September 2026.

Employers will now need to review the wage structures of the employees and cover those employees for provident fund who will now become eligible under Chapter III of the Code in view of the increased wage ceiling read with the definition of wage under the Code.

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