FREQUENTLY ASKED QUESTIONS (FAQs)

Revision of EPFO Statutory Wage Ceiling

From ₹15,000 per month to ₹25,000 per month

Notification	Effective Date	Revised Wage Ceiling	Earlier Wage Ceiling
S.O. 5109(E) dated 17 September 2026	17 September 2026	₹25,000 per month	₹15,000 per month

Q1. What is the wage ceiling under EPFO?

Answer: The wage ceiling under EPFO is the maximum monthly wage taken into account for determining mandatory EPF, EPS and EDLI coverage under the Code on Social Security, 2020. It has now been revised from ₹15,000 to ₹25,000 per month, bringing a larger number of employees within the ambit of mandatory coverage, subject to the applicable provisions of the schemes.

Q2. From what amount has the wage ceiling been revised, and to what?

Answer: The statutory wage ceiling has been increased from ₹15,000 per month to ₹25,000 per month.

Q3. In simple terms, what does raising the ceiling from ₹15,000 to ₹25,000 mean for an ordinary employee?

Answer: It means employees drawing wages of up to ₹25,000 per month will now be mandatorily required to become members of the EPF, EPS and EDLI schemes, and both employees and employers will contribute on wages up to ₹25,000. This extends social-security coverage to more employees and enhances the quantum of benefits available under EPF and EPS.

Q4. Why has the wage ceiling been revised?

Answer: The ceiling had remained unchanged at ₹15,000 since September 2014, even as wages and minimum wages rose substantially over the following years. Across at least eight major States and Union Territories, the statutory minimum wage for unskilled workers already exceeds ₹15,000 — meaning even minimum-wage earners were falling outside social-security coverage. Trade unions and employer representatives had also highlighted that the minimum wage and average wage had increased across states and sectors, and that the unchanged ceiling was resulting in a number of employees being excluded from EPF coverage. The revision brings the statutory threshold more in line with prevailing wage levels and extends social-security coverage to more employees and their families, including many existing members who were contributing only on ₹15,000 despite earning more.

Q5. Is the revised wage ceiling applicable to EPF, EPS and EDLI?

Answer: Yes. The revised wage ceiling expands the statutory coverage framework under both EPF, EPS and EDLI.

Q6. Who will benefit from the revised wage ceiling?

Answer: Employees drawing wages above ₹15,000 and up to ₹25,000 per month, who satisfy the applicable statutory conditions, will come within the expanded mandatory coverage. The revision is estimated to bring more than 51 lakh additional employees under mandatory EPFO coverage. Further, the quantum of benefits for existing members having wages exceeding ₹15,000 shall also increase consequent to increased contributions.

Q7. How will the increase in the EPF wage ceiling from ₹15,000 to ₹25,000 effective from 17.09.2026 will affect the contributions of an employee earning ₹20,000 per month? Give illustrations for filing of ECR for the month of September 2026.

Answer: For an employee earning **wages of ₹20,000 per month** the calculation of contribution for the month of September 2026 is as follows:

Contribution Head for September 2026	**Scenario A: Existing employee who becomes a member from 17.09.2026**	**Scenario B: Existing Member (EPF & EDLI only) contributing on ₹20,000 Newly Enrolled in EPS from 17.09.2026**	**Scenario C: Existing Member (EPF, EPS & EDLI) Contributing on ₹15,000 Cap till 16.09.2026, Moving to ₹20,000 from 17.09.2026**
Proportionate wages for *01.09.2026 to 16.09.2026 i.e. 16 days*	**₹0** (Excluded employee till 16.09.2026; wages exceeded ₹15,000 ceiling)	**₹10,666.67** (₹20,000 × 16/30)	**₹8,000.00** (₹15,000 × 16/30)
Proportionate wages *(17.09.2026 to 30.09.2026)*	**₹9,333.33** (₹20,000 × 14/30;)	**₹9,333.33** (₹20,000 × 14/30)	**₹9,333.33** (₹20,000 × 14/30)
Total September Wage (EPF)	**₹9,333.33**	**₹20,000.00**	**₹17,333.33**
Total September Wage (EPS)	**₹9,333.33**	**₹9,333.33**	**₹17,333.33**
Employee Contribution EPF (12%)	**₹1,120.00** (12% of ₹9,333.33)	**₹2,400.00** (12% of ₹20,000.00)	**₹2,080.00** (12% of ₹17,333.33)
Employer contribution EPF (A/c 1)	**₹342.53** (3.67% of ₹9,333.33)	**₹1,622.53** (12% on ₹10,666.67 + 3.67% on ₹9,333.33)	**₹636.13** (3.67% of ₹17,333.33)
Employer contribution EPS (A/c 10)	**₹777.47** (8.33% of ₹9,333.33)	**₹777.47** (₹0 in Period 1 + 8.33% on ₹9,333.33 in Period 2)	**₹1,443.87** (8.33% of ₹17,333.33)
Employer EDLI (A/c 21 - 0.50%)	**₹46.67** (0.50% of ₹9,333.33)	**₹100.00** (0.50% of ₹20,000.00)	**₹86.67** (0.50% of ₹17,333.33)

Admin Charges (A/c 2 - 0.50%)	**₹46.67** (0.50% of ₹9,333.33)	**₹100.00** (0.50% of ₹20,000.00)	**₹86.67** (0.50% of ₹17,333.33)
Total Statutory Remittance for September in respect of member	**₹2,333.34**	**₹5,000.00**	**₹4,333.34**

Q8. Will employers have to file two ECRs for September 2026?

Answer: No. The September 2026 wage month is to be dealt with through the applicable ECR filing mechanism in a **SINGLE ECR**, with the contribution calculated appropriately taking into account the two wage ceiling periods **(See the illustration in Q7 above)**. The return for September 2026 is ordinarily due by 15 October 2026.

Q9. How should an employer report contribution for existing employees in the ECR for the wage month September 2026 (effective 17.09.2026)?

Answer: For an existing employee, the employer should calculate contributions separately for the two periods:

Period 1: Up to 16.09.2026

Contribution will be calculated subject to the earlier wage ceiling of ₹15,000.

Period 2: From 17.09.2026

Contribution will be calculated subject to the revised wage ceiling of ₹25,000

In case an existing employee is an EPF member and excluded under EPS, and his wages are in the range of 15000-25000, such employee needs to be made a member of EPS w.e.f. 17.09.2026. accordingly, his contributions towards EPS starts from 17.09.2026.

Illustration

An employee has EPF wages of ₹20,000 per month and was not a member of EPS earlier. He will now become a member w.e.f. 17.09.2026

For September 2026 **(See the detailed illustration in Q7 above)**.:

Period	Applicable ceiling	EPF wages considered	EPS wages
01.09.2026 to 16.09.2026	₹15,000	₹15,000	NIL
17.09.2026 to 30.09.2026	₹25,000	₹20,000	₹20,000

Q10. Can the additional employee contribution for September 2026 be recovered from the October salary?

Answer: Where additional employee contribution becomes payable from 17 September 2026, the contribution is attributable to the September 2026 wage month and should be reported/remitted through the September 2026 ECR. Where deduction from salary could not be effected for employees newly made eligible for coverage, employers will be permitted to defer recovery of the Employee Share (EE) to the next payroll cycle for the purposes of Member take home salary computation without seeking any formal relaxation or prior approval from the Inspector-cum-Facilitator; instructions in this regard are being issued by EPFO. However, the employer should still file the ECR for the September wage month on or before the due date, giving full details of employee and employer contribution **(See the illustration in Q7 above)**, and remit the contribution within the timeline to avoid interest and penalty.

Q11. If an Employee Share (EE) deduction cannot be processed in the current payroll, can it be recovered in the next payroll cycle? Do employers require prior approval from the Inspector-Facilitator, given that the ECR and remittance for September must still be filed by 15 October?

Answer: Yes, the recovery can be made in the subsequent payroll cycle for the purposes of Member take home salary computation without requiring prior approval from the Inspector-Facilitator for the September wage month. As per Paragraph 22 of the Employees' Provident Funds Scheme, 2026, while the employer is generally expected to deduct the employee's contribution from the wages of that specific month, provisions exist for recovery from subsequent wages under specific operational contingencies. The following points should be noted for compliance:

- Where deduction from salary could not be effected for employees newly made eligible for coverage for the September wage month, employers may defer recovery of the Employee Share (EE) to the next payroll cycle without seeking formal relaxation or prior approval from the Inspector-cum-Facilitator. Instructions in this regard are being issued by EPFO.
- This deferment applies strictly to the internal payroll adjustment i.e. for the purposes of Member take home salary computation. The Electronic Challan-cum-Return (ECR) filing and the full statutory remittance (both employer and employee components) for the September wage month must be completed on or before the mandated deadline of 15 October **(See the illustration in Q7 above)**.
- EPFO will update its employer portal, and validations will be relaxed to enable employers to report proportionate contributions for the September wage month smoothly.

Q12. I am earning ₹20,000 per month. I am currently an EPF member but not an EPS member. My entire employee contribution and employer contribution (i.e. 24%) goes towards EPF. What will happen after the increase in the wage ceiling?

Answer: With the increase in the wage ceiling to ₹25,000, you are required to become a member of EPS. The calculations for EPF, EPS, EDLI contributions have been illustrated in details in Q7 above.

Your contribution i.e. employee contribution will be 12% of your EPF wages. The employer will also contribute 12%, out of which 8.33% will go towards EPS and the balance towards EPF.

Illustration:

If your EPF wages are ₹20,000: the contributions **from the wage month of October 2026 onwards will be for the full month (for contribution for the month of September 2026 refer to Question No. 7)**

Contribution	**Rate**	**Amount**
Employee's EPF contribution	12%	₹2,400
Employer's contribution towards EPS	8.33%	₹1,666
Employer's contribution towards EPF	3.67%	₹734
Total	24%	₹4,800

The 12% employee contribution continues, while the employer's 12% contribution is divided between EPF and EPS as applicable.

Q 13. Give illustrations for contribution in various schemes for different salary structure from October wage month onwards?

For different salary structure, the payment of EPF dues **from October wage month** may be seen as follows:

Monthly PF Wages (Basic + DA)	**Employee Share: EPF (12%)**	**Employer Share: EPS (8.33%)**	**Employer Share: EPF (3.67%)**	**EDLI Contribution (0.5%)**	**EPF Admin Charges (0.5%)**
₹ 10,000	₹ 1,200	₹ 833	₹ 367	₹ 50	₹ 50
₹15,000 *(Old Cap)*	₹ 1,800	₹ 1,250	₹ 550	₹ 75	₹ 75
₹20,000 *(New Bracket)*	₹ 2,400	₹ 1,666	₹ 734	₹ 100	₹ 100
₹25,000 *(New Cap)*	₹ 3,000	₹ 2,083	₹ 917	₹ 125	₹ 125

₹35,000 *(Above Cap)*	₹ 3,000	0*	₹ 3000 (@12%)	₹ 125	₹ 125

**Membership of EPS is available only to such employees whose wages as on the date of joining or as on the date of implementation of new wage ceiling, do not exceed the wage ceiling (i.e.₹25,000 per month w.e.f 17.09.2026)*

The minimum administrative charges are, however, ₹500 per month for such establishment, which have at least one contributing member during the month and ₹75 per month per establishment, in case the establishment has no active contributory members during that specific wage month.

Q14. How will the wage ceiling affect CTC?

Answer: CTC is not itself a statutory concept for determining the employer's PF liability. PF contributions have to be determined with reference to the applicable statutory definition of wages and the relevant provisions. CTC is a generally considered total cost incurred by the employer towards the employee. This represents an arrangement between the employer and the employee. If contributions were being made on the earlier wage ceiling of ₹15,000 but the actual PF wages were higher, the increase in the wage ceiling will increase the EPF, EPS, EDLI and Admin charges accordingly. Employers should view their share of the social security contributions as a way to promote robust HR practice with the objective of increasing employee satisfaction and retention.

Q15. Can an employer recover the increased employer PF contribution from the employee by adjusting CTC?

Answer: The employer's contribution and the employee's contribution are legally distinct. CTC is not itself a statutory concept for determining the employer's PF liability — PF contributions have to be determined with reference to the applicable statutory definition of wages and the relevant provisions. The employer's statutory contribution cannot simply be treated as an employee deduction merely by describing it as part of CTC. **Employers should ensure that statutory employer contributions are made correctly and that the employee's statutory wages are not reduced contrary to applicable law.**

Q16. Will employees' take-home salary go down because of this change?

Answer: This has to be understood differently. The PF contribution goes to the Employee’s own PF account (except the EPS contribution which is used to provide pension later). Any increase in employee share of EPF due to increase in wage ceiling is correspondingly also fully matched by the employer, earns consistently better interest, comes with tax benefits, and builds towards a guaranteed pension and free insurance coverage: a small trade-off for lifelong security. This increase guaranteed, steady, compounding savings that belong entirely to the employee and grow every year, safely and reliably. It may be thought of as moving from the ‘take home pocket’ to the ‘PF account pocket’ of the employee. It is his own money and always available to him. The balance in the PF account is easily accessible and can be withdrawn to the extent of 75%

at any time for any need. It is the same as having money in your bank account. At the same time, this money in the PF account accrues better returns while providing easy liquidity.

Q17. Will an employee's PF contribution increase because of the revised ceiling?

Answer: Where PF contributions are required to be made on the revised applicable wage, the employee's contribution may increase, since it is calculated as a percentage of PF wages. For example, at a PF wage of ₹20,000, a 12% employee contribution would be ₹2,400 per month, compared with ₹1,800 on a ₹15,000 wage ceiling.

Q18. Will the revised ceiling increase PF accumulation for members?

Answer: Yes, for the employees who are in the bracket of ₹15,000-₹25,000 or where the employee was earning more than ₹25,000 but contributing at ₹15,000. This can result in higher EPF accumulation along with applicable interest. The actual amount depends on the wage on which contributions are made.

Q19. Does the revised ceiling mean every employee earning up to ₹25,000 will now be covered?

Answer: Yes, the revised ceiling expands mandatory coverage up to ₹25,000 per month, but this remains subject to the applicability and conditions of the EPF Scheme and other relevant statutory provisions, and must be read together with those provisions.

Q 20. Will employees earning between ₹15,000 and ₹25,000 become eligible for EPFO coverage?

Answer: Yes. The principal effect of the revision is to extend the mandatory coverage threshold from ₹15,000 to ₹25,000 per month, bringing eligible employees in this wage range within the expanded statutory coverage. For example, an employee joining today at a monthly wage of ₹20,000 is currently outside the EPF and EPS system; under the revised ceiling, such an employee would be required to be enrolled in both, creating a more robust social-security safety net for the employee and their family.

Q21. Does the enhancement mean that every employee must contribute PF on ₹25,000?

Answer: Not necessarily. The ₹25,000 figure is the revised statutory wage ceiling for mandatory coverage under Chapter III of the Code on Social Security, 2020.

Where an employee's wages are lower than ₹25,000, contributions would be determined with reference to the wages.

Where the wages exceed ₹25,000, the statutory contribution may generally be restricted to the prescribed ceiling unless the employee is covered/contributing on higher wages under the applicable provisions and scheme requirements. Employers should therefore examine each employee's existing PF status and contribution arrangement rather than mechanically applying ₹25,000 to every employee.

Q22. What happens to employees who were already contributing on wages above ₹25,000?

Answer: The enhancement of the statutory ceiling does not by itself mean that employees who are already contributing on higher wages need to reduce their contribution to ₹25,000. Existing arrangements for contribution on higher wages should continue to be governed by the applicable statutory provisions, scheme provisions and the terms under which such higher-wage contributions were permitted.

Q23. I am earning ₹20,000 per month. I am currently an EPF member but not an EPS member. My entire employee contribution and employer contribution (i.e. 24%) goes towards EPF. What will happen after the increase in the wage ceiling?

Answer: With the increase in the wage ceiling to ₹25,000, you are required to become a member of EPS.

Your contribution i.e. employee contribution will be 12% of your EPF wages. The employer will also contribute 12%, out of which 8.33% will go towards EPS and the balance towards EPF.

Illustration:

If your EPF wages are ₹20,000: from the wage month of October 2026,

Contribution	Rate	Amount
Employee's EPF contribution	12%	₹2,400
Employer's contribution towards EPS	8.33%	₹1,666
Employer's contribution towards EPF	3.67%	₹734
Total	24%	₹4,800

The 12% employee contribution continues, while the employer's 12% contribution is divided between EPF and EPS as applicable.

Q24. Does the entire gross salary become subject to PF now that the ceiling is ₹25,000?

Answer: No. The wage ceiling and gross salary are not synonymous. PF contribution continues to be determined with reference to PF wages and the contribution provisions applicable under the EPF Scheme and related statutory provisions, not the entire gross salary.

Q25. Will my entire salary be considered for determining the ₹25,000 wage ceiling?

Answer: No. The wage ceiling is determined with reference to wages as defined under section 2(88) of the Code on Social Security, 2020 and not simply the employee's total gross salary.

Q26. My gross salary is ₹60,000 per month, but my EPF wages (Basic + DA + Retaining Allowance) are ₹30,000. Am I required to be covered?

Answer: No. However, you can voluntarily opt to become a member of EPF with the consent of your employer.

Q27. My gross salary is ₹50,000 per month, but my EPF wages are ₹25,000. Am I covered?

Answer: Yes, you are required to be a member under all three schemes — EPF, EPS and EDLI. The fact that your gross salary is ₹50,000 does not by itself exclude you. Your relevant EPF wages are ₹25,000, which is within the revised wage ceiling.

Q28. I am earning ₹20,000 per month and I am currently an excluded employee. What will happen after the increase in the wage ceiling?

Answer: From the date of the wage-ceiling revision, you are required to become a member of the Employees' Provident Fund, the Employees' Pension Scheme and the Employees' Deposit Linked Insurance Scheme.

Q29. What will happen to excluded employees who were already working as on 17 September 2026 and whose EPF wages are less than ₹25,000?

Answer: The employee is required to be made a member of EPF, EPS and EDLI with effect from 17 September 2026. The employer is required to make contributions for such members from that date.

Q30. Will members have to make a separate application to get covered under the revised ceiling?

Answer: No, the revised statutory ceiling does not require members to submit any separate application. It will be the statutory responsibility of the employer to enrol such members and start compliance for them.

Q31. Will EPS membership be automatic for all employees newly brought within the ₹25,000 ceiling?

Answer: Yes. It will be the statutory responsibility of the employer to enrol such members and start compliance for them.

Q32. What direct benefit will employees earning ₹15,000–₹25,000 get from this decision?

Answer: They will be able to contribute on wages up to ₹25,000 and will benefit from a correspondingly higher employer contribution. For example, an employee drawing wages of ₹20,000 would now receive an employer contribution of ₹2,400 instead of ₹1,800 per month, leading to higher accumulation in their EPF account. In addition, the higher wage ceiling increases the pensionable salary considered at the time of retirement, which will increase the pension payable under EPS.

Q33. Will the employer's contribution also increase?

Answer: Where contributions are made on a higher applicable PF wage, the employer's statutory contribution may also increase in accordance with the EPF/EPS provisions.

Q34. How much of the eligible PF balance can be withdrawn under the revised withdrawal framework?

Answer: The withdrawal reforms allow withdrawal of up to 75% of the eligible PF balance in specified circumstances, while 25% is retained as a minimum balance, subject to the applicable provisions.

Q35. Will the revised ceiling increase pension under EPS?

Answer: The revised ceiling expands the scope for EPS coverage and permits pensionable wages to be considered up to the revised statutory ceiling, subject to applicable EPS provisions. An individual member's actual pension will continue to depend on pensionable salary, pensionable service and other applicable conditions.

Q36. Can the revised ceiling result in a higher EPS pension?

Answer: For an eligible member whose pensionable wage is taken at a higher level under the revised provisions, the pension amount may be higher, subject to the applicable EPS formula and conditions. However, the revision does not mean every existing pensioner or member will automatically receive a proportionate increase.

Q37. Does the revised ceiling affect the Government's EPS contribution?

Answer: The Government's EPS contribution remains limited to 1.16% of wages up to ₹15,000 per month. The revision of the statutory ceiling to ₹25,000 does not, by itself, increase the Government's contribution beyond ₹174 per month per member. However, this will not have any impact on the member’s pension as it is dependent on the pensionable wages and pensionable service.

Q38. Will the increase in the EPFO wage ceiling from ₹15,000 to ₹25,000 increase the maximum EDLI benefit from ₹7 lakh to ₹10.5 lakh?

Answer: No. The increase in the wage ceiling can increase the wage-linked component used for calculating the EDLI benefit, but the maximum assurance benefit presently payable under EDLI remains ₹7 lakh.

For example:

- Average monthly wage = ₹25,000
- 35 × ₹25,000 = ₹8,75,000
- 50% of average PF balance = up to ₹1,75,000
- Mathematical calculation can therefore reach ₹10,50,000.

However, the EDLI benefit remains limited to the existing maximum assurance benefit of ₹7 lakh as per the present EDLI Scheme 2026.

Further, an actuarial valuation of the EDLI fund will be undertaken. Based on the analysis, the benefits may be decided in future.

Q39. What will the increase in wage ceiling cost the employer?

Answer: For employers, the additional cost is a predictable, well-understood 12% matching contribution — split as 3.67% towards EPF and 8.33% towards EPS, capped at the revised ₹25,000 wage ceiling. This can be partly offset by the incentive of upto Rs.3000 per month for every additional employment created under PMVBRY. Beyond the contribution itself, formalising more of the workforce also reflects well on India as an investment destination, since global buyers and investors increasingly favour suppliers with strong, verifiable labour-compliance records.

Q40. Will the enhancement of the wage ceiling be a challenge for MSMEs?

Answer: The rate of contribution for MSMEs is the same as that of any other establishment under the Code on Social Security, 2020. The potential costs due to increase in the wage ceiling can be partly offset by the incentive of upto Rs.3000 per month for every additional employment created under PMVBRY.

Q41. Will the benefit under Part A of the PMVBRY scheme also increase following the increase in the EPF wage ceiling from ₹15,000 to ₹25,000?

Answer: No. An eligible first-time employee under Part A will continue to receive a benefit equivalent to one month's EPF wage, subject to a maximum of ₹15,000, in accordance with the PMVBRY scheme.

Q42. Is the revision only about increasing PF savings, or does it aim at broader retirement security?

Answer: It is not limited to increasing EPF accumulation. Because the wage ceiling has gone up, pensionable salary at the time of retirement will also increase, which in turn increases the pension payable to the employee on retirement. The revision therefore has wider social-security implications beyond PF savings alone.

Q43. What social-security protections — beyond Provident Fund — will newly covered employees receive?

Answer: Members covered under EPS receive a pension for life on retirement, followed by a spouse's pension for life. In the unfortunate event of death during service — even after just one month of service — the family becomes eligible for benefits such as a widow's pension for life, children's pension for two children up to the age of 25, orphan pension where no parent is alive, and a nominee/dependent-parent pension where there is no spouse or child. The scheme also provides a lifelong pension in case of total and permanent disablement, including for permanently disabled children. In addition, EDLI members are covered by a life-insurance benefit of up to ₹7 lakh, payable to the nominee or legal heirs in the unfortunate event of death during service. The cost of this insurance cover — 0.5% of wages — is borne entirely by the employer and is free (zero cost) for the employee.

Q44. Why do EPF, EPS and EDLI matter for an employee, taken together?

Answer: EPF is a highly safe savings instrument offering good returns and tax benefits; it builds disciplined savings through one's career, yielding handsome compounded returns at retirement, while also allowing a member with at least one year of service to withdraw up to 75% of accumulations to meet unforeseen needs — combining safety, security and liquidity. EPS provides a pension for life on retirement, followed by a spouse's pension for life, and — in case of the member's death even after just one month of service — a widow's pension for life along with children's pension up to age 25 (or pension to nominee/dependent parents where there is no family). It also provides a lifelong pension in the event of total and permanent disablement, including for disabled children. EDLI provides the nominee or legal heirs a life-insurance benefit of up to ₹7 lakh in the unfortunate event of the member's death during service.

Q45. Is it true that the Ministry of Labour and Employment (MoLE) is considering postponing the effective date of the revised ₹25,000 EPF/EPS wage ceiling from 17 September 2026 to 1 October 2026, to ease payroll computation and portal-upload difficulties for industry?

Answer: No. The revised wage ceiling remains effective from 17 September 2026.

Q46. What should employers do immediately?

Answer: Employers should undertake the following steps:

- Identify employees in the ₹15,000–₹25,000 wage band.
- Identify existing PF members whose contribution was restricted to ₹15,000.
- Identify employees who may become newly covered from 17 September 2026.
- Review the statutory wage components used for PF purposes.
- Update payroll calculations for the September 2026 transition.
- Calculate September contributions separately for the periods 1–16 September and 17–30 September, as applicable.
- Ensure that the September ECR correctly captures the applicable contribution.
- Review EPS eligibility and membership status of affected employees.
- Review contractor compliance wherever contract labour is engaged.
- Update payroll/HR systems and employee communication material.
- Maintain a clear audit trail of the calculations and changes made.
- Monitor EPFO circulars and portal instructions for subsequent operational clarifications.

Q47. What is the key message employers should communicate to employees?

The enhancement of the wage ceiling represents a widening of statutory social-security coverage.

Employees who fall within the revised coverage threshold can now receive the benefits associated with the EPFO framework, including provident fund savings, pension protection and insurance coverage, subject to the applicable statutory and scheme conditions.

For existing members, the higher ceiling may also result in contributions being made on a higher statutory wage base, thereby increasing retirement savings and, where applicable, pensionable wages.

Employees should also understand that an increase in the PF contribution shall result in a corresponding positive impact on overall finances of the employee, because such deduction towards EPF shall immediately yield addition of matching contribution of employer **in his own PF account**, which, in turn, earns one of the best interest (8.25% per annum in FY25-26, compounded at monthly running balance), tax-free savings, Monthly pension and premium free insurance. Hence, ensuing benefits definitely outweigh such enhanced deduction.

Q48. What is the most important compliance message for employers?

Answer: The revised ₹25,000 ceiling is effective from 17 September 2026. Employers should not wait for the next payroll cycle to begin reviewing their affected employee population.

The immediate priority should be to identify, calculate, enrol, report, remit and reconcile.

In particular, employers should ensure that employees who fall within the revised mandatory coverage requirements are appropriately covered from the effective date and that the September 2026 ECR accurately reflects the applicable contributions.