

Ministry of Labour & Employment



Dr. Mansukh Mandaviya Chairs 239th meeting of Central Board of Trustees (CBT), EPF

Central Board recommends 8.25% rate of interest on EPF to its subscribers for FY 2025-26

Board approves pilot project for auto-initiation of claim settlement in inoperative EPFO accounts with unclaimed balances of Rs 1,000 or less; over 1.33 lakh accounts with nearly Rs 5.68 crore to be covered

CBT approves Amnesty Scheme for exempted establishments to protect interest of workers and faster resolution of disputes

Approval of new EPF, EPS and EDLI

Schemes in Alignment with Code on Social Security, 2020

New simplified SOP on EPF exemption to enhance efficiency, transparency and ease of compliance

Posted On: 02 MAR 2026 3:37PM by PIB Delhi

Union Minister for Labour & Employment and Youth Affairs & Sports, Dr. Mansukh Mandaviya chaired the 239th meeting of Central Board of Trustees (CBT), Employees' Provident Fund (EPF) in New Delhi today. The Vice-Chairman Sushri Shobha Karandlaje, Minister of State for Labour & Employment and Micro, Small & Medium Enterprises, Co-Vice-Chairperson Ms. Vandana Gurnani, Secretary, Labour & Employment and Member Secretary Shri Ramesh Krishnamurthi, Central Provident Fund Commissioner were also present during the meeting.



After due deliberations, CBT recommended 8.25 % annual rate of interest to be credited on EPF accumulations in members' accounts for the financial year 2025-26. The interest rate would be officially notified by the Government of India, following which EPFO would credit the rate of interest into the subscribers' account.

Despite global uncertainties, EPFO has maintained strong financial discipline, ensuring stable and competitive returns without straining the interest account. The decision benefits crores of workers by strengthening their retirement security, while reaffirming EPFO's commitment to safeguarding contributions and delivering prudent, sustainable, and attractive returns compared to other similar investment avenues.



EPFO has been able to declare an interest rate of above 8% for the past several years owing to good returns given by ETF and other investments. The decision reflects the strong credit profile of EPFO's investment portfolio and its sustained ability to deliver competitive returns to its members.

Further, continuing the reforms in EPFO, under the chairmanship of Dr. Mandaviya, following agenda items were placed before the Board for discussion & approval:-

- **Amnesty Scheme for Exempted Establishments:** The Board approved a one-time Amnesty Scheme to address compliance issues arising from income tax-recognized trusts that are yet to be covered or granted exemption under the EPF & MP Act, 1952, duly taking into account the provisions of the Finance Act, 2026. The proposed scheme seeks to bring establishments and trusts into compliance

within a defined six-month period, primarily to protect workers' interests while waiving damages, interest and penalties for those that have already provided benefits equal to or better than the statutory scheme. It allows retrospective relaxation or exemption subject to specified conditions and ensures that all eligible employees receive statutory benefits. The measure is expected to resolve over 100 active litigation cases, along with several others, thereby benefiting thousands of trust members. The scheme shall apply to those exempted establishments which have complied with the provisions of EPF & MP Act, 1952.

- **New simplified SOP on EPF exemption:** The Board approved the new simplified SOP on EPF Exemption, consolidating the existing four SOPs and the Exemption Manual into a single comprehensive framework, which aims to reduce compliance burden. The SOP also provides an end-to-end digital process for surrender and transfer of past accumulations. This technology-driven governance approach will make audit of exempted establishments more transparent and efficient. A unified framework will promote ease of doing business, ensure transparency with paperless work, faster processing of surrender/cancellation of exemption cases and incentivize compliant behavior through risk-based online audit.
- **Alignment of existing EPF, EPS & EDLI Schemes with the provisions of Code on Social Security, 2020:** CBT has approved the notification of new social security schemes under the Code on Social Security, 2020 to ensure seamless transition from the existing framework. The newly approved EPF Scheme, 2026, EPS, 2026 and EDLI Scheme, 2026 will replace the current schemes and provide a legally robust foundation for administering provident fund, pension and insurance benefits.
- **Approval of Annual Report:** The CBT approved the Annual Report of EPFO for the year 2024-25 and recommended it for tabling before the Parliament. The Annual Report highlights expansion of social security coverage, various digitisation initiatives, service delivery improvements and organisational performance during the year 2024-25.

During FY 2024–25, EPFO registered robust operational and financial performance. Total contributions amounted to ₹3,35,628.81 crore, with 2,86,894 new establishments brought under coverage and 1,22,89,244 new members enrolled. The Organisation served 81,48,490 pensioners and settled 6,01,59,608 claims, including 69,983 EDLI claims. A total of 17,33,046 grievances were redressed and 39,74,501 calls were attended to during the year. The rate of interest on EPF deposits for FY 2024–25 has been declared at 8.25%.

Further, the Board was informed that during FY 2024 - 25, EPFO implemented several key reforms including pan-India rollout of the Centralised Pension Payment System (CPPS) and introduction of Digital Life Certificate submission through Facial Authentication Technology (FAT). The Employees' Pension Scheme (EPS), 1995 was amended to allow withdrawal benefits for even one month of contribution, and EDLI benefits were enhanced with assurance ranging from ₹2.5 lakh to ₹7 lakh for members in continuous period of employment for 12 months. A uniform penal damages rate of 1% per month was notified to simplify compliance effective from 14.06.2024. EPFO also received seven ISSA Good Practice Awards (Asia &

Pacific, 2024). Additionally, multiple IT-enabled citizen-centric measures were introduced to simplify claims, ensure delinking of Erroneous/Fraudulent UAN linkages, facilitate online transfers and corrections, online system for surrender of exemption and transfer of past accumulations and submit joint declarations where member does not have Universal Account Number (UAN) based login.

- **Liquidation of Inoperative Accounts in EPF:** Under the EPF provisions, an account is treated as inoperative if no contribution is received for a continuous period of three years after the member has attained 55 years of age or from the date of retirement, whichever is later. For liquidation of such accounts, the Board approved a pilot project for auto-initiation of claim settlement in inoperative EPFO accounts with unclaimed balances of Rs 1,000 or less. In the first phase, around 1.33 lakh such accounts, amounting to nearly Rs 5.68 crore will be covered under this reform initiative. The amounts will be directly credited to members' Aadhaar-seeded and EPFO-linked bank accounts without requiring fresh claims or documentation, significantly simplifying the process and helping members receive their dues faster. Based on the success of the pilot, the facility will be extended in subsequent phases to accounts with balances above Rs 1,000, further strengthening member-centric reforms in EPFO.

This initiative will facilitate faster credit of long-pending balances to members, reduce procedural delays, improve data accuracy, and further enhance ease of access and service delivery for EPFO members.



- **Balance Sheet of EPFO:** Audited Annual Accounts of EPFO in respect of EPF Scheme, 1952, EPS 1995 and EDLI Scheme 1976 for the Organisation for the financial year 2023-24 were approved by the CBT for adoption and for placing the same before the Parliament.
- **Annual Budget of EPFO:** The Board also approved the Revised Estimates for the year 2025-26 and Budget Estimates for the year 2026-27 for EPFO and Schemes administered by EPFO.
- **Signing of Agreement on Social Security relating to Social Security contributions between India and the United Kingdom:** India has signed 22 bilateral Social Security Agreements so far. However, for the first time, a Double Contributions Convention (DCC) Agreement has been negotiated as part of the Comprehensive and Economic Trade Agreement (CETA). A side letter on a reciprocal DCC Agreement was signed on 24 July 2025 alongside CETA. The signing took place in the presence of the Prime Ministers of both countries and was executed by the Commerce and Industry Minister of India and the Exchequer Secretary to the Treasury of the United Kingdom. This reduces costs for both the worker and their employer and improves the cost-competitiveness of Indian talent.

- **SOP on the response protocol for corporate actions, buyback and call/put options:** The Board approved a comprehensive SOP to institutionalize a transparent and time-bound framework, providing for structured decision-making, strengthened oversight by the Investment Monitoring Cell (IMC), safeguards against reinvestment and interest rate risks, and a clear audit trail. A consolidated corpus exceeding ₹28.34 lakh crore as on March 2025 and its substantial investments in Government Securities, SDLs, PSU Bonds and other permitted instruments, timely and structured decision-making in response to corporate actions is critical to safeguard members' funds and optimise returns.

This will enable prompt investment decisions in line with prevailing market conditions, thereby minimising risks arising from delays, while ensuring that all actions are taken strictly in accordance with laid down policy and governance norms to protect members' long-term interests.

- **SOP for Investment in Equity ETFs and Investment in & Redemption from Liquid Mutual Fund (LMF):**The Board approved a comprehensive Standard Operating Procedure (SOP) aimed at strengthening fund management across EPFO schemes. The reform envisages consolidation of funds, adoption of an annual SIP approach, defined operational timelines and provision for overdraft facility.

The SOP introduces a structured framework for Equity ETF investments with clearly defined entry and exit protocols, exposure limits, compliance controls and enhanced oversight through the Investment Monitoring Cell (IMC). It also strengthens liquidity management through regulated deployment in Liquid Mutual Funds with defined holding norms and continuous monitoring.

The framework institutionalises enhanced governance through a defined approval matrix, strict adherence to Government-notified investment norms, periodic reporting to the Central Board and multi-layered audit oversight. These reforms aim to optimise returns within prudent risk parameters, strengthen liquidity planning and safeguard the long-term interests of crores of EPF members.

- **Approval for conduct of examination through Institute of Banking Personnel Selection:** The Board approved IBPS as an agency for conducting direct recruitment and promotion examinations on behalf of EPFO. This will ensure transparent and timely recruitment, leading to faster filling of vacancies and improved service delivery to the stakeholders.



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