

REVISION IN PF WAGE CEILING : THE CODE ON SOCIAL SECURITY, 2020

NOTIFICATION DATED SEPTEMBER 17, 2026

The Ministry of Labour & Employment has issued a Notification dated September 17, 2026, prescribing INR 25,000 per month as the revised wage ceiling for the purposes of provident fund ("PF") coverage under the Code on Social Security, 2020 ("SS Code"). The revised wage ceiling is effective from September 17, 2026.

The increase in the wage ceiling expands the scope of mandatory provident fund coverage to employees earning wages between INR 15,000 and INR 25,000 per month, who were previously outside the mandatory coverage threshold, subject to the applicable conditions under the SS Code and the relevant schemes.

Key implications:

Employees covered:

Employees earning wages up to INR 25,000 per month will, subject to the applicable coverage conditions under the PF provisions of the SS Code, be brought within the mandatory PF framework.

Social Security Benefits:

Employees who become mandatorily covered will be eligible for benefits under the Employees' Provident Fund Scheme ("EPF Scheme"), the Employees' Pension Scheme ("EPS") and the Employees' Deposit Linked Insurance Scheme ("EDLI Scheme"), subject to the eligibility conditions prescribed under the respective schemes.



Rate of contribution:

The standard PF contribution rate continues to be 12% of the applicable wages for both the employer and the employee, subject to the statutory provisions governing the computation and allocation of such contributions.

Impact on employers:

Employers will need to identify employees who fall within the revised wage ceiling and assess the resulting impact on payroll processing, employee deductions, employer contributions and related statutory compliances with effect from September 17, 2026.

Existing EPF members:

The revision in the wage ceiling does not, by itself, affect employees who are already members of the EPF Scheme and whose wages exceed the prescribed ceiling, including employees who are voluntarily contributing to the EPF Scheme in accordance with the applicable provisions.

Employers should accordingly review their existing employee records and payroll structures to identify employees who may become subject to mandatory PF coverage as a consequence of the revised wage ceiling and ensure appropriate implementation from the effective date.
