Tax Flash News

2 July 2026

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Ministry of Labour and Employment notifies Provident Fund, Pension and Insurance schemes under the Code on Social Security

Executive summary

On 29 June 2026, the Ministry of Labour and Employment notified the three social security schemes under Code on Social Security, 2020 ('CoSS') viz the Employees' Provident Funds Scheme, 2026[1] ('EPF Scheme'), Employees' Pension Scheme, 2026[2] ('EPS Scheme') and the Employees' Deposit-Linked Insurance Scheme, 2026[3] ('EDLI Scheme), collectively referred to as 'schemes'.

The schemes supersede the Employees' Provident Funds Scheme, 1952 ('EPF Scheme, 1952') the Employees' Family Pension Scheme, 1971 and Employees' Pension Scheme, 1995, ('collectively referred to as EPS Scheme, 1995') and Employees' Deposit-Linked Insurance Scheme, 1976 ('EDLI Scheme, 1976'). These schemes are intended to operationalise the provisions pertaining to Employees' Provident Fund under the CoSS.

Alongside these schemes, the Employees' Enrolment Campaign, 2026, VISHWAS, 2026 and AMNESTY, 2026 were also notified as special provisions.

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[1] G.S.R. 525(E) dated 29 June 2026
[2] G.S.R. 527(E) dated 29 June 2026
[3] G.S.R. 526(E) dated 29 June 2026

Background

- The provisions pertaining to provident fund were subsumed by the CoSS on 21 November 2025 which provided for framing of schemes thereunder.
- The Central Board of Trustees of the Employees' Provident Fund Organization ('EPFO') approved the schemes on 2 March 2026.
- The schemes were notified on 29 June 2026 and are effective on the date of publication in the Official Gazette.

Key highlights – EPF Scheme

I. Membership

- EPF Scheme is mandatorily applicable to such employees whose wages do not exceed the notified wage ceiling (currently INR15,000 per month).
- Employees whose wages exceed notified wage ceiling qualify as 'excluded employees'; however, such employees and their employer have an option to jointly opt to contribute on wages above the statutory wage ceiling.
- Employees who were members under the EPF Scheme, 1952 shall continue to be members under the EPF Scheme.
- Excluded / exempt employees become members once their exemption ends.

II. Contributions and Charges

The employer's and employee's contribution shall be at 12 per cent of 'wages' payable to such employee.

Where the monthly wage exceeds the notified wage ceiling (currently INR15,000 per month), contributions can be made voluntarily on wages or limited to contributions payable on the wage ceiling.

In addition to the above, employees can also opt to contribute voluntarily in excess of the notified wage ceiling with no obligation on employer to make a matching contribution.

The Scheme also allows the employer and employee to reduce or discontinue such voluntary contributions at any time.

The employer shall be liable to pay administrative charges on mandatory and voluntary contributions.

III. Provisions pertaining to International Workers ('IWs')

- IWs continue to be defined as a foreign passport holder working in India in an establishment covered under CoSS and an Indian employee working/going to work in a foreign country with which India has a Social Security Agreement ('SSA') and who is eligible for benefits under that SSA.
- Nepalese and Bhutanese nationals continue to be treated as Indian workers and not as IWs.
- IWs qualifying as detached workers under an SSA and contributing to their home-country social security system can claim an exemption from contributions.
- All non-exempt IWs must become EPF members from the date of joining the establishment or the date the Scheme becomes applicable, whichever is later.
- Existing IW members under the EPF Scheme, 1952 shall continue to be members under the EPF Scheme.
- IWs continue to be members until EPF accumulations are withdrawn, an exemption applies or benefits under SSA are settled.
- EPF accumulations may be withdrawn on retirement (i.e. on attaining the age of 58 years), permanent incapacity or as permitted under the applicable SSA.
- Employers must electronically maintain and report IW details, including nationality, wages, contributions, membership status and exits.

IV. Duties of Principal Employer and Contractor

- Principal Employer means an employer with whom employees are engaged by or through a contractor.
- Principal employer will be responsible to pay contributions towards his contract employees, where contractor is not registered independently.
- Principal employer is required to file Form X to declare all contractors engaged by them.
- Contractors are required to inform principal employer within 10 days from end of the month in Form XI the name, UAN, wages

and contributions payable in respect of contractual employees.

- The principal employer within 20 days from end of the month is required to file Form XII to show aggregate recoveries made from wages of contractual employees.

V. Compliances

- Employers are required to file a consolidated return in the prescribed Form V within 15 days from application of the scheme.
- Report employees who became eligible for EPF membership during the previous month as part of the monthly return filing.
- Upload monthly electronic returns on the prescribed portal within 15 days from the end of each month.
- Maintain and furnish prescribed employee and contribution records electronically through the designated EPFO portal.
- A late fee of INR 500 per day is required to be paid for delay in filing of any return under the Scheme.

VI. Partial Withdrawal

Employees are allowed to make partial withdrawal for specified purposes (marriage, education, housing, illness, etc.) after completion of 12 months of membership subject to maintaining a minimum balance of 25 per cent of the aggregate contributions.

VII. Complete withdrawal

Complete withdrawal for members other than IWs is allowed under the following circumstances:

- Retirement after attaining the age of 55 years,
- Retirement on account of permanent or total incapacity to work,
- Migration from India for permanent settlement abroad
- Other contingencies.

In any other circumstance, a member shall not be eligible to withdraw for a period of 12 months from the date he ceases to be in employment.

VIII. Inoperative Accounts

Any amount becoming due to a member as a result of the following circumstances shall be transferred to an account called 'inoperative account':

- Member retiring after attaining the age of 55; or
- Member permanently migrating abroad; or
- Death of the member;

and where no withdrawal claim is made within 36 months from the date the accumulation is payable.

No interest shall be credited once the account becomes inoperative.

Special provisions - EPF Scheme

I. Employees' Enrolment Campaign, 2026

- Provides employers an opportunity to enrol employees who joined between 1 April 2009 and 31 March 2026 and are still employed as on the declaration date but were either not enrolled or were omitted earlier.
- Aims to increase social security coverage by enabling voluntary compliance with reduced litigation and simplified enrolment procedures.
- Covers historical non-compliance periods and facilitates updating of employee records through a structured compliance window.
- The scheme shall cease to operate on 31 October 2026.

II. VISHWAS, 2026

- Introduces a dispute resolution/compliance mechanism for employers with past PF defaults.
- Provides reduced damages and penalty relief for eligible historical defaults upon fulfilment of prescribed conditions.

- Intended to encourage voluntary settlement of legacy cases and improve recovery of dues while reducing long-pending disputes.
- VISHWAS, 2026 shall be valid for a period of 6 months from the date of notification of the scheme and could be further extended for a period not exceeding six months.

III. AMNESTY, 2026

- Allows certain establishments operating PF trusts without formal EPFO exemption approval to regularize their status retrospectively.
- Offers a pathway for obtaining recognition where employee benefits, contributions and interest credits were broadly in line with statutory requirements.
- AMNESTY, 2026 shall be valid for a period of 6 months from the date of notification of the scheme and could be further extended for a period not exceeding six months.

Key highlights - EPS

I. Rate of contribution

Employers are required to contribute 8.33 per cent of wages up to the notified wage ceiling towards the pension fund within 15 days from close of every month.

For members who had opted for higher contributions, employer is required to contribute 9.49 per cent of wages.

II. Withdrawal benefit

For members who exit before becoming eligible for monthly pension, a withdrawal benefit is allowed. However, withdrawal benefit is available only after 36 months from the date the last contribution became due or on attaining superannuation, whichever is earlier.

Key highlights - EDLI Scheme

I. Contribution

Employer contribution is calculated on wages as defined under CoSS. The rate of contribution shall be notified by the Central Government from time to time.

II. Assurance Benefit

EDLI Scheme, 2026 contains a base assurance benefit and an enhanced assurance benefit for employees with 12 months' continuous employment before death. The beneficiary receives the higher amount where the enhanced-benefit rule applies.

A minimum assured base benefit of INR50,000 is available to the dependents of the deceased member. The base benefit is capped to a maximum of INR100,000.

Where the deceased member was in employment for a continuous period of 12 months preceding the month of death, the assurance benefit is calculated using the enhanced formula. A minimum assurance benefit of INR250,000 and a maximum benefit of INR700,000 is available for continuous service cases.

Our comments

The new social security schemes largely preserve the existing EPF, EPS and EDLI framework while aligning the provisions with CoSS.

These schemes introduce enhanced digitisation, compliance monitoring and governance requirements.

As part of the transition to the EPF Scheme, employers may consider reviewing impact of provisions on voluntary contributions, contract labour compliance, exempted PF trusts and updated reporting and filing obligations.

Employers may also evaluate leveraging the benefits of Employees' Enrolment Campaign, 2026, VISHWAS, 2026 and AMNESTY, 2026 initiatives to address historical compliance challenges.

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