



Tax Flash News



16 September 2026

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Union Cabinet approves increase in EPFO wage ceiling to INR25,000

Executive summary



The Union Cabinet has approved¹ the proposal of the Ministry of Labour & Employment to enhance the wage ceiling for mandatory coverage under the Employees' Provident Fund Organisation ('EPFO') from INR15,000 per month to INR25,000 per month.

The wage ceiling limit was previously enhanced in September 2014 from INR6,500 per month to INR15,000 per month.

The Ministry of Labour & Employment and EPFO will undertake the necessary statutory and administrative steps for implementation of the decision.

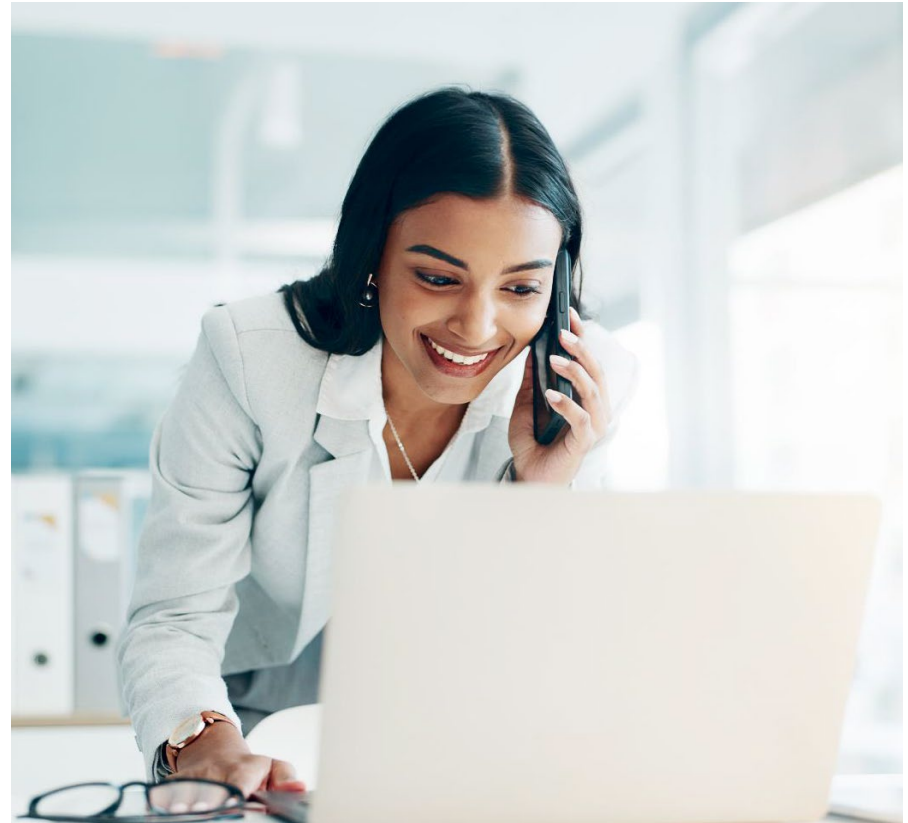
¹ [Link](#) to PIB Press Release (as accessed on 16 September 2026)

Our comments



The increase in the wage ceiling limit will expand the scope of mandatory provident fund coverage to a larger segment of the workforce. This will enhance provident fund savings, provide pension and insurance benefits and strengthen retirement security.

Employers may assess the potential financial and operational implications of the change, including increased provident fund contribution costs, payroll system updates, employee communications and onboarding processes.



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