EPF (EMPLOYEES' PROVIDENT FUND)

- All the organizations having employee strength of at least 20 are eligible for PF deductions.
- Employer has to contribute 13.61% towards PF deduction. It is divided as:

i. Pension Fund : 8.33%
ii. Provident Fund : 3.67% → 12%
iii. Employee Deposit Linked Insurance : 0.5%
iv. Administrative Charges for PF Scheme: 1.10%
v. Administrative Charges for EDLI Scheme: 0.01%

- All employees who earn up to INR 15,000 are now mandatorily required to get enrolled as members of the EPF.
- Make a contribution of 12% on the *basic wages, dearness allowance and retaining allowance*.
- All the employees drawing wages more than INR 15,000 per month (and who are not members of the Employees Provident Fund) shall continue to be exempted from mandatory coverage.
- Employee earning more than INR 15,000 (i) be enrolled as a member of the Employees Provident Fund; or (ii) contribute on more than INR 15,000 (if the employee is already a member of the Employees Provident Fund), both the employer and the employee shall make a joint request (in writing) to an officer not below the rank of an Assistant Provident Fund Commissioner who shall have the authority to permit the same.

EPS (EMPLOYEES' PENSION SCHEME)

- The wage threshold for determining the maximum pensionable salary has been increased to INR 15,000 per month.
- The minimum pension for members of the EPS and widow (er)/ nominee/ dependent parent has been fixed at INR 1,000/ month for the financial year 2014-15.
- The amount of contribution by the Central Government to the pension fund has been increased to a maximum of INR 174/ month (1.16 % of INR 15,000).
- New EPF members enrolled on or after September 1, 2014 and having salary of more than INR 15,000/ month at the time of joining, will not become members of the EPS. Accordingly, the entire contribution of 24% (from the employee and employer) will go to the provident fund account of the employee.
- Members who have already been contributing to the Pension Scheme above INR 6,500 per month (as on September 1, 2014) have been given an option to exercise fresh option within 6 months to contribute to the Pension Scheme above the statutory ceiling of INR 15,000 per month
  - if not opted any contributions to the Employees' Pension Fund over the wage ceiling shall be diverted to the Employee's Provident Fund account of the member and
  - if opted such a member would have to contribute the Central Government's share of contribution at 1.16% on the salary exceeding INR 15,000/ month from his/ her share of contribution. In case of failure, contribution to the EPS will be limited to 8.33% of INR 15,000/ month effective September 1, 2014.
- In cases where the wages of a member exceeds INR 15,000 per month, the contribution payable by the employer and the Central Government is limited to the amount payable on his pay of INR 15,000

EDLI (EMPLOYEES' DEPOSIT-LINKED INSURANCE)

- The insurance benefit under the EDLI has been increased by 20% in addition to the existing admissible benefits.
- The limit on contributions payable by the employer has been increased from the amounts payable on a monthly pay of INR 15,000.