Ministry of Labour & Employment

Cabinet Approves Higher EPFO Wage Ceiling of Rs. 25,000, Expanding Mandatory Coverage

Decision to take effect from Vishwakarma Jayanti and Sewa Divas on 17 September 2026

Enhancement of EPFO Wage Ceiling Marks Important Step Towards Strengthening Social Security: Dr. Mandaviya

Posted On: 16 SEP 2026 6:00PM by PIB Delhi

The wage ceiling for mandatory coverage under the Employees' Provident Fund Organisation (EPFO) has been enhanced from Rs. 15,000 to Rs. 25,000 per month with effect from Vishwakarma Jayanti and Sewa Divas on 17 September 2026. This was announced by Dr. Mansukh Mandaviya, Union Minister of Labour & Employment and Youth Affairs & Sports in a press briefing today. This decision, approved by the Union Cabinet earlier today, is expected to bring a large number of additional employees within the ambit of mandatory EPFO coverage, thereby widening access to statutory social security protection.

Addressing the media, Dr. Mansukh Mandaviya said that the enhancement of the statutory wage ceiling for mandatory EPFO coverage from ₹15,000 to ₹25,000 per month marks an important step towards strengthening social security for workers. The revised ceiling, which will come into effect from 17 September 2026 on the occasion of Vishwakarma Jayanti and Sewa Divas, will enable a larger number of employees to access provident fund savings, pension and insurance protection under the applicable EPFO schemes.

> श्रमेव जयते!
>
> माननीय प्रधानमंत्री श्री नरेंद्र मोदी जी का हृदय से आभार।
> आज उनके नेतृत्व में केंद्रीय मंत्रिमंडल ने EPFO की wage ceiling को ₹15,000 से बढ़ाकर ₹25,000 प्रतिमाह करने का महत्वपूर्ण निर्णय लिया है।
>
> यह निर्णय देश के श्रमिकों को सामाजिक सुरक्षा का व्यापक कवच प्रदान… pic.twitter.com/GzacWuKXco
>
> — Dr Mansukh Mandaviya (@mansukhmandviya) September 16, 2026

Dr. Mandaviya highlighted that the decision will further advance the Government’s commitment to providing social security to all workers under the Labour Codes and will also give impetus to the formalisation of employment. He highlighted that the wage ceiling had remained unchanged since September 2014 despite considerable increases in wages, minimum wages and living costs. At present, employees joining an establishment at wages above Rs. 15,000 per month are not automatically covered under the mandatory EPF framework, subject to the applicable statutory provisions. With the revised ceiling, employees drawing wages between Rs. 15,000 and Rs. 25,000 per month will become eligible for mandatory coverage, expanding the reach of formal social security, he said.

The enhanced coverage will provide access, in accordance with the applicable statutory and scheme provisions, to the three major components administered by EPFO -Employees' Provident Fund (EPF), Employees' Pension Scheme (EPS) and Employees' Deposit Linked Insurance Scheme (EDLI). This will strengthen retirement savings, pension protection and insurance-linked social security for a larger section of workers.

The decision is also expected to strengthen worker retention and workforce stability, while providing employees greater financial security. For employers, a more secure workforce can contribute to improved employee retention, workforce stability and morale, supporting a more future-ready workforce.

> Under the leadership of Hon'ble Prime Minister Shri Narendra Modi, the Union Cabinet has approved the enhancement of the EPF wage ceiling from ₹15,000 to ₹25,000 per month.#ExpandingSocialSecurity pic.twitter.com/rWK5Fe1OGB
>
> — Ministry of Labour & Employment, GoI (@LabourMinistry) September 16, 2026

The proposal underwent detailed inter-ministerial consultations and was recommended by the Expenditure Finance Committee (EFC) in its meeting held on 16 June 2026. The annual Government outgo on account of the enhancement is estimated at approximately Rs. 11,339 crore, as against the existing annual budgetary support of around Rs. 10,250 crore. The estimated expenditure over a period of five years is approximately Rs. 56,696 crore.

The decision represents another significant step towards building an inclusive, resilient and future-ready social security architecture, ensuring that the benefits of economic growth and expanding formal employment are accompanied by strengthened social protection as India moves towards Viksit Bharat@2047.

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

****

Rini Choudhury/Anjelina Alexander