

EPFO issues directions for preparatory activities to effect the proposed changes on enhancement of statutory wage limit from INR 6,500 to INR 15,000

17 July 2014

In brief

The Finance Minister (FM), in his Budget Speech on July 10, 2014 announced the enhancement of the statutory wage ceiling from existing INR 6,500/ month to INR 15,000/ month under the Employees' Pension Scheme (EPS). A notification enacting the aforementioned change is awaited. However, in the meanwhile, the Employees' Provident Fund Organisation (EPFO) has issued directions for preparatory activities to effect the proposed changes on enhancement of the statutory wage limit.

In detail

The FM in his Budget Speech announced that a minimum pension of INR 1,000 would be accorded to all members of the EPS. The FM further announced the enhancement of the statutory wage ceiling from the existing level of INR 6,500/ month to INR 15,000/ month under the EPS scheme.

Although a notification to formally enact the above announcements in the Scheme is yet to come, the EPFO has issued directions to all its regional offices to start collating the relevant data in order to prepare to implement the change when notified.

The key directions are summarised below:-

- The directions require Enforcement Officers to visit establishments to

check the total number of employees drawing salary of beyond INR 6,500 and up to INR 15,000 who are not enrolled as members.

- Instructions have been provided that they visit the establishments where there is a concentration of large numbers of workers, particularly in building and construction activities, at placement agencies, etc., and brief the representatives of the establishments about the proposed enhancement of the statutory wage limit.
- Directions have been issued to Regional Officers that meetings may be arranged to apprise the establishments of the intent of the notification and assist them in its implementation once it is issued.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

Tax & Regulatory Services – International Assignment Services

Shyamal Mukherjee, *Gurgaon*
+91-124 330 6536
shyamal.mukherjee@in.pwc.com

Kuldip Kumar, *Gurgaon*
+91-124 330 6516
kuldip.kumar@in.pwc.com

Shuddhasattwa Ghosh, *Bangalore*
+91-80 4079 6007
shuddhasattwa.ghosh@in.pwc.com

Sundeep Agarwal, *Mumbai*
+91-22 6689 1670
sundeep.agarwal@in.pwc.com

Our Offices

Ahmedabad

President Plaza
1st Floor Plot No 36
Opp Muktidham Derasar
Thaltej Cross Road, SG Highway
Ahmedabad, Gujarat 380054
+91-79 3091 7000

Bangalore

6th Floor
Millenia Tower 'D'
1 & 2, Murphy Road, Ulsoor,
Bangalore 560 008
Phone +91-80 4079 7000

Chennai

8th Floor
Prestige Palladium Bayan
129-140 Greams Road
Chennai 600 006
+91 44 4228 5000

Hyderabad

Plot no. 77/A, 8-2-624/A/1, 4th
Floor, Road No. 10, Banjara Hills,
Hyderabad – 500034,
Andhra Pradesh
Phone +91-40 44246000

Kolkata

56 & 57, Block DN.
Ground Floor, A- Wing
Sector - V, Salt Lake
Kolkata - 700 091, West Bengal
+91-033 2357 9101/
4400 1111

Mumbai

PwC House
Plot No. 18A,
Guru Nanak Road (Station Road),
Bandra (West), Mumbai - 400 050
+91-22 6689 1000

Gurgaon

Building No. 10, Tower - C
17th & 18th Floor,
DLF Cyber City, Gurgaon
Haryana -122002
+91-124 330 6000

Pune

7th Floor, Tower A – Wing 1,
Business Bay, Airport Road,
Yerwada, Pune - 411 006
+91-20 4100 4444

For more information

Contact us at
pwctr.knowledgemanagement@in.pwc.com

About PwC

PwC helps organisations and individuals create the value they're looking for. We're a network of firms in 157 countries with more than 184,000 people who are committed to delivering quality in Assurance, Tax and Advisory services.

PwC India refers to the network of PwC firms in India, having offices in: Ahmedabad, Bangalore, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, please visit www.pwc.in.

*PwC refers to PwC India and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details. Tell us what matters to you and find out more by visiting us at www.pwc.in



For private circulation only

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PwCPL, its members, employees and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. Without prior permission of PwCPL, this publication may not be quoted in whole or in part or otherwise referred to in any documents.

© 2014 PricewaterhouseCoopers Private Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity.