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New EPF Scheme 2026 Replaces the 1952 Scheme

4 July 2026 · POLITY · GS2 GS3

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New EPF Scheme 2026 Replaces the 1952 Scheme

4 July 2026 · 5 min read ·

Source: ujiyari.com — researched, fact-checked & UPSC-mapped

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WHY IN NEWS

The Ministry of Labour and Employment notified the **Employees' Provident Funds (EPF) Scheme, 2026** *in the official gazette on* **June 29, 2026**, *framed under the* **Code on Social Security, 2020**. *It replaces the EPF Scheme, 1952 after about 74 years and is now being operationalised as part of the roll-out of the four Labour Codes (https://ujiyari.com/terms/labour-codes/).*

The new framework retains the familiar architecture of provident fund savings while modernising definitions, compliance and digital reporting. It is not a fresh policy announced on a single day, but a recently notified scheme whose provisions are being brought into force through early July 2026.

FROM 1952 TO 2026: A 74-YEAR-OLD FRAMEWORK RETIRED

The **Employees' Provident Fund Scheme, 1952** was the operative instrument under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, administered by the **Employees' Provident Fund Organisation (EPFO)**. With the **Code on Social Security, 2020**, Parliament consolidated **nine** central social-security laws (including the 1952 Act, the ESI Act, maternity benefit and gratuity laws) into a single Code. The EPF Scheme, 2026 is the subordinate scheme framed under Section 15 of that Code, and its notification is a key step in operationalising the Code.

FEATURE	EPF SCHEME, 1952	EPF SCHEME, 2026
Enabling law	EPF & MP Act, 1952	Code on Social Security, 2020
Administering body	EPFO	EPFO
Employee contribution	12 per cent of wages	12 per cent (unchanged)
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Above-ceiling coverage	Restricted	Voluntary coverage permitted
Compliance mode	Largely paper plus partial digital	Electronic returns, online claims, demat investments
One-time relief windows	None active	AMNESTY 2026, VISHWAS 2026

Contribution Rate Unchanged

A central reassurance is that the **contribution rate remains 12 per cent each** for the employee and the employer. Mandatory contribution for employees earning above the statutory (https://ujiyari.com/vocab/statutory/) wage ceiling is restricted to the ceiling amount, but employees may now make **voluntary contributions on wages above the ceiling** or contribute at a rate higher than 12 per cent.

New Definitions and Modernisation

The 2026 scheme adds and clarifies definitions, notably **"authorised signatory"**, **"excluded employee"** and **"international worker"**. International workers from countries with a bilateral (https://ujiyari.com/vocab/bilateral/) social-security agreement (a Social Security Agreement, or SSA) with India can contribute where they seek detachment benefits under that agreement. The scheme continues membership of existing members, sets fresh membership rules for new employees and international workers, and prescribes **revised electronic reporting and disclosure** requirements, aligning provident fund governance with online returns, online claims and dematerialised investments.

THREE SPECIAL MEASURES: ENROLMENT, VISHWAS AND AMNESTY

The notification packages three time-bound measures aimed at widening coverage and clearing legacy disputes.

- **Employees' Enrolment Campaign, 2026:** a drive to bring uncovered and under-reported workers formally onto the EPF rolls, advancing formalisation of the workforce.
- **VISHWAS, 2026:** a six-month (extendable) window offering **reduced damages** for pre-June 2024 contribution defaults, to settle long-pending disputes.

- **AMNESTY, 2026:** a parallel window allowing **regularisation of establishments and PF trusts** (recognised under the Income Tax Act) that were operating without a formal exemption notification, subject to audits and compliance conditions.

ANALYSIS AND WAY FORWARD

The 2026 scheme is best read as **labour-law consolidation (https://ujiyari.com/vocab/consolidation/) that balances worker social security with ease of compliance**. By keeping the 12 per cent rate untouched, the Centre avoids disrupting household savings while using AMNESTY and VISHWAS to pull informal PF trusts and defaulters into the formal net, expanding the contributor base. Permitting voluntary above-ceiling coverage nudges higher earners toward long-term formal savings, and the international-worker definition supports India's SSA network and its mobile workforce abroad.

The larger unfinished agenda is **universalisation**: extending portable social security to gig and platform workers, whose coverage the Code on Social Security, 2020 enables but which requires further schemes and funding. The way forward lies in seamless number portability (https://ujiyari.com/vocab/portability/), a single social-security identity, timely operationalisation of the remaining three Labour Codes, and grievance redress that keeps pace with the new digital compliance regime.

UPSC RELEVANCE

GS Paper 2: Government policies and interventions for development in the social sector; mechanisms and institutions for the protection of the vulnerable; welfare schemes and their design.

GS Paper 3: Growth and employment; formalisation of the economy; social-security architecture and labour reforms.

Prelims pointers:

- The Code on Social Security, 2020 consolidated **nine** central labour laws on social security.
- EPF is administered by the **EPFO**; contribution is **12 per cent each** from employee and employer.
- **AMNESTY 2026** targets exempted establishments and PF trusts without formal exemption; **VISHWAS 2026** offers reduced damages for pre-June 2024 defaults.
- The EPF Scheme, 2026 was notified on **June 29, 2026**, replacing the 1952 scheme.

Mains question: The Code on Social Security, 2020 and its subordinate schemes seek to widen social-security coverage while easing compliance. Critically examine how the Employees' Provident Funds Scheme, 2026 advances the formalisation of India's workforce and the challenges that remain in extending coverage to gig and platform workers. (15 marks, 250 words)

FACTS CORNER

📌 FACTS CORNER, KNOWLEDGEPEDIA

Notified: June 29, 2026, in the official gazette by the Ministry of Labour and Employment.

Legal basis: framed under the Code on Social Security, 2020, which consolidated nine central social-security laws.

Replaces: the EPF Scheme, 1952, after about 74 years.

Administered by: the Employees' Provident Fund Organisation (EPFO).

Contribution: 12 per cent each for employee and employer, unchanged; voluntary coverage now allowed above the wage ceiling.

New definitions added: "authorised signatory", "excluded employee", "international worker".

Special measures: Employees' Enrolment Campaign 2026, VISHWAS 2026 (reduced damages for pre-June 2024 defaults), AMNESTY 2026 (regularising informal PF trusts and unexempted establishments).

Four Labour Codes: Code on Wages, Industrial Relations Code, Occupational Safety Health and Working Conditions Code, and the Code on Social Security.

Sources: Ministry of Labour and Employment (https://labour.gov.in/), EPFO (https://www.epfindia.gov.in/), PIB (https://pib.gov.in/), Business Today (https://www.businesstoday.in/), Insights on India (https://www.insightsonindia.com/)

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