EPF & ESI Professional Compliance Guide — 2025 Edition

Detailed reference for HR, Payroll, and Compliance Professionals

1. Legal Framework

- **Employees' Provident Funds and Miscellaneous Provisions Act, 1952** governs EPF, EPS (Pension), and EDLI. - **Employees' State Insurance Act, 1948** ensures medical benefits to workers and dependents. - Applicable to organizations employing 10 or more employees (ESI) or 20 or more (EPF). - Supervised by **EPFO** and **ESIC** under Ministry of Labour & Employment.

2. Coverage & Eligibility

- **EPF Coverage**: Mandatory for employees earning up to ■15,000/month (can be extended voluntarily). - **ESI Coverage**: Applicable for employees earning wages up to ■21,000/month (■25,000 for disabled persons). - Both apply to factories, shops, and specified establishments.

3. Contribution Structure (2025)

| Scheme | Employer Contribution | Employee Contribution | |---------|------------------------|------------------------| | EPF | 12% of Basic + DA | 12% | | EPS (within EPF) | 8.33% (out of employer share) | — | | ESI | 3.25% of Gross Wages | 0.75% of Gross Wages | **Note:** Small establishments (less than 20 employees) may contribute at 10% EPF rate under specified notifications.

4. Registration & Compliance Process

EPF Registration: 1. Register establishment on the EPFO Unified Portal. 2. Upload establishment details, DSC of employer, and bank info. 3. Generate PF Code Number. **ESI Registration:** 1. Register on the ESIC portal (www.esic.in). 2. Add employee details, wage data, and bank account info. 3. Generate 17-digit Employer Code Number. **Return Filing:** - EPF: Monthly ECR filing by 15th of next month. - ESI: Monthly contribution filing by 15th of next month.

5. Benefits Overview

EPF Benefits: - Retirement corpus with interest (8.15% for FY 2024–25). - Pension benefits under EPS. - Insurance under EDLI (max ■7 lakh). **ESI Benefits:** - Medical care for insured person & dependents. - Maternity, sickness, disablement, and dependents' benefits. - Funeral and confinement benefits.

6. Compliance Calendar & Penalties

| Activity | Due Date | Authority | Penalty for Delay | |-----------|-----------|------------|-------------------| | EPF Payment | 15th of next month | EPFO | 12% interest p.a. + damages | | ESI Payment | 15th of next month | ESIC | 12% interest + penalty | | Annual Return | By April 30 | Both | ■5,000 - ■25,000 | **Late Filing Consequences (2025):** Automated penalty calculation via EPFO & ESIC dashboards.

7. 2025 Updates & Digital Enhancements

- **EPFO Unified Portal 2.0**: Auto-validation of KYC & Aadhaar-linked UAN. - **ESIC Online Claim System**: Digital claim settlement for sickness & maternity benefits. - **ECR Filing**: Auto-calculated wages and arrears summary. - **Faceless Inspection Scheme 2025**: AI-based risk profiling for compliance monitoring.

8. Best Practices for Employers

- Maintain employee KYC and Aadhaar-seeded UAN records. - Cross-verify contributions monthly before ECR submission. - Retain digital wage registers for 8 years. - Conduct periodic compliance audits. - Train HR staff on latest EPFO/ESIC circulars.

Summary Comparison Table

Aspect	EPF	ESI
Governing Act	EPF Act, 1952	ESI Act, 1948
Eligibility	Salary ≤ ■15,000/month	Wages ≤ ■21,000/month
Employer Contribution	12%	3.25%
Employee Contribution	12%	0.75%
Return Due Date	15th of every month	15th of every month