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Pradhan Mantri Garib Kalyan Yojana (PMGKY)

Background

The Government of India on 26th March 2020 had announced the PMGKY. Through this package, the government announced relief in the form of credit of Employees Provident Fund (EPF) and Employees Pension Scheme contributions for certain eligible EPF establishments

Highlights

- The Government of India would contribute 24% (both employer and employee portion) of the monthly wages to the employees' provident fund account.
- Applicable to establishments employing up to 100 employees, where 90% of such employees draw monthly wages less than INR 15,000.
- Contribution would be made in respect of employees earning monthly wages of less than INR 15,000.
- This Scheme will be valid for six wage months – March to August 2020.

Impact

This scheme is aimed to extend support to the EPF members earning low wages of specified establishments. It would increase the take-home salary of employees while easing the burden on cash flow for employers.

Source: Pradhan Mantri Garib Kalyan Yojana Scheme Guidelines issued by EPFO via Office Memorandum No.C-1/Misc.2020-21/Vol.II dated 9 April, 2020

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