Employees' Provident Fund (EPF)

The salaried retirement default, 12% of you, 12% of your employer, at 8.25%.

8.25% p.a. | EEE (with a high-contribution cap)

In brief

Suits	Salaried employees; contributions are deducted from pay with an equal employer share.
You get	8.25% a year for 2025-26, declared by EPFO.
Your money	For retirement; partial withdrawals allowed for set needs such as housing, education and illness.
Tax	Tax-free after 5 years of service; interest on contributions above ₹2.5 lakh a year is taxable.
Watch for	Keep your UAN linked to Aadhaar and bank account so claims settle quickly.

Key facts

Interest rate	8.25% p.a. (FY 2025-26)
Contribution	12% of basic+DA by you, 12% by employer
Employer split	8.33% to EPS (pension) + 3.67% to EPF
Tax	EEE; interest on contributions above ₹2.5L/yr is taxable
Withdrawal	Tax-free after 5 years of continuous service

What's new

Jun 2026 The Finance Ministry ratified 8.25% interest for 2025-26, and EPFO was asked to credit accounts.

Mid 2026 Withdrawals through UPI and ATMs under EPFO 3.0 were still in trial and had not launched widely.

Oct 2025 EPFO simplified withdrawals: three categories instead of thirteen, 12 months of service, up to 100% of the eligible balance with 25% kept, and full settlement after 12 months of unemployment.

> The full guide answers 14 questions on EPF, from eligibility to tax and withdrawals: merasip.com/guides/epf. To talk it through, WhatsApp 60039 03737.

Sources: Outlook Money on EPF rate ratification; Outlook Money on EPFO UPI trial; Ministry of Labour press brief, 15 Oct 2025.

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