



EPFO Launches “VISHWAS, 2026” for Amicable Settlement of Damages/Penalty/-Related Disputes

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The Employees' Provident Fund Organisation (EPFO), under the Ministry of Labour & Employment, Government of India, has launched "VISHWAS, 2026", a one-time dispute resolution initiative to facilitate amicable settlement of disputes relating to levy of damages /penalty under Section 14B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Section 128 of the Code on Social Security, 2020.

The Scheme has been notified vide G.S.R. 525(E) dated 29 June 2026 as part of the EPF Scheme, 2026 and has come into force with effect from 29 June 2026. It will remain operational for a period of six months from the date of notification.

VISHWAS, 2026 has been introduced with the objective of promoting voluntary compliance, reducing litigation, and enabling speedy resolution of long-pending disputes relating to penalty/damages while safeguarding the interests of employees. The Scheme provides employers with an opportunity to settle eligible cases through a transparent, fully digital and time-bound process.

The Scheme covers four broad categories of cases:

- cases where orders for penalty/damages are under challenge before judicial forum;
- final damages/penalty orders where recovery is pending or only partly made, including Recovery Certificate (RRC) cases;
- cases where notices have been issued but final orders for damages/penalty are yet to be passed; and
- cases where notices for penalty/damages are yet to be issued.

Under VISHWAS, 2026, damages /penalty for defaults pertaining to the period prior to 14 June 2024 shall be recalculated at substantially reduced rates, namely 0.25% per month for defaults up to two months, 0.50% per month for defaults from two to less than four months, and 1.00% per month for defaults exceeding four months. These concessional rates are intended to encourage employers to resolve pending disputes expeditiously.

To avail the benefits of the Scheme, employers are required to ensure that the entire interest payable under Section 7Q of the EPF & MP Act, 1952 or Section 127 of the Code on Social Security, 2020, as applicable, has been fully remitted before submitting an application. Applicants are also required to furnish an undertaking that no further appeal shall be pursued in respect of the dispute settled under the Scheme.

The Scheme contains detailed provisions regarding adjustment of amounts already paid towards damages or penalty, regulation of statutory pre-deposits made for filing appeals, and settlement of pending cases in a fair and transparent manner. However, establishments where penalty/damages have already been fully

recovered, cases involving fraud, misappropriation or deliberate falsification of records, and cases where the applicable statutory interest has not been fully deposited are excluded from the Scheme.

Applications under VISHWAS, 2026 shall be submitted online through the EPFO Employer Portal using Digital Signature Certificate (DSC) or e-Sign. The process has been designed to ensure ease of filing, online verification, digital processing and issuance of settlement orders within a defined timeframe.

To facilitate smooth implementation, EPFO has issued detailed operational guidelines to all its Zonal, Regional and District Offices. Dedicated VISHWAS Cells are being established across field offices to assist employers, process applications expeditiously and ensure timely disposal. Regular monitoring at Zonal and Head Office levels will be undertaken to ensure effective implementation of the Scheme.

EPFO encourages all eligible employers to make full use of this one-time opportunity to resolve pending damages or penalty-related disputes, regularise compliance and contribute towards a more efficient and litigation-free social security administration.

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