PETPOOJA

CHECKLIST

PF & ESI Compliance Checklist

Monthly and annual compliance tasks for Indian employers. Every deadline, every form, every rate — in one printable checklist.

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12%
Employee PF Rate
On Basic + DA

4%
Total ESI Rate
Employee 0.75% + Employer 3.25%

15th
Monthly PF Deadline
Interest + damages if missed

15th
Monthly ESI Deadline
Penalty up to 25%

50+
Checklist Items
Monthly, annual & new hire tasks

01 Current PF & ESI Rates

Quick reference rate card for FY 2025-26

12%
Employee PF Rate
EPF & MP Act 1952, S.6

4%
Total ESI Rate
ESI Act 1948, S.40

15th
Monthly PF Deadline
EPFO Circular

Contribution	Rate	Basis	Legal Reference
Employee PF contribution	12%	Basic + DA	EPF & MP Act 1952, S.6
Employer to EPF	3.67%	Basic + DA	EPF Scheme 1952, Para 29
Employer to EPS	8.33%	Capped at ₹15,000	EPS 1995, Para 3
Admin charges (EDLI)	0.50%	Basic wages	EDLI Scheme 1976
Employee ESI	0.75%	Gross wages	ESI Act 1948, S.40
Employer ESI	3.25%	Gross wages	ESI Act 1948, S.40

EPS Cap

EPS contribution is capped on ₹15,000 basic wages. PF is mandatory for establishments with 20+ employees. Voluntary registration available for smaller establishments.

ESI Wage Ceiling

Employees earning ₹21,000/month or less (gross) are covered under ESI. Factories with 10+ employees and other establishments with 20+ employees must register.

PT rates vary by state. Maximum ₹2,500/year per Article 276(2), Constitution of India.

02 Monthly PF Compliance

Due by the 15th of every month

PF Tasks (By the 15th)

- ✓ **Calculate gross wages for all employees** — Monthly
  Include basic + DA + eligible allowances
- ✓ **Identify PF-eligible employees**
  All employees under EPF Act. New joiners enrolled from Day 1.
  EPF & MP Act 1952
- ✓ **Calculate employee PF deduction (12% of basic + DA)** — Critical
  Do NOT deduct from gross wages. Only basic + DA.
- ✓ **Calculate employer PF (3.67% EPF + 8.33% EPS)**
  EPS capped at ₹15,000 basic. Excess goes to EPF.
  EPF Scheme 1952, Para 29
- ✓ **Calculate EDLI admin charges (0.50% of basic)**
  Minimum ₹75/month per establishment
- ✓ **Generate ECR on EPFO Unified Portal**
  Login at unifiedportal-emp.epfindia.gov.in
  EPFO Unified Portal
- ✓ **Verify ECR: check UANs active & Aadhaar linked** — Critical
  Inactive UANs block PF credit to employee accounts
- ✓ **Pay PF challan via net banking**
  SBI or authorized bank only
- ✓ **Download and save TRRN receipt**
  Store for minimum 5 years for audit purposes
- ✓ **Mark PF payment status in payroll register**
  Record date, TRRN number, and amount paid

Penalty for Late PF Payment

Interest at 12% p.a. under Section 7Q + damages up to 25% under Section 14B, EPF & MP Act 1952. Missing the 15th by even one day triggers this penalty.

03 Monthly ESI Compliance

Due by the 15th of every month

ESI Tasks (By the 15th)

- ✓ **Identify ESI-covered employees**
  Gross wages ≤ ₹21,000/month. Employee stays covered till contribution period ends even if salary crosses ceiling.
  ESI Act 1948, S.2(9)

- ✓ **Calculate employee ESI deduction (0.75% of gross)** — Monthly
  Round to nearest rupee

- ✓ **Calculate employer ESI contribution (3.25% of gross)**
  No ceiling on employer contribution amount
  ESI Act 1948, S.40

- ✓ **Log in to ESIC employer portal**
  esic.nic.in — Employer code + password
  ESIC Portal

- ✓ **Generate ESI challan for the month**
  Select correct contribution period (month/year)

- ✓ **Pay ESI challan via SBI Collect or authorized bank**
  Keep payment confirmation and receipt

- ✓ **Download ESI payment receipt**
  Store with monthly payroll records

- ✓ **Update ESI payment in payroll records**
  Record challan number, date, and amount

- ✓ **Register new employees on ESIC portal** — Deadline
  Within 10 days of joining
  ESIC Regulation 10B

- ✓ **Update exit dates for departing employees**
  Required for Temporary Identification Certificate (TIC) issuance

Penalty for Late ESI Payment

Simple interest at 12% p.a. + penalty up to 25% under Section 85, ESI Act 1948. Prosecution possible for repeated defaults.

04 Monthly Payroll Reconciliation

Cross-check deductions with filed returns

- [ ] **Reconcile PF deducted in payroll with ECR amount filed** — Monthly
  Both amounts should match exactly. Any mismatch = compliance risk.
- [ ] **Reconcile ESI deducted in payroll with challan paid**
  Both amounts should match exactly
- [ ] **Verify all new joiners have UAN generated**
  Check via EPFO Unified Portal
  EPFO Unified Portal
- [ ] **Verify all new joiners registered on ESIC portal**
  Must be done within 10 days of joining
- [ ] **Check employees who crossed ₹21,000 ESI ceiling**
  ESI coverage stops from next contribution period
- [ ] **File salary slips and pay register for the month**
  Mandatory under Payment of Wages Act, 1936
  Payment of Wages Act, S.13A

Pro Tip

Monthly reconciliation takes just 15 minutes and prevents mismatches that trigger EPFO/ESIC inquiries. Do it the same day you file the challan.

05 Annual PF Compliance

Year-end returns and reconciliation

- ✓ **File Annual PF Return (Form 3A — Member-wise)** — Annual
  Due by 30 April
- ✓ **File Annual PF Return (Form 6A — Consolidated)** — Annual
  Due by 30 April
- ✓ **Reconcile 12 monthly ECR filings with Form 6A**
  Any mismatch triggers EPFO inquiry
- ✓ **Download and archive all 12 monthly TRRN receipts**
  Store for minimum 5 years
- ✓ **Check employees completing 5 years — EPS vesting**
  Eligible for pension benefits under EPS 1995
  EPS 1995, Para 12
- ✓ **Issue Form 16A / PF contribution certificates**
  On employee request
- ✓ **Update KYC for all employees on Unified Portal**
  Aadhaar, PAN, and bank account must be linked

06 Half-Yearly ESI Returns

Two filing periods per year

- ✓ **File ESI Return for April–September period** — 11 Nov
  Due by 12 November (Form 5)
- ✓ **File ESI Return for October–March period** — 12 May
  Due by 12 May (Form 5)
- ✓ **Issue ESI Pehchan cards to all covered employees**
  Required for accessing medical benefits at ESI hospitals
- ✓ **Reconcile all 12 monthly challans with returns**
  Before filing half-yearly return
- ✓ **Update business category and employee strength on ESIC**
  Annually, during return filing
- ✓ **ESIC inspection readiness — maintain registers**
  Attendance register, wage register, accident register
  ESI Act 1948, S.44-46

07 New Employee Registration

Every new hire — PF and ESI onboarding

- ✓ **Collect employee Aadhaar number** — Day 1
  Day 1 of joining
- ✓ **Collect employee PAN card** — Day 1
  Day 1 of joining
- ✓ **Collect bank account details (A/c number + IFSC)**
  Day 1 of joining
- ✓ **Check if employee has existing UAN**
  Ask for UAN from previous employer
- ✓ **If existing UAN: link new employer on EPFO portal** — 7 days
  Within 7 days of joining
- ✓ **If no UAN: generate new UAN on EPFO portal** — 7 days
  Within 7 days of joining
- ✓ **Activate UAN via SMS or portal**
  Employee must activate before first PF credit
- ✓ **Register on ESIC portal (if gross ≤ ₹21,000)** — 10 days
  Within 10 days of joining
  ESIC Regulation 10B
- ✓ **Upload photo + nomination on ESIC portal**
  Within 10 days of joining
- ✓ **Add employee to monthly ECR from month of joining**
  Before the 15th deadline
- ✓ **Issue ESI Pehchan card to employee**
  Within 30 days of ESIC registration

08 8 Common Compliance Mistakes

And how to avoid each one

Mistakes to Avoid

- ✓ **Calculating PF on gross salary instead of basic** — Critical
  PF applies to basic + DA only. HRA, conveyance, and special allowances are excluded.
- ✓ **Not covering contract / daily-wage workers under PF**
  EPF Act applies to ALL employees including contract workers. Principal employer is liable.
  EPF & MP Act 1952, S.12
- ✓ **Missing UAN activation for new employees**
  Make UAN activation mandatory on Day 1. PF credits don't reflect until UAN is active.
- ✓ **Paying ESI on basic instead of gross wages**
  ESI = gross wages. PF = basic + DA. Different bases for different deductions.
- ✓ **Not tracking employees crossing ₹21,000 ESI ceiling**
  Set a salary review trigger. ESI stops from next contribution period when gross > ₹21,000.
- ✓ **Filing ECR late because 15th falls on a bank holiday**
  If 15th is a bank holiday, pay the previous working day. No automatic extensions granted.
- ✓ **Not registering new employees within statutory deadline**
  Use a Day-1 onboarding checklist. PF registration: within 7 days. ESI: within 10 days.
- ✓ **Not reconciling payroll deductions with ECR / challan**
  Monthly reconciliation takes 15 minutes and prevents mismatches that trigger inquiries. See Section 4.

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