



India increases EDLI payment benefits

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The maximum amount of benefits payable under the Employees Deposit Linked Insurance Scheme (EDLI) increased from INR 6 Lakh to INR 7 Lakh, the Ministry of Labour and Employment recently announced. The effective date of this increase is not yet known.

The EDLI is a type of life insurance coverage provided by the Employees Provident Fund Organisation (EPFO) for private sector salaried employees. The registered nominee receives a lump-sum payment in the event of the death of the insured employee. All organizations registered in the Employees Provident Fund and Miscellaneous Provisions Act, 1952 are automatically enrolled in the EDLI, with employers paying 0.5% of an employee's basic salary up to a maximum of INR 75 per month. However, employers are exempt from contributing to the EDLI if they provide improved insurance benefits through alternative life insurance schemes. The amount of benefit payable is calculated on the employee's last salary payment.

For employers that opted to use life insurance to provide EDLI coverage, the premium cost will increase by approximately 15% to 18%, depending on the type of plan chosen. For employers that provide EDLI coverage through the EPFO, the extra cost will be paid for by the government.

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[Press release](#) (EPFO, 9 Sep 2020)

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