

## HR Law Hotline

April 18, 2019

### PF JUDGEMENT - A MISSED OPPORTUNITY?

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Special allowance is no longer 'special' - at least that is abundantly clear from the recent judgment of the Hon. Supreme Court (SC) of February 28, 2019, in relation to provident fund (PF) contributions. This judgment, which was keenly awaited since 2013, finally lays to rest the prevailing confusion and ambiguities in the interpretation of 'basic wages' under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF Act) and on what allowances the employers must contribute PF.

The judgment delves into the question whether special allowance paid by an establishment to its employees would fall within the definition of 'basic wages' under the EPF Act. In several CTC structures, special allowance was nothing more than a balancing figure and was taxed accordingly.

For the complete article, please click [here](#).

Vikram Shroff

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