



श्रम एवं रोजगार मंत्रालय

GOVERNMENT OF INDIA

MINISTRY OF LABOUR & EMPLOYMENT

Employment Linked Incentive Scheme
Empowering Jobs, Formalizing Futures, Fueling Growth

Vision

“The budget will further strengthen the Employment and Self-employment initiatives of the Government. The world has seen the success of PLI and now in this budget, the Government has announced the Employment Linked Incentive Scheme. This will create crores of new jobs. Under this Scheme, the First-Timer will get one month wage from the Government.”

- Shri Narendra Modi, Hon'ble Prime Minister

International Experience

COUNTRY	SCHEME TARGET	OUTCOMES
Singapore	<ul style="list-style-type: none"> Job creation/retention during COVID-19 recovery, with focus on SMEs and mature workers (40+). 	<ul style="list-style-type: none"> a 12.1%–13.6% wage increase for local hires; 70% of beneficiaries were SMEs, with improved job retention for mature workers.
Malaysia	<ul style="list-style-type: none"> Targets youth (15–30), women, persons with disabilities and unemployed aiming for job placements in manufacturing, IT, and services. 	<ul style="list-style-type: none"> Achieved job placements, reduced youth unemployment
South Korea	<ul style="list-style-type: none"> Targets youth aged 15–34 in SMEs across digital technology, green industries, and backward areas, aiming to create quality jobs while reducing unemployment and improving job retention in SMEs. 	<ul style="list-style-type: none"> Reduced youth unemployment with a 12–15% improvement in youth retention rates.
Germany	<ul style="list-style-type: none"> Targets long-term unemployed, disabled, and refugees to reduce long-term unemployment. 	<ul style="list-style-type: none"> Reduced long-term unemployment with beneficiaries primarily placed in manufacturing, care, and service sectors.
Australia	<ul style="list-style-type: none"> Targets young workers aged 16–35 aiming to create new jobs in retail, hospitality, and construction for post-COVID recovery. 	<ul style="list-style-type: none"> Reduced youth unemployment

ELI Scheme At a Glance

- *Total Outlay: ₹99,446 Crore.*
- *Registration Period: 1st August 2025 - 31st July 2027.*
- Benefits to **manufacturing sector** for **04 years** and **02 years** for **other sectors**
- **Targeted Job Creation:** 3.5 Crore jobs
- Schemes Implemented through **EPFO**
- Scheme has **two** Parts viz. **Part A** -for First-Timers and **Part B-** for Employers
- Date of **Start** of Scheme - 1st August 2025

ELI Objectives

- Incentivize **additional employment** in formal sector and **sustain** it.
- Catalyze employment generation across all sectors
- Focus on **job creation** in the manufacturing sector.
- Promote **employability** and **formalization** of workforce.
- Enhancing **social security coverage** of workforce.
- Strengthen financial literacy

Benefits of the Scheme

1. Employee

- **Financial support** from Government for first timers;
- More **Youth in formal workforce**;
- **Social security** benefit coverage for first-timers;
- **Financial literacy** skills;
- **On job training** making **First-timers** employable;
- Improved **employability** through **sustained** employment

2. Industry

- **Offset cost** of additional job creation;
- Enhanced **workforce productivity**;
- Incentivize coverage of **social security net**.

Part A – Incentives for First-Timers

Eligibility	<ul style="list-style-type: none"> • First Timers with Monthly Gross salary ≤ ₹1,00,000. • Not for Employers
Incentive Structure	<ul style="list-style-type: none"> • One-month wage(Basic+ DA) up to ₹15,000 in two instalments: <ul style="list-style-type: none"> • 1st Instalment: Payable after 6 months of ECR filing. • 2nd Instalment: Payable after 12 months of ECR filing + completion of mandatory Financial Literacy Course. • To promote habit of saving, 2nd Instalment will be retained in a savings instrument and available for withdrawal after a fixed period of time. Ministry will issue directions.
Incentive periodicity	One time
Registration Period	2 years – (01.08.2025 to 31.07.2027)
Payment Mode	In Bank account of Employee :Direct Benefit Transfer (DBT) via Aadhaar Bridge Payment System (ABPS)
Impact	<ul style="list-style-type: none"> • Drives formalization and social security inclusion. • Offsets initial cost of search, transportation and housing • Cultivates long-term savings habits among youth.

Why Part A?

- Facilitate hiring of **first-time** employees;
 - **Unemployment for first-timers** is over 9% although the overall unemployment is 3.2%
 - **Employers hesitant to take first-timers** –lack of basic skills, low productivity – “UNEMPLOYABLE”
 - **High Attrition** – which hinders skill formation and no productivity gains for employer
- What does the incentive do?
 - Partially **offset the initial costs** of taking up the job – search cost, transportation, housing etc.
 - Employees don't take up jobs when the wage offered is very low
 - Behaviour Change - Pushes the **employees to stay for at least 6 months**, which leads to skill formation and chances of higher salary on re-employment

Part B – Incentivizing Additional Jobs Creation

Eligibility	<ul style="list-style-type: none"> All establishments registered with EPFO (including exempted). Threshold : <ul style="list-style-type: none"> At least 2 additional employees (for establishments with <50 employees). At least 5 additional employees (for establishments with ≥ 50 employees). Sustained employment for at least 6 months 								
Incentive Structure	<p>Incentives on monthly wage slabs per additional employee with gross wage up to Rs.1Lakh/month:</p> <table border="1" data-bbox="363 1128 971 1323"> <thead> <tr> <th>Wage (Basic+DA)Slabs</th> <th>Employer Incentive</th> </tr> </thead> <tbody> <tr> <td>\leq Rs 10,000*</td> <td>Upto Rs 1,000</td> </tr> <tr> <td>>Rs 10,000 to \leq Rs 20,000</td> <td>Rs 2000</td> </tr> <tr> <td>> Rs 20,000</td> <td>Rs 3,000</td> </tr> </tbody> </table> <p>*Up to ₹10,000 wage: 10% of wage</p>	Wage (Basic+DA)Slabs	Employer Incentive	\leq Rs 10,000*	Upto Rs 1,000	>Rs 10,000 to \leq Rs 20,000	Rs 2000	> Rs 20,000	Rs 3,000
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Incentive Duration	2 years for all sectors, 4 years for manufacturing.								
Payment Mode	In Bank account of Establishments: DBT to PAN-linked bank accounts								

Why Part B?

- Incentivize employer for additional job generation
 - **80% of the incentive directed at Employer** as they create jobs
 - Employers do respond to incentives
 - Labour-intensive sectors have higher percentage of labour cost; Hence incentive lead to more hiring
 - Such schemes work on the margins; Reduced marginal cost leading to additional employment; Automation vs. Labour
- Behaviour Change - **Pushes the employers to sustain job for at least 6 months**, which leads to skill formation for employees and chances of higher productivity for employer

Common Features

Coverage	All EPFO-registered establishments, including exempted.
Periodicity	Incentives in lumpsum after every six months .
Baseline	<ul style="list-style-type: none">• Establishments registered with EPFO for more than 12 months: Average number of employees for 12 previous months i.e. upto wage month of July, 2025.• Establishment registered with EPFO for less than 12 months: Average number of employees for all months upto wage month of July, 2025.• Establishment registered in EPFO during the scheme registration period: 20
Additionality	<ul style="list-style-type: none">• Additional jobs created above the baseline as per Threshold provided and• the employees against these additional jobs are sustained for at least 6 months.

Common Features

Additionality	All the new employees whose Gross Wage exceeds Rs 1 lakh, will be counted for the purpose of deciding the additionally & eligibility of the employer, but no benefit will be provided in respect of them.
First Timer	Any employee who joins the establishment after 01.08.2025 and their contribution is received for the first time in EPFO/Exempted trust
Compliance Burden	<ul style="list-style-type: none">• Employer : Submission of GST, PAN linked bank account details;• Employee: UAN authentication with FAT and Aadhaar linked Bank Account.

How to avail: Employees

UAN Activation	Activated through Aadhar based Biometric Authentication using FAT on UMANG
Aadhaar Seeding	Bank account to must be Aadhaar seeded

Financial Literacy	<p>Complete Financial Literacy Course before 12 months.</p> <p>After the first instalment is disbursed, the Financial Literacy Course is automatically enabled in the member's EPFO dashboard.</p> <ul style="list-style-type: none">• Log in using UAN and registered mobile number.• Go to 'My Dashboard' → 'Learning Section'• Click on Financial Literacy for ELI Members and enroll.• Watch all video modules and complete the course• On successful certification, the member becomes eligible for the second instalment
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How to avail: Employers

PAN Details : provide their valid PAN.

GST Details : provide their GST registration details.

PAN Seeding : Bank account of establishment must be seeded to PAN account.

Filing of **Monthly ECR** in **time** is a must

Registration Form

1. Entity Details

Entity Name	PAN
Ashok Kumar	BORP7492P
TAN	GSTIN
348596	RAJ2024

2. Banking Details

Bank Name	Bank Branch
State Bank of India	Malviya Nagar
IFSC Code	Account Number
SBI0098	9238596001103

3. Undertaking

I, Ram Kumar, Head of Human Resources of ABC Private Limited declare that I am fully aware of the eligibility criteria for availing the ECI benefits and provide the required details to the best of my knowledge.
I further undertake that in case if undue benefits are received by the establishment, it shall be refunded to the government in full along with penal interest, if any.

[Click here to e-sign](#)

EPFO AT A GLANCE

A statutory Organisation under MoL&E administers EPF & MP ACT, 1952

EPF & MP ACT, 1952

Provides for 3 Schemes: (EPF 1952, EPS 1995, EDLI 1976)

Applies to establishments having 20 or more employees

Applicable to employees with monthly wages up to Rs.15000

7.83 Cr. Contributory Members
7.98 Lakh Contributory Establishments.
Interest for 2024-25 : 8.25 %

6.02 Cr. Claims settled
Total settled amount ~ Rs. 2.41 Lakh Cr.



*Provisional Data as on 31.03.2025