



Circular No – 017/2026

Date: 23.03.2026

To
All Members of The Association

PF – HIGHER PENSION
UNAMENDED TRUST RULES CANNOT BE RELIED TO DENY BENEFIT
MADRAS HIGH COURT RULING

1. Several employees of **Bharat Heavy Electricals Ltd (BHEL)**, who had contributed to the Provident Fund on higher wages, claimed a higher pension based on the **Supreme Court's** decision in **The Employees' Provident Fund Organisation Vs. Sunil Kumar B. (2023) 12 SCC 701**.
2. The **Provident Fund Authorities** rejected these claims on the grounds that the **BHEL Trust Rules** did not provide for making higher contributions to the Provident Fund.
3. The **Madras High Court (Madurai Bench)** rejected the Provident Fund Department's contention and allowed the Writ Petitions filed by the pensioners.
 - o The Court quashed the **EPFO Circular dated January 18, 2025**, which attempted to limit higher pension eligibility based on the specific internal rules of individual exempted trusts.



- The Court held that **Trust Rules cannot override statutory benefits**. Since the establishment was governed by the statutory **Employees' Pension Scheme (EPS), 1995**, the EPFO could not rely on unamended Trust Rules to deny benefits.
- Under the **EPF Scheme**, any amendment that is more beneficial to employees must be made **automatically applicable** to them, regardless of whether the formal Trust Rules have been updated.
- The Court directed that all **joint option applications** submitted by **January 31, 2025**, must be accepted.
- Upon the deposit of **differential contributions** (along with applicable interest) by the employees, the EPFO is mandated to compute and disburse the enhanced pension based on their **actual salary**.

(D Chandirasegar and Others Vs. Union of India and Others 2025 LLR 1288 = MANU/TN/3779/2025)

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