

## HR Law Hotline

May 13, 2019

### PF JUDGMENT : 5 IMPORTANT LESSONS

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In the recent provident fund (PF) judgment, the Hon. Supreme Court (SC) upheld the test of 'universality'. However, that did not seem to create any new jurisprudence - it basically and correctly reiterated the position taken in some of the previous case laws on this issue, including as far back as 1963.

Hopefully, the PF judgment, which was keenly awaited, should lay to rest the prevailing confusion and ambiguity in the industry while interpreting basic wages. It should now be abundantly clear as to salary components on which employers need to contribute PF. Unfortunately, there were higher expectations, given the potential impact an adverse decision would have had on all industry sectors covering a majority of India's working population.

Analyzing the PF judgment has in a way helped all of us learn several important lessons, some of which are indicated below:

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

Vikram Shroff

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