



Ministry of Finance



GOVERNMENT TO IMPLEMENT 3 SCHEMES FOR 'EMPLOYMENT LINKED INCENTIVE' AS PART OF THE PRIME MINISTER'S PACKAGE

SCHEME TO PROVIDE ONE-MONTH WAGE TO ALL PERSONS NEWLY ENTERING THE WORKFORCE IN ALL FORMAL SECTORS EXPECTED TO BENEFIT 210 LAKH YOUTH

SCHEME TO INCENTIVIZE ADDITIONAL EMPLOYMENT IN THE MANUFACTURING SECTOR LINKED TO THE EMPLOYMENT OF FIRST-TIME EMPLOYEES EXPECTED TO BENEFIT 30 LAKH YOUTH

EMPLOYER-FOCUSED SCHEME COVERING ADDITIONAL EMPLOYMENT IN ALL SECTORS EXPECTED TO INCENTIVIZE ADDITIONAL EMPLOYMENT OF 50 LAKH PERSONS

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The Government will implement 3 schemes for 'Employment Linked Incentive', as part of the Prime Minister's package. These will be based on enrolment in the EPFO, and focus on recognition of first-time employees, and support to employees and employers. This was announced by Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman while presenting the Union Budget 2024-25 in Parliament today. The three schemes to be implemented are as below:

Scheme A: First Timers

The Union Finance Minister said that this scheme will provide one-month wage to all persons newly entering the workforce in all formal sectors. The direct benefit transfer of one-month salary in 3 instalments to first-time employees, as registered in the EPFO, will be up to ₹ 15,000. The eligibility limit will be a salary of ₹ 1 lakh per month. “The scheme is expected to benefit 210 lakh youth”, she said.

Scheme B: Job Creation in manufacturing

The Union Finance Minister stated that this scheme will incentivize additional employment in the manufacturing sector, linked to the employment of first-time employees. An incentive will be provided at specified scale directly both to the employee and the employer with respect to their EPFO contribution in the first 4 years of employment. Smt. Nirmala Sitharaman stated that the scheme is expected to benefit 10 lakh youth entering employment and their employers.

Scheme C: Support to employers

This employer-focused scheme will cover additional employment in all sectors, said the Union Finance Minister. All additional employment within a salary of ₹ 1 lakh per month will be counted. The Government will reimburse to employers up to ₹ 3,000 per month for 2 years towards their EPFO contribution for each additional employee. “The scheme is expected to incentivize additional employment of 50 lakh persons”, she added.

UNION BUDGET 2024-25

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MINISTRY OF FINANCE

Employment & Skilling

Prime Minister's Package: 3 schemes announced under "Employment Linked Incentive"

Scheme A: First Timers

- Direct benefit transfer of 1-month salary in 3 installments up to ₹ 15,000 to first-time employees registered in EPFO.

Scheme B: Job Creation in Manufacturing

- Incentive to be provided directly to both employee and employer as per their EPFO contribution, in the first 4 years of employment.

Scheme C: Support to Employers

- Reimbursement to employers up to ₹ 3,000 per month for 2 years towards their EPFO contribution for each additional employee.

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