MAHARASHTRA STATE ELECTRICITY BOARD's CONTRIBUTORY

PROVIDENT FUND

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Ref. No. AD/PF/INV/427 Date:18.08.2026

CIRCULAR No. 248

Subject: Implementation of revised procedure for Provident Fund advances/partial withdrawals under the Employees' Provident Funds Scheme, 2026 – regarding.

Reference:

1. Employees' Provident Funds Scheme, 2026 notified vide Gazette Notification G.S.R. 525(E) dated 29.06.2026.
2. Decision of the Board of Trustees of MSEB CPF Trust in the 131st Quarterly Meeting held on 30.07.2026

The Ministry of Labour & Employment, Government of India, has notified the Employees' Provident Funds Scheme, 2026 vide Gazette Notification G.S.R. 525(E) dated 29.06.2026, superseding the Employees' Provident Funds Scheme, 1952 and revising the provisions relating to partial withdrawals from Provident Fund accumulations.

The Board of Trustees of MSEB CPF Trust, in its 131st Quarterly Meeting held on 30.07.2026 adopted the Employees' Provident Funds Scheme, 2026 for implementation by the Trust, subject to the applicable provisions and necessary operational modifications.

The revised Scheme has introduced the concepts of "Eligible Member Balance" and "Minimum Balance" and requires retention of 25% of the total Provident Fund accumulations in the member's account after a partial withdrawal. The permissible partial withdrawals have been consolidated under broad categories of Essential Needs, Housing Needs and Special Circumstances, subject to the eligibility conditions, frequency limits and other provisions of the Scheme.

Accordingly, with a view to aligning the operational procedure of MSEB CPF Trust with the revised provisions, the following procedure shall come into force from 18.08.2026 , which shall be treated as the Cut-off Date:

1. Discontinuance of Refundable Advances

The existing practice of sanctioning refundable advances by MSEB CPF Trust shall stand discontinued with effect from the Cut-off Date.

No fresh application for refundable advance shall be sanctioned on or after the Cut-off Date.

Applications received on or after the Cut-off Date for purposes covered under the revised provisions shall be processed as non-refundable/partial withdrawals, wherever permissible, in accordance with the Employees' Provident Funds Scheme, 2026 and the applicable provisions of MSEB CPF Trust.

2. Eligibility and Minimum Balance

All partial withdrawals shall be subject to:

- availability of the Eligible Member Balance;
- mandatory retention of Minimum Balance equivalent to 25% of total Provident Fund accumulations;
- prescribed membership requirements;
- applicable frequency limits;
- purpose-specific conditions; and
- other applicable provisions of the Employees' Provident Funds Scheme, 2026 and MSEB CPF Trust Rules.

The MSEB CPF Portal shall process applications in accordance with the revised eligibility and balance requirements.

3. Treatment of Existing Refundable Advances

The refundable advances already sanctioned and remaining outstanding as on the Cut-off Date shall be identified and reconciled employee-wise.

The principal amount outstanding as on the Cut-off Date shall be converted into non-refundable advances/partial withdrawals and adjusted against the Provident Fund accumulations standing to the credit of the respective members, subject to the approved procedure and applicable provisions.

Accordingly, recovery of the said principal amount through future salary deductions shall cease from the Cut-off Date.

4. Recovery of Interest and BOT Charges

The interest accrued up to the Cut-off Date on the existing refundable advances shall continue to be recoverable from the concerned employees.

The HR Departments of MSEDCL, MSPGCL, MSETCL and MSEBHCL shall be responsible for:

1. determining and recovering the interest accrued up to the Cut-off Date;
2. crediting/remitting the recovered interest in the prescribed manner; and
3. ensuring credit/remittance of the applicable 1% BOT charges relating to the refundable advances to MSEB CPF Trust.

The respective HR Departments shall furnish employee-wise details of interest and BOT charges recovered/remitted to MSEB CPF Trust for reconciliation and record after giving effect to 2 & 3 above , within 3 working days.

5. System and Procedural Changes

Necessary modifications shall be carried out in the MSEB CPF Portal, software application, accounting system and operational procedures for implementation of the revised provisions, including:

- disabling the facility for sanction of fresh refundable advances;
- processing of partial/non-refundable withdrawals under the revised categories;
- computation of Eligible Member Balance;
- ensuring retention of the mandatory 25% Minimum Balance;
- adjustment of existing refundable advances as on the Cut-off Date;
- accounting of interest and BOT charges; and
- generation of necessary reports for monitoring and reconciliation.

6. Responsibility of Concerned Offices

The Information Technology Section, Accounts Section and concerned functional sections of MSEB CPF Trust, as well as the HR Departments of MSEDCL, MSPGCL, MSETCL and MSEBHCL, shall take necessary action for implementation of the above procedure.

The concerned offices shall ensure that applications and transactions are processed strictly in accordance with the revised provisions and the instructions issued by MSEB CPF Trust from time to time.

Any difficulty or clarification arising during implementation shall be brought to the notice of **MSEB CPF Trust** for appropriate resolution.

This circular shall come into force with immediate effect and shall be applicable to all concerned offices and employees covered under MSEB CPF Trust.

By Order of the Board of Trustees

Secretary
MSEB CPF Trust.

To:

1. The Managing Director, MSEDCL – for information and necessary action.
2. The Managing Director, MSPGCL – for information and necessary action.
3. The Managing Director, MSETCL – for information and necessary action.
4. The Managing Director, MSEBHCL – for information and necessary action.
5. Chief General Manager/Head of HR, MSEDCL.
6. Chief General Manager/Head of HR, MSPGCL.
7. Chief General Manager/Head of HR, MSETCL.
8. Chief General Manager/Head of HR, MSEBHCL.
9. Information Technology Section, MSEB CPF Trust.
10. Accounts/Finance Section, MSEB CPF Trust.
11. All concerned offices/sections of MSEB CPF Trust.

ANNEXURE – A

Permissible Grounds for Partial Withdrawals under Employees' Provident Funds Scheme, 2026

Under the Employees' Provident Funds Scheme, 2026, the provisions relating to partial withdrawals have been consolidated into broad categories covering Essential Needs, Housing Needs and Special Circumstances. The permissible grounds and applicable conditions are as under:

Sr. No.	Category / Purpose	Eligibility / Conditions	Permissible Withdrawal	Frequency
1	Illness / Medical Treatment	For illness of the member or eligible family members. Minimum 12 months' total membership of the Fund.	Up to the Eligible Member Balance, subject to retention of Minimum Balance of 25% of total PF accumulations	No specific frequency limit prescribed
2	Education	For education of the member or family members. Minimum 12 months' total membership of the Fund.	Up to the Eligible Member Balance, subject to retention of Minimum Balance of 25% of total PF accumulations	Maximum 10 times during membership
3	Marriage	For marriage of the member or family members. Minimum 12 months' total membership of the Fund.	Up to the Eligible Member Balance, subject to retention of Minimum Balance of 25% of total PF accumulations	Maximum 5 times during membership
4	Housing-related Requirements	For purchase of a flat/house, acquisition of a site for construction of a house, construction of a house, repayment of housing loan, and additions, alterations, renovation or improvement of an existing house/flat, subject to prescribed conditions.	Up to the Eligible Member Balance, subject to retention of Minimum Balance of 25% of total PF accumulations	Maximum 5 times during membership
5	Special Circumstances	For specified special circumstances prescribed under the Scheme. Minimum 12 months' total membership of the Fund. (The Gazette itself does not provide an exhaustive list.)	Up to the Eligible Member Balance, subject to retention of Minimum Balance of 25% of total PF accumulations	Maximum 2 times in a financial year