



GRC BULLETIN

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Case Law

Kerala HC Upholds Workers' Right to Higher Pension,
Rules Bulk Payments Not a Barrier

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JUDICIAL INSIGHT

Case Title

Kerala HC Upholds Workers' Right to Higher Pension, Rules Bulk Payments Not a Barrier

KERALA HC UPHOLDS WORKERS' RIGHT TO HIGHER PENSION, RULES BULK PAYMENTS NOT A BARRIER

Facts:

- 1. Employees in Kerala were earning salaries higher than the wage ceiling prescribed under the EPF & EPS rules.
- 2. Both the employees and their employer decided to contribute to EPF and EPS based on the actual (higher) salary instead of the limited wage ceiling.
- 3. The employer, however, did not deposit these contributions every month. Some payments were made later or either in bulk or with a delay.
- 4. EPFO accepted the delayed/bulk payments without objection at the time of deposit.
- 5. Later, when employees applied for a higher pension, EPFO denied their claims, arguing that because the contributions were not remitted monthly and regularly, they were ineligible.

Issue:

 Can EPFO deny an employee the benefit of a higher pension merely because the employer made contributions in bulk or with delay, even when those contributions were accepted and based on the actual higher salary?

Judgment:

- 1. The Kerala High Court ruled in favor of the employees.
- 2. The Court said that EPFO cannot deny a higher pension if both the employer and employee have contributed based on the actual higher salary
- The timing or mode of payment (whether monthly, delayed, or in bulk) cannot be used as a reason to reject higher pension benefits.
- 4. Once EPFO accepted the contributions without raising objections, it cannot later claim that the payments were invalid.
- 5. The Court emphasized that substantive rights should not be defeated by technical lapses or procedural delays.
- The purpose of the pension scheme is to ensure social security based on actual wages, not to penalize workers for administrative timing issues.
- 7. Therefore, the employees are entitled to higher pension benefits, and EPFO must process them accordingly.

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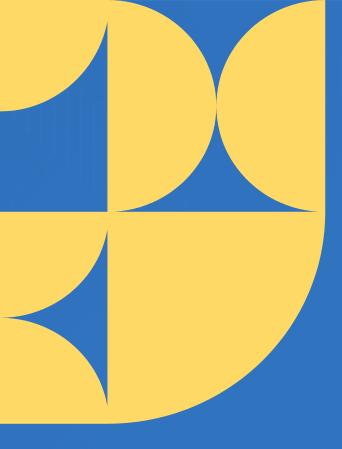
Key Takeaways:

- 1. Reinforces the principle of fairness, substance over technicality.
- 2. Protects employees' retirement rights from being lost due to employers' procedural lapses.
- 3. Confirms that once contributions are made and accepted on actual wages, EPFO cannot deny benefits on timing grounds.
- 4. Provides a relief precedent for thousands of employees facing similar rejections from EPFO.
- 5. Strengthens the trust and transparency in the implementation of EPS (Employees' Pension Scheme) benefits.

CASE TITLE: Gopinathan Pillai M. & Others v. Union of India & Others, 2025 - LiveLaw (Ker) 234

Link - https://www.livelaw.in/high-court/kerala-high-court/epspension-epfo-cannot-deny-higher-pension-on-the-ground-thatcontributions-were-paid-in-bulk-kerala-high-court-289096?utm_source=chatgpt.com







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