

‘PM Viksit Bharat Rozgar Yojana (PM-VBRY)’ to come into effect from 1st August 2025

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The Employment Linked Incentive (ELI) Scheme which was cleared by Union Cabinet, will come into effect from 1st August 2025 as the “**PM Viksit Bharat Rozgar Yojana (PM-VBRY)**”. The name is in alignment with the scheme’s overall objectives towards the Viksit Bharat initiative and reflects the Government’s commitment to generating inclusive and sustainable employment opportunities in the country.

Earlier, the Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, had approved this scheme. With an outlay of Rs 99,446 Crore, the PMVBRY aims to incentivize the creation of more than 3.5 Crore jobs in the country, over a period of 2 years. Out of these, 1.92 Crore beneficiaries will be first timers, entering the workforce. The benefits of the Scheme would be applicable to jobs created between 01st August 2025 and 31st July 2027.

The scheme, which incentivizes employers to create new employment, aims to provide benefits for the generation of new jobs across various sectors with special focus on the manufacturing sector. It forms a crucial part of India’s strategy to accelerate economic growth through employment-led development.

The Scheme consists of two parts with Part A focused on first timers and Part B focused on employers:

Part A: Incentive to First-Time Employees:

Targeting first-time employees registered with EPFO, this Part will offer one-month EPF wage up to Rs 15,000 in two installments. Employees with salaries up to Rs 1 lakh will be eligible. The 1st installment will be payable after 6 months of service and the 2nd installment will be payable after 12 months of service and completion of a financial literacy programme by the employee. To encourage the habit of saving, a portion of the incentive will be kept in a savings instrument or deposit account for a fixed period and can be withdrawn by the employee at a later date.

Part B: Support to Employers:

This part will cover the generation of additional employment in all sectors, with a special focus on the manufacturing sector. The employers will get incentives in respect of employees with salaries up to Rs 1 lakh. The Government will incentivize employers, up to Rs 3000 per month, for two years, for each additional employee with sustained employment for at least six months. For the manufacturing sector, incentives will be extended to the 3rd and 4th years as well.

Establishments, which are registered with EPFO, will be required to hire at least two additional employees (for employers with less than 50 employees) or five additional employees (for employers with 50 or more employees), on a sustained basis for at least six months.

The incentive structure will be as under:

EPF Wage Slabs of Additional Employee (in	Benefit to the Employer (per additional employment per month)
Up to Rs 10,000*	Up to Rs 1,000
More than Rs 10,000 and up to Rs 20,000	Rs 2,000
More than Rs 20,000 (up to salary of Rs 1 Lakh/month)	Rs 3,000

**Employees with EPF wages up to Rs. 10,000 will get a proportional incentive.*

Incentive Payment Mechanism:

All payments to the First Time Employees under Part A of the Scheme will be made through DBT (Direct Benefit Transfer) mode using the Aadhar Bridge Payment System (ABPS). Payments to the Employers under Part B will be made directly into their PAN-linked Accounts.

MG/DK

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