CHAPTER 10

SOCIAL SECURITY IN INDIA

INTRODUCTION

In India, the coverage gap is about 90% of the total estimated workforce. Coverage gap refers to workers who do not have access to any formal scheme for old-age income. Addressing Social Security in India with particular reference to retirement income for workers within the coverage gap is the need of the hour. This article gives a detailed description about Pension Schemes & Social Security in India

What is social security?

- Social security means protecting a worker and his family against work or health related eventualities.
- Eventualities include, but are not limited to, Sickness, Maternity, Disability, Death, Unemployment, Old age.
- Social Security in India covers treatment, rehabilitation or compensation.
- If there is no provision of social security then there can be no human dignity.
- Lack of Social Security in India leads to destitution, crime, child labour, etc.

Social Security in India

- Professor B. P. Adarkar developed the first Social Security scheme in India in 1944.
- The govt enacted the Employees' State Insurance Act, 1948 (ESI Act) to set up Employee State Insurance Corporation (ESIC).
- Employees Provident Fund Act, 1952 was enacted to set up Employees Provident Fund Organisation (EPFO).
- Some earlier schemes like Workmen's Compensation Act (1923) paved the way for workers & families to receive benefits in case of injuries.
- The Maternity Benefit Act, 1961 provides for 12 weeks wages during maternity plus paid leaves.
- The Payment of Gratuity Act, 1972 provides 15 days wages for each year of service to employees who have worked for 5 years or more in organizations with 10 man strength or more.

Social security has always been a primary focus area of various plans and policies of Government of India since independence. Initially almost all social security schemes and programs were focused on younger generations and issues related to healthcare and disability was addressed by these schemes. Old Age social security was considered as a family subject, as most people lived with their children in old age. With rapid increase in population of older persons and fast changing socio-economic scenario, issues concerning old people are now also being included in the social security schemes over the years.

Realizing the ever-increasing population of older persons and fast changing socioeconomic & demographic scenario, Government of India has also prioritize old age related issues in its social security and social protection schemes and programs. India's social security system comprises a number of schemes and programs. Still government-controlled social security structure in India applies to only a small portion of the population. Generally, India's social security schemes cover the following social security initiatives;

- Pension – Retirement pension, Family pension, Widow pension, Old age pension, etc.
- Health Insurance and Medical Benefits
- Disability Benefits
- Maternity Benefits to women
- Gratuity

While a major part of country's population is in the unorganized sector and may not have an opportunity to participate in each of these schemes, people working in the organized sector and their employers are entitled to coverage under various government run social security schemes. The applicability of mandatory contributions to social security programs is varied. Some of the social security programs require employer contributions from all companies, some from companies with a minimum of 10 or more employees, and some from companies with 20 or more workers.

Need for Labour Welfare

Need for Labour Welfare The aim or object of welfare activities is partly humanistic, to enable the workers to enjoy a fuller and richer life. The relevance and necessity of welfare work in India, can be easily realised if one observes the pitable working conditions of workers in this country. A stable and efficient labour force cannot be built up without an improvement in the conditions of their life and work in industrial centres. The development of community and society depends only on the development of labours. The importance of labour welfare work is beyond the stage of debate and is recognised as an integral part ofindustrial traditon in all industrially advanced countries. Labour welfare is a vital part of business organisation and management 'now-a-days' a attaches more importance to human angle. It increases the productivity as well as productivity efficiency of the workers and induces in them a new spirit of self-realisation and consciousness. Welfare activities can go a long way in keeping the workers contented. The need for labour welfare was strongly felt by Royal Commission on Labour as far back as 1931, when the Royal Commission on Labour stated, “The benefits, which go under this nomeclature are of great importance to the worker and which he is unable to secure by himself. The labour welfare scheme may be regarded as a wise investment. The worker should at least have the means and facilities to keep himself in a state of health and efficiency. The working condition should be such as to safeguard his health and protect him against occupational hazard.” In May 1944, in Philadelphia Declaration, the International Labour Organisation stated that “The war against want requires to be carried on with unrelenting vigour within each nation, and by continuous concerted international effort in which the representative of workers and employers enjoying equal status with those of Government representatives.”

Indian National Congress in its Karachi resolution stated that state shall safeguard the interest of industrial workers and shall secure them by suitable legislation, the living wage, healthy working conditions of work, limited hours of work, suitable machinery for settlement of disputes between employers and workmen and protection against old age, sickness and unemployment. Anything done for intellectual, physical, moral and economic betterment of the workers, whether by employers, by government or by other agencies over and above what is laid down by laws of the land, is labour welfare.

Labour welfare work has its beneficial efforts on the workers. The welfare measure influence the sentiment ofthe workers and contribute to industrial peace. The aims of labour welfare are to provide facilities and amenities which enable the workers employed in industries to perform their work in healthy, congenial surrounding conducive to good health and high morale beside other factors such as: (i) Humanistic - To enable the worker to enjoy fuller and richer life. (ii) Economic - To improve the efficiency of worker. (iii) Civic - To develop a sense of responsibility and dignity among the workers.

Constitutional Provisions for Labour Welfare

The need for labour welfare was emphasised in the free India by the Constitution which laid down the following Articles in the Constitution of India.

Article 32 - The state shall make effective provision for securing the right to work, to education and to public assistance, in case of unemployment, old age, sickness, disablement, and other cases of undeserved want.

Article 33 - The state shall make provision for securing just and human conditions ofwork and for maternity relief.

Article 39 - The state shall, in particular, direct its policy towards securing;

(a) That the citizens, men and women equally, have the right to an adequate means of livelihood;

(b) that the ownership and control of the material resources are so distributed as to subserve the common good;

(c) that the operation of the economic systems does not result in the concentration of wealth and means of production to the common detriment;

(d) that there is equal pay for equal work for both men and women; and

(e) that the health and strength of workers, men and women; and the tender age of children are not abused and that citizens are not forced by economic necessity to enter a vocation unsuited for their age or strength.

Article 41 - The state shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement and other cases of under-served wants.

Article 42 - The state shall make provision for securing just and humane conditions ofwork and for maternity relief.

Article 43 - The state shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise work, a living wage condition of work ensuring a decent standard of life and full employment ofleisure and social and cultural opportunities and, in particular, the state shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas.

Article 43 -A- The state shall take steps, by suitable legislation on in any other way, to secure participation of workers in the development of undertakings, establishments or other organizations engaged in any industry.

The welfare of the labouring classes must be one of the first cares of every employer. The betterment of workers’ conditions must proceed more from the employers down rather than be forced up by demands from below. It is so important because if the labour is well tended, well housed, well fed, well looked after, it is not only an asset to the employer but serves to raise the standards of industry and labour in the country. Labour welfare activities are the useful adjunct to motivational approach and help in maintaining positive attitude towards the job and the organisation. Therefore, welfare is also fundamentally in the interest of larger society as the health, happiness and efficiency of each individual connotes the general well being of all. The concept of welfare is dynamic in nature and vary from country to country and from time to time and even in the same country depending upon its value system, social institution, degree of industrialisation and general level of social and economic development, According to Fredric Engels.” Labour is the source of all wealth. It is next to nature, which supplies it with the material that it converts into wealth. But it is even definitely more than this.” Thus labour welfare is the basic condition for all organisations. To achieve the above ends, several committees and commissions recommended certain measures which in due course turned out to be labour laws.

Constitutional Framework of Labour Legislation

Indian constitution serves as the most important basis for labour laws in our country. Labour legislation in India is designed to fulfil the pledge and ideology enshrined in the Indian constitution. The Fundamental Rights and Directive Principles of state policy enshrined in our constitution provide guidelines for labour legislation in the country. Fundamental Rights The constitution of India has guaranteed some fundamental rights to all the citizens ofthe country, some of these are:

(i) The state shall not deny to any person equality before the law or the equal protection of laws.
(ii) There shall be equality of opportunity to all citizens in matters relating to employment or appointment to any office under the state.
(iii) All citizens will have the right to form associations or unions.
(iv) People will have freedom of speech and freedom of assembly.
(v) All citizens have the freedom to practise any profession.
(vi) No discrimination will be made on grounds of religion, race, caste, sex or place of birth.
(vii) All citizens enjoy protection of life and personal liberty.
(viii) People have the right to be protected against exploitation.
(ix) Article 24 of the constitution specifically provides that no child below the age of 14 years shall be employed to work in any factory or mine or engaged in any other hazardous employment.

Individuals can enforce the Fundamental Rights in courts: Any law which contravenes a Fundamental Right can be declared by the appropriate court to be void. Labour is in the concurrent list on which both the centre as well as states have the power to make laws. In case of any repugnancy between the union and the state legislation, naturally the legislation of the union shall prevail.

Directive Principles of State Policy

The Directive Principles which are relevant to labour legislation are following:

(1) **Article 38** lays that the state shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which there is economic, social and political justice for all.
(2) **Article 39** lays down the basic philosophy of the ideal of democratic socialism which is enshrined in the preamble of Indian constitution and which is the motivating force behind the Directive Principles. It states that the state shall direct its policy towards securing:
  (a) that the citizens, men and women, equally, have the right to an adequate means of livelihood;
  (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;
  (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;
  (d) that there is equal pay for equal work for both men and women;
  (e) that the health and strength of workers, men and women, and the tender age of children are no abused and that citizens are not forced by economic necessity to enter vocations unsuited to their age or strength;
  (f) that childhood and youth are protected against exploitation and against moral and material abandonment;
(3) **Article 39** – A provides that the state shall secure that the operation of the legal system promotes justice, on a basis of equal opportunity and shall, in particular, provide for legal aid, by suitable legislation or schemes or in any other way, to ensure that opportunities for security justice are not denied to any citizen by reason of economic or other disabilities.
(4) **Article 41** lays down that the state shall make effective provision for securing the right to work, to education and to public assistance in case of unemployment, old age, sickness and disablement and in other cases of undeserved want.
(5) **Article 42** lays down that the state shall make provision for securing just and humane conditions of work and for maternity relief.
(6) **Article 43** provides that the state shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work a living wage, conditions of work ensuring decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the state shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas.
(7) **Article 43** -A lays down that the state shall take steps, by suitable legislation or in any other way, to secure the participation of workers in the management of undertakings, establishments or other organisations engaged in any industry.
(8) **Article 46** mentions that the state shall promote with special care the educational and economic interests of the weaker sections of the people and, in particular, of the scheduled casts and the scheduled tribes and shall protect them from social injustice and all forms of exploitation.
(9) **Article 47** describes that the state shall raise level of nutrition and the standard of living and improve public health and small endeavour to bring about prohibition of the consumption (except for medicinal purposes) of intoxicating drinks and of drugs. which are injurious to health.
(10) **Articles 48** lays down that the state shall endeavour to organise agriculture and animal husbandry on modem and scientific lines.

SOCIAL PROTECTION FLOORS IN INDIA

India has a broad ambit of social protection programs, but the overall public expenditure on social protection (excluding public healthcare) is only approx. 1.5% of the GDP1, lower than many middle-income countries across the world. In India, most social protection programs are aimed at addressing capability deprivation (inadequate nutrition, lack of employment, low educational attainment), rather than providing safety nets to deal with contingency risks (health shocks, death, disability). Contingent social security covers mostly organized sector workers, who comprise only 8% of India's workforce. In the past decade, a social security scheme (Rashtriya Swasthya Bima Yojana) has been introduced for unorganized sector workers, but less than 20% of the population is covered under any form of insurance. Out-of-pocket health expenses, which create barriers to seeking healthcare and can push marginal households into poverty, form as much as 89% of private expenditure on health. Against this background, India has only recently started a long overdue move towards universal social security. In 2015, the Government of India introduced a life insurance scheme (PM Jeevan Jyoti Yojana), an accident insurance scheme (PM Suraksha Bima Yojana) and a contributory pension scheme for unorganized sector workers (Atal Pension Yojana).

Components of Social Protection Floors

Generally, social protection floors are defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion. Social protection floors consist of two main elements: Basic Services like ensuring the availability, continuity, and access to public services (such as sanitation, health, education, training and family-focused social work support etc. and Social Benefits like essential social transfers, in cash and in kind, paid to the poor and vulnerable to enhance food security and nutrition, provide a minimum income security and access to essential services, including education and health care.

In India, there are various legislation and schemes to protect the rights of those likely to be affected, based on key human rights principles such as non-discrimination, gender equity and people's participation.

Social Protection Floor Recommendations

As per the SPF Recommendation (No. 202) of ILO, Social Protection Floors in India comprise of the basic social security services / provision like Health and maternity care, basic income security for adults in cases of sickness, unemployment, maternity and disability, Income security for older persons. Government of India has formulated and implemented various national social security extension strategies based on national consultations through effective social dialogue and social participation. This exercise includes prioritization of social security benefits and providing higher levels of social security to as many people as possible in due courses and implementation of social protection floors is also monitored regularly.

Uniform Social Protection Floor – An emerging challenge for India in view of vast geographic spread and population, in India there is no uniform social protection floor, instead there are many kinds of social protection floors are in place in different stages and for different set of people.

In the Indian context, Social Security is a comprehensive approach designed to prevent deprivation, give assurance to the individual of a basic minimum income for himself and his dependents and to protect the individual from any uncertainties. The government bears the primary responsibility for developing appropriate systems for providing protection and assistance to its workforce. While certain schemes are based on contribution of the beneficiary, certain others are funded / subsidized by the Union or State Governments. Government of India has extended its overall support to the instrument in its present form keeping in view the long term interests of workers.

AN OVERVIEW OF SOCIAL SECURITY IN INDIA

Current Social Security Schemes in India

Fund Source	Examples	Eligibility
Taxpayer Funded	IGNOPS, AABY IGNDPS, NFBS, RSBY	Select Category of BPL
Heath Related, Taxpayer Funded	Government Heath Schemes	All Citizen
Employer (Legislation Based)	Maternity Benefit, Gratuity, Employee Compensation	Organised Sector
Fund (Employer + Employee) – Under Law	EPF, EPS, EDLI ESIC Schemes	Organised Sector
Cess Based	Beedi Worker Welfare Schemes	Concerned Workers
Voluntary	PMJJSY, PMSBY	Those Who Opt
States/Local Bodies/ Ministries	Old Age Pension, Disabled Pension, Bunkar Bima	Selected Beneficiaries

(Source: Ministry of Labour and Employment)

Social Security in India: An Overview

India's social security system is composed of a number of schemes and programs spread throughout a variety of laws and regulations. Keep in mind, however, that the government-controlled social security system in India applies to only a small portion of the population.

Furthermore, the social security system in India includes not just an insurance payment of premiums into government funds (like in China), but also lump sum employer obligations.

Generally, India's social security schemes cover the following types of social insurances:

- Pension
- Health Insurance and Medical Benefit
- Disability Benefit
- Maternity Benefit
- Gratuity

While a great deal of the Indian population is in the unorganized sector and may not have an opportunity to participate in each of these schemes, Indian citizens in the organized sector (which include those employed by foreign investors) and their employers are entitled to coverage under the above schemes.

The applicability of mandatory contributions to social insurances is varied. Some of the social insurances require employer contributions from all companies, some from companies with a minimum of ten or more employees, and some from companies with twenty or more employees.

Pension or Employees' Provident Fund

The Employees' Provident Fund Organization, under the Ministry of Labor and Employment, ensures superannuation pension and family pension in case of death during service. Presently, only about 35 million out of a labor force of 400 million have access to formal social security in the form of old-age income protection in India. Out of these 35 million, 26 million workers are members of the Employees' Provident Fund Organization, which comprises private sector workers, civil servants, military personnel, and employees of State Public Sector Undertakings (PSUs).

The schemes under the Employees' Provident Fund Organization apply to businesses with at least 20 employees. Contributions to the Employees' Provident Fund Scheme are obligatory for both the employer and the employee when the employee is earning up to Rs. 15,000 (US$220) per month, and voluntary, when the employee earns more than this amount. If the pay of any employee exceeds this amount, the contribution payable by the employer will be limited to the amount payable on the first Rs 15,000 (US$220) only.

The Employees' Provident Fund Organization includes three schemes:

- The Employees' Provident Fund Scheme, 1952;
- The Employees' Pension Scheme, 1995; and,
- The Employees' Deposit Linked Insurance Scheme, 1976.
- The Employees' Provident Fund (EPF) Scheme is contributed to by the employer (1.67-3.67 percent) and the employee (10-12 percent).

The Employee Pension Scheme (EPS) is contributed to by the employer (8.33 percent) and the government (1.16 percent), but not the employee.

Finally, the Employees' Deposit Linked Insurance (EDLI) Scheme is contributed to by the employer (0.5 percent) only.

Four main types of pension (all monthly) are offered:

- Pension upon superannuation or disability;
- Widows' pension for death while in service;
- Children's pension; and,
- Orphan's pension.

In addition, there are separate pension funds for civil servants, workers employed in coal mines and tea plantations in the state of Assam, and for seamen.

Gratuity

The Payment of Gratuity Act, 1972 directs establishments with ten or more employees to provide the payment of 15 days of additional wages for each year of service to employees who have worked at a company for five years or more. Gratuity is provided as a lump sum payout by a company. In the event of the death or disablement of the employee, the gratuity must still be paid to the nominee or the heir of the employee. The employer can, however, reject the payment of gratuity to an employee if the individual has been terminated from the job due to any misconduct. In such a case of forfeiture, there must be a termination order containing the charges and the misconduct of the employee.

Gratuity is calculated through the formula mentioned below:

Gratuity = Last Drawn Salary × 15/26 × Years of Service, where

The ratio 15/26 represents 15 days out of 26 working days in a month.

Last Drawn Salary = Basic Salary + Dearness Allowance.

Years of Service are rounded up or down to the nearest full year. For example, if the employee has a total service of 10 years, 10 months and 25 days, 11 years will be factored into the calculation.

Gratuity is exempt from taxation provided that the amount does not exceed 15 days' salary for every completed year of service calculated on the last drawn salary (subject to a maximum of US$15,467.62 or Rs 10 lakh). It is important to note that an employer can choose to pay more gratuity to an employee, which is known as ex-gratia and is a voluntary contribution. Ex-gratia is subject to tax.

(Source: India Briefing)

PENSION OR EMPLOYEE'S PROVIDENT FUND

The Employees' Provident Fund Organization, under the Ministry of Labor and Employment, ensures superannuation pension and family pension in case of death during service. Presently, only about 35 million out of a labor force of 400 million have access to formal social security in the form of old-age income protection in India. Out of these 35 million, 26 million workers are members of the Employees' Provident Fund Organization, which comprises private sector workers, civil servants, military personnel, and employees of various Public Sector Undertakings (PSUs).

The schemes under the Employees' Provident Fund Organization apply to businesses with at least 20 employees. Contributions to the Employees' Provident Fund Scheme are obligatory for both the employer and the employee when the employee is earning up to Rs. 15,000 per month, and voluntary, when the employee earns more than this amount. If the pay of any employee exceeds this amount, the contribution payable by the employer will be limited to the amount payable on the first Rs. 15,000 only. The Employees' Provident Fund Organization includes three schemes:

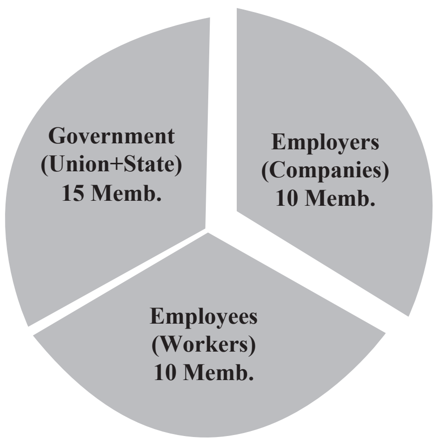
1. The Employees' Provident Fund Scheme, 1952;
2. The Employees' Pension Scheme, 1995; and,
3. The Employees' Deposit Linked Insurance Scheme, 1976.

The Employees' Provident Fund (EPF) Scheme is contributed to by the employer (1.67 - 3.67%) and the employee (10-12%). The Employee Pension Scheme (EPS) is contributed to by the employer (8.33%) and the government (1.16%), but not the employee. Finally, the Employees' Deposit Linked Insurance (EDLI) Scheme is contributed to by the employer (0.5%) only. Main monthly pension schemes are as under:

1. Pension upon superannuation or disability;
2. Widows' pension for death while in service;
3. Children's pension; and,
4. Orphan's pension

Comparison between Provident Fund and Pension Fund

Basis for Comparison	Provident Fund	Pension Fund
Meaning	A fund in which employer and employee make a contribution while an employee is in employment with the organisation is known as Provident fund.	A fund create by the employee in which he contributes an amount of his salary for providing retirement benefits to the employee is known as Pension Fund.
Who makes the Contribution	Both employee and employee	Employer and Central Government
Statute	Employee's Provident Fund Scheme	Employees' Pension Fund Scheme
Nature of Amount Received	Lump Sum.	Either Lump Sum or in the form of regular income depends on pension opted by the member.
Basis of the Amount	The contribution made by both the parties, plus interest thereon.	The pension amount will be based on an average of last 12 month's salary and years of service.
Withdrawal	A person can withdraw the entire amount of provident fund. Partial withdrawal allowed for House Construction, Marriage, Higher Education, Illness etc.	Only one-third amount can be withdrawn.



Advantages & Disadvantages of Provident Fund

- Recognized, government approved provident fund schemes are exempt from income tax.
- Provident funds are generally invested in government schemes, which have low interest rates (~8%) compared to other options like Bank fixed deposits and mutual funds.
- Inflation erodes (reduces) the real value of savings.
- These funds are inadequate for risks occurring early in the working life as not much amount is accrued.

Points to Remember

- EPFO comes under administrative control of Ministry of Labour and Employment.
- It is a 3 party board called the Central Board of Trustees.
- It has 3 different schemes
- The Employees' Provident Funds Scheme, 1952 (EPF).
- The Employees' Deposit Linked Insurance Scheme, 1976 (EDLI).
- The Employees' Pension Scheme, 1995 (EPS).
- Provident Fund and Pension Fund are two schemes under EPFO, in which an employee (worker) can get a consideration for the services rendered by him for years.

National Pension Scheme (NPS)

The Government of India established Pension Fund Regulatory and Development Authority (PFRDA) on 10th October, 2003. Its purpose is to develop and regulate pension sector in the country. The National Pension System (NPS), launched on 1st January 2004, provides retirement income to all citizens. It hopes to encourage citizens to develop the habit of saving for retirement. Initially, NPS was introduced for the new government recruits (except armed forces). Since 1 st May 2009, NPS has been provided for all citizens of the country including the unorganised sector workers. Citizens can now seek to enroll in the NPS on a voluntary basis. The Central government also introduced the "Swavalamban Scheme" to encourage people from the unorganised sector to voluntarily save for their retirement. NPS allots the subscriber a unique Permanent Retirement Account Number (PRAN). This unique account number will remain the same for the rest of subscriber's life. This unique PRAN can be used from any location in India. PRAN will provide access to two personal accounts:

Tier I Account: This is a non-withdrawable account meant for savings for retirement.

Tier II Account: This is simply a voluntary savings facility. The subscriber is free to withdraw savings from this account whenever subscriber wishes. No tax benefit is available on this account

Public Provident Fund

Public Provident Fund (PPF) The Public Provident Fund is a savings-cum-tax-saving instrument in India. The National Savings Institute of the Ministry of Finance introduced PPF in 1968.The aim of the scheme is to mobilize small savings by offering an investment with reasonable returns combined with income tax benefits.

The government of India decides the rate of interest for PPF account. The current interest rate effective from 1st April 2016 is 8.1% Per Annum (compounded annually). Broadly speaking, if you deposit an amount of 1 lakh every year for 15 years without any exception, then you will receive a total sum of more than 30 lakh. This reflects the huge amount of benefit applicable on PPF account, for a total investment of 15 lakh (1 lakh every year 15 years) interest received is more than 16 lakh, which is also in fact non-taxable.

HEALTH INSURANCE AND MEDICAL BENEFIT

India has a national health service, but this does not include free medical care for the whole population. The Employees' State Insurance (ESI) Act creates a fund to provide medical care to employees and their families, as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement for those working in factories and establishments with 10 or more employees.

The ESI (Central) Amendment Rules, 2016 – notified on December 22, 2016 – expanded coverage to include employees earning Rs 21,000 (US$313.53) or less in a month from January 1, 2017; previously, the wage limit for ESI subscribers was Rs. 15,000 (US$223.95) per month. Subsequently, the Employees' State Insurance (Central) Amendment Rules, 2017 was notified on January 20, detailing new maternity benefits for women who have insurance.

Sickness benefit under ESI coverage is 70 percent of the average daily wage and is payable for 91 days during two consecutive benefit periods.

Disability Benefit

The Employee's Compensation Act, 1923, formerly known as the 'Workmen's Compensation Act, 1923', requires the employer to pay compensation to employees or their families in cases of employment related injuries that result in death or disability.

In addition, workers employed in certain types of occupations are exposed to the risk of contracting certain diseases, which are peculiar and inherent to those occupations. A worker contracting an occupational disease is deemed to have suffered an accident out of and in the course of employment, and the employer is liable to pay compensation for the same. Injuries resulting in permanent total and partial disablement are listed in parts I and II of Schedule I of the Employee's Compensation Act, while occupational diseases have been defined in parts A, B, and C of Schedule III of the Employee's Compensation Act.

Compensation calculation depends on the situation of occupational disability:

(a) Death

50 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs. 80,000 (US$1,246.20), whichever is more.

(b) Total permanent disablement

60 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs. 90,000 (US$1,401.98), whichever is more.

Disability Benefit

The Employee's Compensation Act, 1923 requires the employer to pay compensation to employees or their families in cases of employment related injuries that result in death or disability. In addition, workers employed in certain types of occupations are exposed to the risk of contracting certain diseases, which are peculiar and inherent to those occupations. A worker contracting an occupational disease is deemed to have suffered an accident out of and in the course of employment, and the employer is liable to pay compensation for the same. Injuries resulting in permanent total and partial disablement are listed in parts I and II of Schedule I of the Employee's Compensation Act, while occupational diseases have been defined in parts A, B, and C of Schedule III of the Employee's Compensation Act.

Maternity Benefit

The Maternity Benefit (Amendment) Act, 2017 came into force on April 1, 2017, and increases some of the key benefits mandated under the previous Maternity Benefit Act of 1961. The amended law provides women in the organized sector with paid maternity leave of 26 weeks, up from 12 weeks, for the first two children. For the third child, the maternity leave entitled will be 12 weeks. India now has the third most maternity leave in the world, following Canada (50 weeks) and Norway (44 weeks).

The Act also secures 12 weeks of maternity leave for mothers adopting a child below the age of three months as well as to commissioning mothers (biological mothers) who opt for surrogacy. The 12-week period in these cases will be calculated from the date the child is handed over to the adoptive or commissioning mother.

In other provisions, the law mandates that every establishment with over 50 employees must provide crèche facilities within easy distance, which the mother can visit up to four times a day. For compliance purposes, companies should note that this particular provision will come into effect from July 1, 2017.

The Maternity Benefit (Amendment) Act introduces the option for women to negotiate work-from-home, if they reach an understanding with their employers, after the maternity leave ends.

Under the pre-existing Maternity Benefit Act of 1961, every woman is entitled to, and her employer is liable for, the payment of maternity benefit at the rate of the average daily wage for the period of the employee's actual absence from work. Apart from 12 weeks of salary, a female worker is entitled to a medical bonus of US$54.45 (Rs. 3,500).

The 1961 Act states that in the event of miscarriage or medical termination of pregnancy, the employee is entitled to six weeks of paid maternity leave. Employees are also entitled to an additional month of paid leave in case of complications arising due to pregnancy, delivery, premature birth, miscarriage, medical termination, or a tubectomy operation (two weeks in this case).

In addition to the above, the 1961 Act states that no company shall compel its female employees to do tasks of a laborious nature or tasks that involve long hours of standing or which in any way are likely to interfere with her pregnancy or the normal development of the fetus, or are likely to cause her miscarriage or otherwise adversely affect her health.

India's national healthcare system does not include free medical care for the entire population. The Employees' State Insurance (ESI) Act creates a fund to provide medical care to employees and their families, as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement for those working in factories and establishments with 10 or more employees. Sickness benefit under ESI coverage is approx. 70% of the average daily wage and is payable for 91 days during two consecutive benefit periods.

Other Government Health Schemes

National Health Insurance Schemes are the health insurance programs initiated by the National government. To make health insurance accessible to the poor and destitute, our government has launched some health insurance schemes such as Rashtriya Swasthya Bima Yojana, Central Government Health Scheme, Employment State Insurance Scheme, Universal Health Insurance Scheme, Aam Aadmi Bima Yojana, and Janashree Bima Yojana among others.

1. Rashtriya Swasthya Bima Yojana (RSBY)

Ministry of Labour & Employment, Government of India launched this National Health Insurance Scheme for families who are below the poverty line. The aim is to offer health insurance coverage to BPL families in an economical manner.

Under RSBY, the government has fixed the hospitalization cover limit at Rs. 30,000. The government has also fixed the hospital package rates.

Pre-existing illnesses are also covered without any age limit criterion. 5 family members including self, three dependents, and spouse can be covered. The registration fee for the recipients is only 30 rupees and the premium is paid by the government to the insurance company.

Key Features of RSBY

The scheme offers health insurance coverage to low-income groups and its features are listed below:

Beneficiary -

The scheme offers freedom of choice to the beneficiary BPL household to select between the private and public hospitals. It makes them a prospective client on account of the revenues earned by the hospitals through the RSBY scheme.

Insurers -

The government pays the insurance premium to the health insurance providers on behalf of each household registered for RSBY. It further motivates the insurer to provide coverage to as many people from the Below Poverty Line list.

Hospitals -

Both public and private hospitals are given incentives to offer treatment to the insured members. And the Insurance companies supervise the participating hospitals to prevent fraudulent claim procedures.

Paperless and Cashless Transactions -

Beneficiaries can get cashless treatment in any of the network hospitals. The beneficiary only needs to carry the smart card and verify through the fingerprint. It is a paperless scheme as claims can be settled online and payment can be made electronically.

Intermediaries -

Intermediaries like MFIs and NGOs are paid for offering assistance to the BPL households.

Government -

The government is able to offer quality healthcare services with a sum of Rs. 750 per BPL family in a year. It will promote a good competition between private and public providers that will improvise the functioning of the public health care providers.

Pan India Coverage -

The beneficiary can use his/ her smart card to avail treatment in any of the network hospitals across India. That is why National Health Insurance Scheme is helpful for the poor families migrating to different places.

Information Technology -

The use of IT applications is on a large scale in the public sector schemes as well. The beneficiaries are given a biometric smart card with their photographs and fingerprints. Even all the empanelled hospitals are IT-enabled ensuring a seamless flow of data regarding health services.

Safe and Secured -

The use of key management system and biometric enabled smart card makes this scheme foolproof. Only the recipient can use the issued smart card in their name and the accountability is maintained.

2. Employment State Insurance Scheme

Employees' State Insurance Scheme (ESIS) is a Government's scheme and is customized insurance that provides socio-economic security to workers and their dependents.

Apart from full medical cover for self and dependents, the beneficiaries can also avail cash benefits if there is any health emergency, permanent and temporary disabilities, death due to occupation hazard, employment injury etc.

Employment State Insurance Scheme is valid for non-seasonal factory employees. But the factory should have more than 10 employees.

The Scheme is also applicable to hotels, shops, cinemas, restaurants, newspaper establishments and road-motor transport enterprises employing more than 20 people.

Employment State Insurance Scheme is implemented area-wise in all the States apart from Sikkim, Manipur, Mizoram, Arunachal Pradesh, and Union Territories

3. Central Government Health Scheme

CGHS or the Central Government Health Scheme offers all-inclusive health care services to the Central government employees. It includes the pensioners as well as their dependents who are living in specific cities.

It was started in 1954 by the Central Government. The healthcare services are offered through Wellness Centres (CGHS Dispensaries/ Allopathic, Yoga/Ayurveda, Siddha, Unani, and Homeopathic Centres).

The Major Components of this Scheme are-

Dispensary services

Domiciliary care

Consultation with a specialist at hospital, polyclinic and dispensary'

Medical tests including ECG, X-Ray and laboratory tests

Hospitalization cover

Medicines requirements

Health education

4. Aam Aadmi Bima Yojana

Aam Admi Bima Yojana or AABY scheme was commenced on October 02, 2007 for rural, landless households. The National

Health Insurance Scheme covers the earning member of a household between the age group of 10 & 59 years. Compensation provided is as follows -

Compensation of Rs. 30,000 in case of natural death

Compensation of Rs. 75,000 in case of accidental death, partial or permanent disabilities (loss of 2 limbs or 2 eyes)

Compensation of Rs. 37,500 in case of partial permanent disabilities resulting from an accident (one limb or an eye)

5. Universal Health Insurance Scheme

UHIS scheme is being implemented by four public insurers to provide health insurance coverage to poor families.

In this scheme, the sum assured limit is up to Rs. 30,000 on family floater basis for hospitalization expenses. Accidental death cover offered to the policyholder is 25,000 rupees. Compensation of Rs. 50 is provided on a daily basis, if there is a loss of income.

In the case of an individual the premium subsidy is now increased to Rs. 200 from Rs.100, for 5 members it has been increased to Rs. 300 and for seven members it has been increased to Rs. 400 with the same benefits.

6. Janashree Bima Yojana

Janashree Bima Yojana or JBY scheme was launched by the Government of India in August 2000.

People between the age group of 18 and 59 years (members of the specific 45 professional groups) can get covered under JBY scheme.

7. Ayushman Bharat - National Health Protection Mission

Ayushman Bharat, a National Health Protection Scheme, will offer cover to more than 10 Crore vulnerable and poor families offering coverage up to Rs. 5 Lakh per family every year for tertiary and secondary care hospitalisation. This scheme aims at subsuming the schemes that are in progress and are sponsored by the Central Government such as Senior Citizen Health Insurance Scheme (SCHIS) along with Rashtriya Swasthya Bima Yojana (RSYB).

Ayushman Bharat - National Health Protection Mission will have benefit cover of 5 Lakh rupees per family every year. Under this scheme, the benefits can be availed at any empanelled private and public facilities by the beneficiaries.

The main principle of this scheme is to cooperative flexibility and federalism to the states. In order to implement this scheme, the states would require to have the State Health Agency (SHA). (Source: Policy bazaar)

National Rural Health Mission (NRHM)

The National Rural Health Mission (NRHM) was launched by the Hon'ble Prime Minister on 12th April 2005, to provide accessible, affordable and quality health care to the rural population, especially the vulnerable groups. The Union Cabinet vide its decision dated 1st May 2013, has approved the launch of National Urban Health Mission (NUHM) as a Sub-mission of an over-arching National Health Mission (NHM), with National Rural Health Mission (NRHM) being the other Sub-mission of National Health Mission. NRHM seeks to provide equitable, affordable and quality health care to the rural population, especially the vulnerable groups. Under the NRHM, the Empowered Action Group (EAG) States as well as North Eastern States, Jammu and Kashmir and Himachal Pradesh have been given special focus. The thrust of the mission is on establishing a fully functional, community owned, decentralized health delivery system with inter-sectoral convergence at all levels, to ensure simultaneous action on a wide range of determinants of health such as water, sanitation, education, nutrition, social and gender equality. Institutional integration within the fragmented health sector was expected to provide a focus on outcomes, measured against Indian Public Health Standards for all health facilities.

National Urban Health Mission

The National Urban Health Mission (NUHM) as a sub-mission of National Health Mission (NHM) has been approved by the Cabinet on 1st May 2013.

NUHM envisages to meet health care needs of the urban population with the focus on urban poor, by making available to them essential primary health care services and reducing their out of pocket expenses for treatment. This will be achieved by strengthening the existing health care service delivery system, targeting the people living in slums and converging with various schemes relating to wider determinants of health like drinking water, sanitation, school education, etc. implemented by the Ministries of Urban Development, Housing & Urban Poverty Alleviation, Human Resource Development and Women & Child Development.

NUHM would endeavour to achieve its goal through:-

(i) Need based city specific urban health care system to meet the diverse health care needs of the urban poor and other vulnerable sections.
(ii) Institutional mechanism and management systems to meet the health-related challenges of a rapidly growing urban population.
(iii) Partnership with community and local bodies for a more proactive involvement in planning, implementation, and monitoring of health activities.
(iv) Availability of resources for providing essential primary health care to urban poor.
(v) Partnerships with NGOs, for profit and not for profit health service providers and other stakeholders.

NUHM would cover all State capitals, district headquarters and cities/towns with a population of more than 50000. It would primarily focus on slum dwellers and other marginalized groups like rickshaw pullers, street vendors, railway and bus station coolies, homeless people, street children, construction site workers.

The centre-state funding pattern will be 75:25 for all the States except North-Eastern states including Sikkim and other special category states of Jammu & Kashmir, Himachal Pradesh and Uttarakhand, for whom the centre-state funding pattern will be 90:10.The Programme Implementation Plans (PIPs) sent by the by the states are apprised and approved by the Ministry.

Non-communicable Disease Control Programs Under National Health Mission

Non-communicable Disease Control Programmes

- National Programme for prevention & Control of Cancer, Diabetes, Cardiovascular Diseases & Stroke (NPCDCS)

- National Programe for Control of Blindness & Visual Impairment (NPCBVI)
- National Mental Health Programme (NMHP)
- National Programme for healthcare of Elderly(NPHCE)
- National Programme for the Prevention & Control of Deafness (NPPCD)
- National Tobacco Control Programme (NTCP)
- National Oral Health Programme(NOHP)
- National Programme for Palliative Care (NPPC)
- National Programme for Prevention & Management of Burn Injuries (NPPMBI)
- Other Non-communicable Disease Control Programmes

Communicable Disease Control Programs Under National Health Mission

Communicable Disease Control Programme

- National Vector Borne Disease Control Programme (NVBDCP)
- Revised National Tuberculosis Control Programme (RNTCP)
- National Leprosy Eradication Programme (NLEP)
- Integrated Disease Surveillance Programme (IDSP)

(Source: Ministry of Health and Family Welfare, Govt. of India)

SOCIAL SECURITY SCHEMES AND OLDER PERSONS

77% of older men and 50% of old women are utilizing some form of social security schemes. However, 53% of elderly find it difficulty in utilizing the social security schemes and 79% found it's not sufficient to meet their basic needs. Majority of elderly are illiterate and are partially or totally dependent on others for their economic needs.

Social security is the major source of income in 48% of elderly in India. However its adequacy, affordability and sustainability are still questionable and it draw attention to raise the social security benefits to the elderly, particularly in the rural areas.

Government Schemes for Older Persons

Integrated Programme for Senior Citizens (IPSrC)

The main objective of the scheme is to improve the quality of life of older persons by providing basic amenities like shelter, food, medical care and entertainment opportunities, etc. This programme is run by the Ministry of Social Justice and Empowerment. Under this programme, grants are given for running and maintenance old age homes, day care centres, mobile medicare units, multi-facility care centre for older widows, etc.

Implementing agencies eligible for assistance under the scheme are Panchayati Raj institutions/local bodies, non-governmental voluntary organizations, etc. Funds under the scheme of IPOP are not released to the states, but released to the implementing agencies like NGOs, etc. Over 400 old age homes are being supported by the Government under this scheme.

Rashtriya Vayoshri Yojana (RVY)

Under the RVY scheme, aids and assistive living devices are provided to senior citizens belonging to BPL category who suffer from age-related disabilities such as low vision, hearing impairment, loss of teeth and loco-motor disabilities. The aids and assistive devices, viz walking sticks, elbow crutches, walkers/crutches, tripods/quadpods, hearing aids, wheelchairs, artificial dentures and spectacles are provided to eligible beneficiaries. This scheme is run by the Ministry of Social Justice and Empowerment, Govt. of India. This is a central sector scheme funded from the Senior Citizens' Welfare Fund. The scheme is being implemented by Artificial Limbs Manufacturing Corporation of India (ALIMCO), a public sector undertaking under the Ministry of Social Justice and Empowerment. The scheme is proposed to be implemented in 260 districts and benefit 5,20,000 beneficiaries across the country up to 2019-20.

Indira Gandhi National Old Age Pension Scheme (IGNOAPS)

The Ministry of Rural Development runs the National Social Assistance Programme (NSAP) that extends social assistance for poor households- for the aged, widows, disabled, and in cases of death where the breadwinner has passed away. This is in addition to the benefits that the state governments extend to these people. Under this scheme, financial assistance is provided to person of 60 years and above and belonging to family living below poverty line as per the criteria prescribed by Government of India. Central assistance of Rs 200 per month is provided to person in the age group of 60-79 years and Rs 500 per month to persons of 80 years and above.

Varishtha Pension Bima Yojana (VPBY)

This scheme is run by the Ministry of Finance, Government of India. The Varishtha Pension Bima Yojana (VPBY) was first launched in 2003 and then relaunched in 2014. Both are social security schemes for senior citizens intended to give an assured minimum pension on a guaranteed minimum return on the subscription amount. These schemes are implemented through Life Insurance Corporation (LIC) of India, which is paid the difference between the actual yield earned by the LIC on the funds invested under the scheme and the assured return of 9 percent committed by the government. Both the schemes, VPBY 2003 and VPBY 2014, are closed for future subscriptions. However, policies sold during the currency of policy are being serviced as per the commitment of guaranteed 9 percent return announced by the government under the schemes.

The Pradhan Mantri Vaya Vandana Yojana

The Pradhan Mantri Vaya Vandana Yojana (PNVVY) was launched in May 2017 to provide social security during old age. This is a simplified version of the VPBY and being implemented by the Life Insurance Corporation (LIC) of India. Under the scheme, on payment of an initial lump sum amount ranging from Rs. 1,50,000 for a minimum pension of Rs. 1000 per month to a maximum of Rs. 7,50,000/- for a maximum pension of Rs. 5,000 per month, subscribers will get an assured pension based on a guaranteed rate of return of 8% per annum payable monthly/quarterly/ half-yearly/annually. The duration of the scheme is ten years.

National Programme for the Health Care of Elderly (NPHCE)

The Ministry of Health & Family Welfare had launched the 'National Programme for the Health Care of Elderly' (NPHCE) during 2010-11 to address various health related problems of elderly people. The major objectives under district level activities of the NPHCE are to provide dedicated health facilities in district hospitals, community health centers (CHC), primary health centers (PHC) and sub-centers (SC) levels through State Health Society. The healthcare facilities, being provided under this programme, are either free or highly subsidized. The following facilities are being provided under the programme.

- Geriatric OPD and 10-bedded geriatric ward at district hospitals.
- Bi-weekly geriatric clinic at community health centres (CHC)
- Weekly geriatric clinic at primary health centres (PHC)
- Provision of aids and appliances at sub-centers

SOCIAL SECURITY FOR WOMEN IN UNORGANIZED SECTOR

Social Security and Welfare Legislations for Construction Workers

The Government of India has taken initiatives to protect the interest of the construction workers by enacting a number of legislations to ensure social security benefits, a minimum standard of wages and fair service conditions for the workers. Apart from that, the Government of India has set up welfare funds administered through Ministry of Labour for the employees employed in the sector. The legislations which have direct relevance to construction workers and great significance to women workers in the unorganised sector are as follows:

- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- Building and other Construction Workers Welfare Cess Act, 1996;
- Contract Labour (Regulation and Abolition) Act,1970;
- Inter-State Migrant Labour (Regulation of Employment and Conditions of Service) Act, 1979;

Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

The Act applies to every building or other construction work establishment, which employs or had employed 10 or more workers. The Act has been passed to lay down conditions for registration of building workers and also have provisions for hours of work, wages for overtime work, maintenance of registers and records.The Act prohibits the employment of certain persons. The Act also contains provision relating to safety.

The Act obligates the principal employer, contractor or sub contractor of construction workers to provide for facilities in the work place such as safe drinking water, urinals and toilets separately for male and female workers, first aid accommodation and creches for children of workers on sites where the number of women workers more than 50.

But in reality, several studies in the construction industries have found that creche facilities are not available on work sites. An all India study and many state level studies have noted the lack of welfare measures such as creches for children, rest rooms for workers, separate toilets for women and potable drinking water. If housing was provided it was generally unfit for human living. One of the consequences of not having adequate creche facilities was that the children were often engaged in helping the workers and over time were inducted into the work force. In fact the workers begin their working life very young and continue till old age without any provision for old age benefits.39 With regard to the unskilled workers who do not work with a construction establishment continuously, may not get the benefits available under the Act.

Construction Workers Welfare Fund

The Building and Other Construction Work (Regulation of Employment and Conditions of Services) Act, 1996 provides for the constitution of fund. The fund is to be utilised for welfare measures like immediate assistance in case of accidents; Pensions to those who have completed sixty years; sanctions of loans for the purposes of construction of the house; premium for group Insurance Scheme; financial assistance for the education of the children of the beneficiaries; medical expenses for the treatment of the major ailments of the beneficiaries; maternity benefits for the female beneficiaries; grant loan or subsidy to a local authority or an employer in aid of any scheme; and pay annually grant-in-aid to a local or an employer who provides welfare measures. The fund is to be managed and operated by Welfare Boards to be constituted by the States. But in the construction industry a very large proportion of men and women are concentrated as casual workers. Particularlywomen are clearly categorized as unskilled workers. The condition of women wage workers are quite dismal as it is not possible for them to make regular, timely contributions to the fund as per the requirement of law and hence they may not get the benefits available under the Act. In a study conducted on construction workers, it was opined by the construction workers that existing benefits are inadequate to meet their needs.

Building and Other Construction Workers Welfare Cess Act, 1996

The major source of the funds of the Boards shall be, collection of cess at the rate not exceeding 2 per cent of the cost of construction incurred by an employer under the Building and Other Construction Workers Welfare Cess Act. Although some State governments such as Tamilnadu and Kerala have constituted welfare boards, several states are yet to conceive welfare schemes and implement the same.

Contract Labour (Regulation and Abolition) Act, 1970

The aim of the Act is to provide for the regulation of contract labour in certain establishment and provides for its abolition if certain conditions such as the nature of jobs being of perennial nature and connected with the core business of the principal employer are met.The Act does not apply when a contractor employs less than twenty workers and this has led to manipulations by employers and contractors.

In construction sector, it is estimated that 10.7 million construction workers, accounting for 83 percentage of all construction workers in India were employed through contractors and did not receive minimum employment protection and benefits whatsoever. There are number of provisions in the Act relating to welfare, safety and health of the contract labour. For regulating its implementation certain registers, records, returns etc., are to be maintained by the principal employers and contractors. But the ground reality is neither the contractor nor the principal employer takes responsibility for worker's welfare. For incidence, in case of construction workers temporary residential sheds which lack minimum facilities are provided though the Act provides provision of living accommodation of specified standard. The limitations in the law are such that the contractor stands to gain if he engages less than 20 workers and it provides a loophole for manipulations for employers and contractors. Hence, the coverage that this Act provides is far from satisfaction.

Inter-State Migrant Labour (Regulation of Employment and Conditions of Service) Act, 1979

This Act has been enacted to regulate the employment and conditions of service of inter- state migrant workers. Workers trained and engaged in construction activities exhibit a high degree of migration. The promise that constructors make at the time of recruitment about payment are not usually kept. No working hours are fixed for these workers and they have to work all the days in the week under extremely bad, often intolerable environments. When a public hearing of women was conducted on the status of the implementation of Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Building and Other Construction Workers Welfare and Cess act, 1996 it was observed that these legislations are not adhered by the employers. In case of cess collection only a few employers have been registered with the board and a paltry sum of less than one crore has been collected from them as cess. In the absence of cess collection, the board cannot provide construction workers the promised social security benefits.

LATEST LEGISLATIONS

The Payment of Gratuity Act, 1972 directs establishments with ten or more employees to provide the payment of 15 days of additional wages for each year of service to employees who have worked at a company for 5 years or more. Gratuity is provided as a lump sum payout by a company. In the event of the death or disablement of the employee, the gratuity must still be paid to the nominee or the heir of the employee.

Gratuity is exempt from taxation provided that the amount does not exceed 15 days' salary for every completed year of service calculated on the last drawn salary, subject to a maximum of Rs. 10 lakh. It is important to note that an employer can choose to pay more gratuity to an employee, which is known as ex-gratia and is a voluntary contribution. Exgratia is subject to tax.

Gratuity Rules in India are very clear. It states that every employee is eligible to get a gratuity (lump sum amount) at the time of leaving the job. The amount of gratuity is fixed on the basis of a formula. According to the gratuity act, every employer, who has 10 or more employees, has to follow the gratuity law.

New Rule on Gratuity

Gratuity Payment Rules: Several reports claim that Narendra Modi government at the Centre will reduce the eligibility for gratuity payment to employees from five years to one. This may happen through a Bill on Social Security expected to be introduced by the Government in Parliament in the Winter Session. However, the government has not formally made any announcement regarding reducing the eligibility from five years to one. There is also no confirmation on whether the Government will introduce such Bill in the upcoming session of Parliament.

Draft Code on Social Security, 2019

Recently, the Union Ministry of Labour and Employment had put a draft 'Code on Social Security 2019' for suggestions/inputs/ comments from the public and all concerned stakeholders as a part of pre-legislative consultative process. The last date for sending suggestions to the ministry in a prescribed format ended last week (October 25).

What draft 'Code on Social Security 2019' said on Gratuity: Key points

The draft code doesn't propose to reduce the eligibility for Gratuity payment from five years to one. It says:

Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years,-

(a) on his superannuation; or

(b) on his retirement or resignation; or

(c) on his death or disablement due to accident or disease; or

(d) on termination of his contract period under fixed term employment; or

(e) on happening any such event as may be notified by the Central Government

The Draft Code Further Says:

- The completion of continuous service of five years shall not be necessary where the termination of the employment of any employee is due to death or disablement or expiration of fixed term contract or happening of any such event as may be notified by the Central Government.
- The draft code says, "for every completed year of service or part thereof in excess of six months, the employer shall pay gratuity to an employee at the rate of fifteen days' wages or such number of days as may be notified by the Central Government, based on the rate of wages last drawn by the employee concerned."
- In case of piece-rated employee, daily wages shall be computed on the average of total wages received by him for a period of three months immediately preceding the termination of his employment, and, for this purpose, the wages paid for any overtime work shall not be taken into account.
- In case of an employee who is employed in a seasonal establishment and who is not so employed throughout the year, the employer shall pay the gratuity at the rate of seven days' wages for each season.
- Rejected by BMS

The Bharatiya Mazdoor Sangh has rejected the draft Code on Social Security as a “weak-cut-and-paste” job. It has claimed in a letter to the labour ministry that the draft is not Universal. The labour union has demanded that the Gratuity eligibility should be reduced from five to one year.
(Source: Indian Express)

Social Security Code Bill introduced in Lok Sabha

On December 11, 2019, the social security code bill was introduced in Lok Sabha. The bill paves way for universalization of social security of 50 crore workers in the country

Key Features of the Bill

- The bill proposes setting up of a social security fund to fulfill benefits such as medical cover, pension, death and disablement benefits including gig workers. This will help to tap the corporate social responsibility fund and divert it towards the unorganized sector.
- The bill will provide options of reducing the provident fund contribution of the employees. It is currently 12% of basic salary. This will increase their take-home payment.
- The bill also makes the fixed-term contract workers eligible for gratuity. Currently under the Payment of Gratuity Act, 1972, workers are not entitled to gratuity before the completion of 5 years.
- The bill is completely based on the Drafts Security Code.
- The bill intends to merge 8 laws and to support the unorganized workers as that mentioned in the code.

Need for the Bill

India leads in global gig economy contributing 24% of online labor market in the world! The data was provided by the Oxford Internet Institute. Apart from internet, being the second most populous country in the world, India has maximum number of unorganized employees.

Draft Security Code

The Union Government recently circulated the Draft Security Code that integrates existing labor laws and provides new initiatives to provide social security to workers of unorganized sector, insurance and helath benefits to gig workers. It includes drivers of private vehicle hiring services as well. The code also aims at corporatization of organizations like ESIC And EPFO.

Key Features of the Code

- Insurance, life cover, PF for unorganized sector employees
- According to the code, the Central Government shall formulate welfare schemes for the workers of unorganized sector from time to time on matters relating to life, disability, maternal benefits, health, old age protection.
- While framing schemes the government will look out for key initiative relating to the workers’ housing, educational scheme for their children, funeral assistance, old age assistance, etc

Corporatization of ESIC and EPFO

The world body for the EPFO and ESIC related world bodies have been added in the scheme. This will bring an end to the autonomous body status of organizations that are responsible for pension, retirement and insurance. It aims to make the EPFO a more structured national body.

Gig Worker

The Gig workers will get insurance, health and maternal benefits under the security code.

Maternal Benefits

Every woman worker under the act will be entitled to payment of maternity benefit. The payment is to be at the rate of average daily wage for the period of her actual absence.

Merging Existing Labor Laws

The Code on Social Security will merge the following laws

- Employees Compensation Act, 1923
- Employees Insurance Act, 1948
- Maternal Benefit Act, 1961
- Provident Funds and Miscellaneous Provisions Act, 1952
- Cine Workers Welfare Fund Act, 1981
- Unorganized Workers’ Social Security act, 2008

CURRENT ISSUES AND RECOMMENDATIONS OF THE DRAFT CODE ON SOCIAL SECURITY

Social Security Definition

Every person is faced with social problems and risks at some time in his life span due to risks associated with sickness, accident, unemployment, disability, maternity and old age. The Social Security Policies are intended to mitigate or provide cover the costs for these problems and risks faced by persons exposed to these situations.

Features of Social Security

- Most essential features of Social Security are
  (a) Mandatory / Non-optional
  (b) Government provided and
  (c) Provisions of entitlements and enforcements.
- Configured through Law
- Can be Taxpayer funded or Contribution funded or Employer funded
  (or combination of these)
- Aimed at providing means to the member, a means to handle risks and eventualities
- Procedural guarantees for complaints and appeals
- Components are as per ILO Reference : Social Security (Minimum Standards) Convention (no. 102)

Current Social Security Schemes in India

Fund Source	Examples	Eligibility
Taxpayer Funded	IGNOPS, AABY, IGNDPS, NFBS, RSBY	Select Category of BPL
Heath Related, Taxpayer Funded	Government Heath Schemes	All Citizen

Employer (Legislation Based)	Maternity Benefit, Gratuity, Employee Compensation	Organised Sector
Fund (Employer + Employee) – Under Law	EPF, EPS EDLI ESIC Schemes	Organised Sector
Cess Based	Beedi Worker Welfare Schemes	Concerned Workers
Voluntary	PMJJSY, PMSBY	Those Who Opt
States/Local Bodies/Ministries	Old Age Pension, Disabled Pension, Bunkar Bima	Selected Beneficiaries

(Source: Ministry of Labour and Employment)

Social Security: Problems and Issues

- Multiplicity of Policies : Lack of comprehensive policy
- Many Agencies, Ministries, Governments
- Multiple Laws
- Limited Outreach of Schemes : Most of the population not covered
- Exclusion of Unorganised & informal sector
- Inadequate benefits (especially taxpayer funded schemes)
- Lack of resources in States health system / Poor quality of health services
- Poor compliance
- Poor Administrative structure for delivery & lack of capacities
- Unsystematic identification system
- Fragmentation Multiple administering authorities
- Duplicity
- High Costs to companies
- Perverse incentives

Social Security: Past Commissions and Studies

- Royal Commission on Labour 1931
- National Commission on Labour 1969
- National Commission on self employed women and women in unorganised sector 1989
- National Commission on Rural Labour 1991
- Second National Commission on Labour 2002
- National Commission for Enterprises in Unorganised Sector 2008
- Social Protection for a Changing India - WB 2011
- Social Protection Floor for India - ILO 2013
- Social Security Reform in India - Draft framework - ILO 2016

Recommendations of National Commission on Labour: NCL 2002

Integration of Fragmented Schemes

- Integrated Comprehensive (set of) Scheme for Social Security through single legislation.
- One contribution system - to be paid to a single fund.
- Integrate Employers Liability Scheme (such as M.B., Gratuity, E.C.) with the Fund Based Scheme.
- Integration of Social Security Schemes of various Ministries and State Governments with the Comprehensive Scheme
- Integrate various Provident Funds run by governments
- Various welfare funds to be integrated with the comprehensive scheme
- Four tier structure of schemes: Social Assistance for BPL- Compulsory Subsidized scheme for APL earning below ceiling- Compulsory. contributory scheme for Others- Voluntary Schemes
- Social Assistance to be Right Based and to be implemented in a Phased manner.

Universalization of Social Security

Expand coverage to reach Universalisation of the Scheme

- Remove thresholds and wage ceilings
- Make it applicable to all employments
- Unorganised worker to be part of the integrated Scheme
- Create decentralised structures to administer the universalised schemes
- Establish a Central Social Security Board for managing the comprehensive scheme
- Establish State Social Security Board for delivery/ implementation of the Scheme in the field.
- Municipal bodies / Panchayats to be integrated into the registration, identification and service delivery system.
- In every locality, a single unified social security office to deal with claims of every kind, and provide services.
- Comprehensive registration system of workers for identification of beneficiaries of the Social Assistance Schemes
- Health set-up available in state government to be integrated with the State Boards' Health set-up

Need for Overall Regulation

- Social Security being a multidisciplinary and concurrent matter, there should be a National Policy, and a National plan to coordinate and monitor the various social security systems – to make them conform to the overall National objective / Social Security Policy.
- Need for a strong (regulating) agency at Central level for-
- Horizontal coordination (amongst ministries)
- Vertical coordination (Centre State local bodies)
- Overall Social Security Planning
- Monitoring and Review of Overall Social Security systems
- Constitution of High powered National Social Security Authority(NSSA)
- NSSA - under PM

Coverage: Extension and Inclusion

- Universal Social Security extended to all including self employed and special emphasis be given to unorganised / informal workers.
- Robust system of identification of employers, workers (particularly those who cannot contribute) and beneficiaries.
- Participation to be compulsory in public schemes; supported by incentives to join
- Social security administration should take pro-active steps to register beneficiaries.
- Register all employers/ Establishments (except self employed enterprise).
- Contribution based on capacity to pay: tax funded contributions for those unable to contribute
- Integration of contribution, government assistance and delivery system.
- Contribution flexibility in case of intermittent/seasonal workers
- Contribution rates on periodic actuarial projections
- Power to impose Cess in certain cases (to augment contribution)
- Portability of benefits of migrant workers

Social Security Schemes

- Establishment of one or more common schemes for all Organised/unorganised / informal workers could be considered
- A proper basis for universal treatment of all workers should be contained in Union-level schemes/funds and laws applicable to the whole of India.
- States should remain free to develop additional arrangements at the State level
- Apportionment of contributions to different individual scheme accounts from the consolidated contribution received.
- Modern and efficient delivery structure
- Reduce overlaps between schemes of various ministries / governments
- Fund for each scheme.
- Integration of welfare funds into the mainstream fund framework
- Avoid employers liabilities (such as Employee Compensation /Maternity Benefit) make it scheme liability

Institutional Reform

- Develop the strong institutional architecture as per administrative requirements
- Decentralise Scheme management and management of service delivery systems to States.
- Integrate existing ESI, PF system, DGLW and States Social security delivery systems to create a one-stop-shop.
- Integrate Panchayats and Local bodies in providing point of contacts.
- be careful about an over-reliance on electronic engagement the single point of contact should be more than an electronic interface.
- A mindset change is required–from "ruling to governing" and from “welfare orientation to professional-technocratic service orientation”
- Strengthen social audits and performance audits

Strengthening of Legislative Mechanism

- Strong Consolidated Law to provide mandate, and deal with governance, institutional, operational, financial and accountability frameworks
- Confirm Universal, Compulsory and Rights based approach
- Rationale of having an independent Regulator:
- It Increases transparency and protect beneficiaries
- It puts a protective fence around these institutions
- Coordination and synergy between schemes & funding
- The Regulator should not be responsible for policy development

Other Important Recommendations

Enforcement and Inspection

- Establish a unified inspection service and system, which should be at the State level.
- Establish a separate Inspection service, to monitor compliance with the norms and standards set by the Regulator

Grievance Redressal

- Special provisions to ensure rights based approach
- Citizen-based schemes could benefit from a simple and effective dispute resolution framework
- A dedicated, country-wide internal dispute resolution system
- multi-tiered
- internal remedy mechanism,
- strengthened by quality assurance
- customer care arrangements;
- This should be followed by an appeal with an independent institution, preferably a tribunal and not a court

Existing Acts on Social Security to be Replaced by the Code

Name of the Act	Enforcement Agency
The Employees State Insurance Act, 1948	ESIC
The Employees Provident fund and Miscellaneceous Provisions Act, 1952	EPFO
The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare (case) Act, 1976	DGLW
The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act, 1976	DGLW
The Mica Mines Labour Welfare Fund Act, 1946	DGLW

The Beedi Workers Welfare Cess Act, 1976	DGLW
The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972	DGLW
The Cine Workers Welfare (cess) Act, 1981	DGLW
The Beedi Workers Welfare Fund Act, 1976	DGLW

Name of the Act	LEA
The Cine Workers Welfare Fund Act, 1981	DGLW
The Maternity Benefit Act, 1961	CLC/State Government
The Payment of Gratuity Act, 1972	CLC/State Government
The Employees' Compensation Act, 1923	State Government
The Unorganized Workers Social Security Act, 2008	DGLW plus other Central Ministries/State Govt.
The Building and Other Construction Workers Welfare Cess Act, 1996	State Government

Purpose of the Labour Code on Social Security

- The Labour Code on Social Security and Welfare is an attempt to simplify, rationalize and consolidate the hitherto fragmented laws to make them less complex for easier comprehension implementation and enforcement.
- Basic core principles that have been incorporated are
  - (a) Universalization to entire workforce
  - (b) Integration of fragmented schemes
  - (c) decentralization of administration and
  - (d) rights based approach.

Administrative Structure

- A three tier Social Security Administration Structure proposed with tripartite representation in all these bodies drawing representatives of workers, employers and Government.
- National Social Security Council headed by the Prime Minister to be the Apex Social Security Organization in the Country for overall regulation and monitoring;
- Central Board of Social Security at Union level
- State Board(s) of Social Security at State/UT level for implementation of the Social Security framework.
- In addition functions have been prescribed for local bodies (panchayats / urban local bodies) of registrations and facilitation.

Coverage

- The Code is applicable to all kinds of employment including
- wage worker
- part time worker,
- casual worker
- fixed term worker,
- piece rate/commission rated worker,
- informal worker
- home-based worker,
- domestic worker
- self employed worker
- seasonal worker
- Agricultural worker
- The Code is also applicable to all kinds of Employers including small establishments as well as Households

Compulsory Registration

- Unique Aadhaar Based Registration system for all workers through Local Bodies, compulsory registration for all categories of workers to whom the code applies- employees, self -employed, owner cum worker.
- A Portable Social Security Account i.e. Vishwakarma Karmik Suraksha Khata (VIKAS) to be opened for all workers on registration which shall be linked to the Aadhar number of the worker.
- Portability of VIKAS along with remittance of the accumulated contribution in case a subscriber moves to another state available to the workers.
- All Establishments to be registered as Employers.

Contribution

Employers contribution: - Maximum 17.5 percent of wage (with provision for reduced rates if a cess is levied on any particular industry) plus 2 percent of wage for Gratuity Fund (if applicable).

Workers' Contribution

if in the Organized Sector / wage employed-

- 12.5 percent of wage/monthly income for employee/non-employee, as the case may be

for self employed –

- 20 Percent of minimum wage if earning is less than wage ceiling but more than or equal to minimum wage.
- 20 Percent of monthly income if earning is more than or equal to wage ceiling.

Workers contribution is NIL if the worker belong to 'Poor' Socio-economic profile.

Note : Government contributes (through welfare funds) in respect of such persons.

Welfare Funds

- Welfare Funds to be set up in each state for different categories of workers.
- Welfare Funds to consist of money collected through cess and appropriation by Parliament/State Legislature (tax funding)
- The State Board to appropriate moneys from the Welfare Funds for crediting the same to State Social Security Fund of entitled workers.
- The Contribution so appropriated to determine the worker's entitlement to benefits under this code.

Benefits

- Common Schemes to be framed by Central Governments
- Pension, Medical Benefit
- Sickness Benefit, Group Insurance Benefit
- Maternity Benefit, Unemployment Benefit

- Disablement Benefit, Provident Fund
- Invalidity Benefit,
- Dependents benefit, and International workers pension benefit.
- Additional Voluntary Schemes by State Governments
- Rights based benefit system
- Allowing the payment of benefits from the Fund to a person who becomes disentitled to any benefit due to him on account of Employer's negligence and subsequent recovery of the same from the defaulting employer.

Employer Liability Replaced by Fund Liability

- Employers Liability replaced by Fund Liability for
- Gratuity.
- Employee Compensation
- Maternity Benefit
- An employee shall be deemed to have been in continuous service of the Principal Employer for the purpose of Gratuity entitlement so long as he has served continuously for the same Principal Employer, whether or not through same or different contractors.

PPP in Social Security

- Provision for licensing of Intermediate Agencies in the fields of
- Fund Management,
- Point of Presence,
- Service delivery,
- Benefit disbursement,
- Record keeping and
- Facilitation

for enabling PPP system in administering social security.

- Adequate safeguards for exercising control over Intermediate Agencies for protecting the interest of subscribers.

Administrative Charges

- Administrative charges fixed at a maximum of five percent of the contribution due rather than as a percentage of wages as prevalent at present effectively reducing the actual cost.

Exemptions

- Exemption from some or all the schemes to any establishment or class of establishments/ person or class of persons subject to condition that the establishment provides better benefits. (for establishment employing >= 100 workers)

Unclaimed amounts

- Confiscation of unclaimed amounts and credit of the same to Welfare Fund(s), if no claimant could be found even after inviting claims and objections in respect of such amounts. Confiscated amount to be credited to the welfare funds (decided by government).
- The notice for filing claims allows workers of closed/ defaulting establishments to avail their entitled benefits-an improvement over the present practice.

Facilitation and Enforcement

- Social Security Facilitators for assisting workers and employers for fulfilling their obligations under this Code to be appointed by Local Bodies. State Board to provide necessary Grants/financial assistance out of Administrative fund(s) for meeting the salaries of the facilitators appointed for the purpose of this code.
- State Board is to appoint Inspectors for the enforcement of the provisions of the code.

Right based Social Security

- Social Security to be the right of each and every worker rather than a goodwill gesture or appeasement initiative.
- Provision for complaint by worker/ registered trade union/ association of workers to Social Security facilitator in case of denial of coverage/failure by employer to deposit contribution/denial of benefit or compensation/non-provision of any entitled service or benefit.
- Provision for awarding Compensation to the worker by the Commissioner out of Social Security Reserve Fund, over and above the benefit he is entitled to, for deficiency in providing the entitled service to the worker.

Appeals

- Provision of First Appeal for any person aggrieved by a decision of any of the specified authorities to be made before Departmental Appellate officers and second Appeal to Social Security Appellate Tribunal.
- Appeal and reference to High Court against a decision of the Tribunal if the matter involves a substantial question of law.

Indexation of Fines

Central Government to have the power of increasing, reducing or modifying the fines and/or the maximum limit of fines specified under this Code by linking the increase/reduction/ modification to change in the Consumer Price Index.

EXERCISE

1. Which among the following constitutional articles directs the government to make provisions for work to all?
(a) Article 32 (b) Article 32 and 33
(c) Article 32, 33, 39 (d) Article 32, 33, 39 and 40

2. What does Article 41-A deal with?
(a) Workers participation in the management
(b) Compensation to workers
(c) Grievance redressal of workers
(d) Creation of employment opportunities

3. Which constitutional article provides that children below 14 years cannot be employed in hazardous industries?
(a) Article 21 (b) Article 22
(c) Article 23 (d) Article 24

4. In the past decade, a social security scheme (Rashtriya Swasthya Bima Yojana) has been introduced for unorganized sector workers. How much population is approximately covered by it?
(a) Less than 10% (b) Less than 20%
(c) Less than 30% (d) Less than 40%

5. In which year did the Government introduce PM Jeevan Jyoti Yojana, PM Bima Suraksha Yojana and Atal Pension Yojana
(a) 2015 (b) 2014. 2015 and 2016
(c) 2014 (d) 2017

6. How many workers are members of EPFO?
(a) 10 million approx (b) 15 million approx
(c) 25 million approx (d) 35 million approx

7. Under what condition is the contribution to the EPFO compulsory?
(a) When the employee is earning up to Rs.15,000 per month
(b) When the employee is earning more than Rs.15,000 per month
(c) When the employee is earning up to Rs. 25,000 per month
(d) When the employee is earning more than Rs.25,000 per month

8. What should be the minimum number of employees for the application of EPFO?
(a) 10 (b) 20 (c) 30 (d) 50

9. What is the contribution of employer to the EPF scheme?
(a) 1.6 to 3.67% (b) 10 to 12%
(c) 2.5 to 5% (d) 12.5%

10. What is the contribution of employee to the employee pension scheme?
(a) 1.5% (b) 5%
(c) Nothing (d) Either a or b

11. How much does the employer contribute to the Employees Deposit Linked Insurance Scheme?
(a) Less than one percent (b) Less than 3 percent
(c) Less than 5 percent (d) 7.5%

12. What is the wage limit for ESI subscribers under the new rule?
(a) Rs. 15,000 (b) Rs. 21,000
(c) Rs. 28,000 (d) Rs. 35,000

13. Consider the following statement: Sickness benefit under ESI coverage is 70 percent of the average daily wage and is payable for 91 days during two consecutive benefit periods.
(a) The above statement is correct except, it is 75% of the average daily wage
(b) The above statement is correct except, it is 60% of the average daily wage
(c) The above statement is correct
(d) The above statement is correct except that it is payable for 120 days

14. In case a worker is disabled in a private sector factory while working. Who pays the worker under the Employees Compensation Act?
(a) The private sector employer
(b) The government and the private sector employer
(c) The government and the trade union
(d) Private sector employer and the trade union

15. Which among the following is true?
(a) A worker contracts an occupational disease then the employer has no liability
(b) The worker contracts an occupational disease then the employer is liable
(c) The employer is only responsible for death or disability of the while working
(d) Both the government and the employer compensate the worker

16. In which part of the Employee's compensation act are the injuries listed
(a) Parts I and II, Schedule I
(b) Part I, Schedule I
(c) Part II, Schedule I
(d) Parts I and II, Schedule II

17. How is compensation for death calculated?
(a) 25 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs. 100,000, whichever is more
(b) 75 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs. 50,000, whichever is more
(c) 200 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs. 180,000, whichever is less
(d) 50 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs. 80,000, whichever is more

18. When did the latest maternity benefit act come in force?
(a) April 1, 2014 (b) April 1, 2015
(c) April 1, 2016 (d) April 1, 2017

19. The new maternity benefit (amendment) act applied to which of the following
(a) Women in the government sector
(b) Women in the organized sector

(c) All women in employment including unorganized sector
(d) All women including those employed in organized, unorganized and self-employed sectors

20. How much is the paid maternity leave under the Maternity Benefit (Amendment) Act, 2017?
(a) 12 weeks, no limit on child
(b) 26 weeks for first two children
(c) 24 weeks for one child
(d) 18 weeks for first two children

21. In terms of number of weeks under maternity leave what is India's rank?
(a) 1 (b) 2 (c) 3 (d) 4

22. Maternity Benefit (Amendment) Act, 2017
(a) Does not provide maternity leave in case of adoption and surrogacy
(b) Provides maternity leave in case of adoption and surrogacy
(c) Provides maternity leave only in case of surrogacy
(d) Provides maternity leave only in case of adoption

23. Crèche facility has been made mandatory for
(a) Establishments over 20 employees
(b) Establishments over 30 employees
(c) Establishments over 40 employees
(d) Establishments over 50 employees

24. How much medical bonus over the salary against maternity leave is a female worker entitled to?
(a) Rs. 2500 (b) Rs. 3500 (c) Rs. 4500 (d) Rs. 7000

25. Payment of Gratuity is applicable to which among the following?
(a) Establishments with 10 or more employees
(b) Establishments with 20 or more employees
(c) Establishments with 30 or more employees
(d) Establishments with 50 or more employees

26. What should be the employment status for payment of gratuity
(a) Should be a permanent worker
(b) Should have worked for at least one year
(c) Should have worked for at least 5 years
(d) Should have worked for at least 3 years

27. How much is the quantum of gratuity for an employee who has worked for 10 years in a company?
(a) 15 days of additional salary each year × 10
(b) One month's additional salary each year × 10
(c) 7 days additional salary each year ×10
(d) One year's additional salary every tenth year

28. What is the formula for calculation of gratuity?
(a) Gratuity = Last Drawn Salary × 15/30 × Years of Service, where
(b) Gratuity = Last Drawn Salary × 15/26 × Years of Service, where
(c) Gratuity = Last Drawn Salary × 15/22 × Years of Service, where
(d) Gratuity = Last Drawn Salary × 15/26 – gazette holidays × Years of Service, where

29. The CGHS includes
(a) Central government employees and their dependents
(b) Central government employees in active service
(c) Central government employees, their spouses and children below 18
(d) Central government employees including pensioners as well as their dependents

30. When was CGHS scheme started?
(a) 1947 (b) 1951 (c) 1954 (d) 1974

31. Which among the following schemes is not run under EPFO?
(a) The Employees' Provident Funds Scheme
(b) The Employees' Deposit Linked Insurance Scheme
(c) The Employees' gratuity scheme
(d) The Employees' Pension Scheme

32. When did the Pension Fund Regulatory and Development Authority come into existence
(a) 1955 (b) 1972 (c) 2003 (d) 2015

33. When was the National Pension Scheme launched in the country?
(a) 2002 (b) 2004 (c) 2014 (d) 2015

34. What is the coverage population of the National Pension Scheme?
(a) New government recruits
(b) New government recruits except armed forces
(c) All citizens of the country
(d) All employees except those in the unorganized sector

35. What is Tier-I account under National Pension Scheme?
(a) You cannot withdraw under Tier-I account until you are 60 years of age
(b) You cannot withdraw under Tier-I account until 60 except under emergency conditions
(c) You cannot withdraw under Tier-I account until you have been a member for 10 years
(d) You cannot withdraw more than 25% from this account before the age of 60.

36. Which of the following is not true about Tier-II account under NPS
(a) It is like savings account
(b) You need to ensure that the account has INR 2000 at the end of the year
(c) You need to open the account with Rs.5000 minimum
(d) There are no tax benefits in it

37. When did the Public Provident Fund come into existence?
(a) 1962 (b) 1968 (c) 1972 (d) 1978

38. What is the rate of interest under PPF at present?
(a) The rate varies (b) 9.2%
(c) 8% (d) 8.1%

39. ESI applies on which type of establishments?
(a) Govt. establishment
(b) Both government and private establishment
(c) Any establishment with 10 or more employees
(d) Any establishment with at least 50 employees

40. ESI provides
(a) Only medical benefits
(b) Only cash benefits
(c) Both medical and cash benefits
(d) Benefits depend on the discretion of the head of the establishment

41. Who are eligible under Rashtriya Swasthya Bima Yojana?
- (a) BPL families
- (b) All the citizens of India
- (c) Those in the unorganized sector
- (d) All those whose income is less than Rs. 15,000 per month

42. What is the hospitalization coverage under RSBY?
- (a) Rs.30,000
- (b) Rs. 50,000
- (c) Rs. 75000
- (d) Up to Rs. 1 lakh

43. How many family members are covered under RSBY?
- (a) Self and spouse, that is two
- (b) Self, spouse and two children that is four
- (c) Five
- (d) All the members of the family including children not more than 18 years

44. Which is true about RSBY?
- (a) Hospitalization is valid only in government hospitals
- (b) Hospitalization is valid in both private and public hospitals
- (c) Hospitalization is valid in only central government hospitals
- (d) Private hospital is valid only when the chief medical officer recommends

45. Employment State Insurance Scheme is applicable to which of the following?
- (a) Hotels, shops, cinemas, restaurants, newspaper establishments and road-motor transport enterprises employing more than 20 people.
- (b) Hotels, shops, cinemas, restaurants, newspaper establishments and road-motor transport enterprises employing more than 10 people.
- (c) Non-seasonal factory employees employing more than 20 people
- (d) All the above

46. When did Aam Admi Bima Yojana scheme come into existence?
- (a) 2007
- (b) 2010
- (c) 2015
- (d) When Arvind Kejriwal became the chief minister

47. Who are covered under Aam Admi Bima Yojana?
- (a) Rural landless households
- (b) Rural landless households in Delhi
- (c) All the migrants in the unorganized sector working in Delhi
- (d) BPL families

48. How many people are expected to be covered under Aysuhman Bharat?
- (a) The entire population of India
- (b) More than 30 crore people
- (c) More than 10 crore families
- (d) About 25 crore families

49. How much coverage is offered under Ayushman Bharat?
- (a) Up to Rs. 5 lakh per individual
- (b) Up to Rs. 5 lakh per family
- (c) Up to Rs. 5 lakh per individual extendable in case of serious illness
- (d) Up to Rs. 5 lakh per family extendable in case of serious illness

50. The social security code bill has been introduced in the Lok Sabha. What is true about the bill?
- (a) It will create a social security fund to take care of medical, pension, death and disablement
- (b) It will create a social security fund to take care of pension, death and disablemen
- (c) It will take care of pension including unorganized sector
- (d) The fund will take care of medical, death and disablement coverage

HINTS AND EXPLANATIONS

1. (c) **Article 32 -** The state shall make effective provision for securing the right to work, to education and to public assistance, in case of unemployment, old age, sickness, disablement, and other cases of undeserved want.

Article 33 - The state shall make provision for securing just and human conditions ofwork and for maternity relief.

Article 39 - The state shall, in particular, direct its policy towards securing;
- (a) That the citizens, men and women equally, have the right to an adequate means of livelihood; Article 40 is about village panchayats.

2. (a) **Article 43 -A-** The state shall take steps, by suitable legislation on in any other way, to secure participation of workers in the development of undertakings, establishments or other organizations engaged in any industry.

3. (d) **Article 24** of the constitution specifically provides that no child below the age of 14 years shall be employed to work in any factory or mine or engaged in any other hazardous employment.

4. (b) Contingent social security covers mostly organized sector workers, who comprise only 8% of India's workforce. In the past decade, a social security scheme (Rashtriya Swasthya Bima Yojana) has been introduced for unorganized sector workers, but less than 20% of the population is covered under any form of insurance.

5. (a) In 2015, the Government of India introduced a life insurance scheme (PM Jeevan Jyoti Yojana), an accident insurance scheme (PM Suraksha Bima

Yojana) and a contributory pension scheme for unorganized sector workers (Atal Pension Yojana).

6. (c) 26 million workers are members of the Employees' Provident Fund Organization, which comprises private sector workers, civil servants, military personnel, and employees of State Public Sector Undertakings (PSUs).

7. (a) Contributions to the Employees' Provident Fund Scheme are obligatory for both the employer and the employee when the employee is earning up to Rs. 15,000 (US$220) per month, and voluntary, when the employee earns more than this amount.

8. (b) The schemes under the Employees' Provident Fund Organization apply to businesses with at least 20 employees.

9. (a) The Employees' Provident Fund (EPF) Scheme is contributed to by the employer (1.67-3.67 percent) and the employee (10-12 percent).

10. (c) The Employee Pension Scheme (EPS) is contributed to by the employer (8.33 percent) and the government (1.16 percent), but not the employee.

11. (a) Finally, the Employees' Deposit Linked Insurance (EDLI) Scheme is contributed to by the employer (0.5 percent) only.

12. (b) The ESI (Central) Amendment Rules, 2016 – notified on December 22, 2016 – expanded coverage to include employees earning Rs. 21,000 (US$313.53) or less in a month from January 1, 2017; previously, the wage limit for ESI subscribers was Rs. 15,000 (US$223.95) per month. Subsequently, the Employees' State Insurance (Central) Amendment Rules, 2017 was notified on January 20, detailing new maternity benefits for women who have insurance.

13. (c) Sickness benefit under ESI coverage is 70 percent of the average daily wage and is payable for 91 days during two consecutive benefit periods.

14. (a) The Employee's Compensation Act, 1923, formerly known as the 'Workmen's Compensation Act, 1923', requires the employer to pay compensation to employees or their families in cases of employment related injuries that result in death or disability.

15. (b) A worker contracting an occupational disease is deemed to have suffered an accident out of and in the course of employment, and the employer is liable to pay compensation for the same.

16. (a) Injuries resulting in permanent total and partial disablement are listed in parts I and II of Schedule I of the Employee's Compensation Act.

17. (d) 50 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs. 80,000, whichever is more.

18. (d) The Maternity Benefit (Amendment) Act, 2017 came into force on April 1, 2017, and increases some of the key benefits mandated under the previous Maternity Benefit Act of 1961.

19. (b) The Maternity Benefit (Amendment) Act, 2017 is applicable to women in the organized sector.

20. (b) The amended law provides women in the organized sector with paid maternity leave of 26 weeks, up from 12 weeks, for the first two children.

21. (c) India now has the third most maternity leave in the world, following Canada (50 weeks) and Norway (44 weeks).

22. (b) The Act also secures 12 weeks of maternity leave for mothers adopting a child below the age of three months as well as to commissioning mothers (biological mothers) who opt for surrogacy.

23. (d) The law mandates that every establishment with over 50 employees must provide crèche facilities within easy distance, which the mother can visit up to four times a day.

24. (b) Apart from 12 weeks of salary, a female worker is entitled to a medical bonus of US$54.45 (Rs. 3,500).

25. (a) The Payment of Gratuity Act, 1972 directs establishments with ten or more employees to provide the payment of 15 days of additional wages for each year of service to employees who have worked at a company for five years or more.

26. (c) The Payment of Gratuity Act, 1972 directs establishments with ten or more employees to provide the payment of 15 days of additional wages for each year of service to employees who have worked at a company for five years or more.

27. (a) The Payment of Gratuity Act, 1972 directs establishments with ten or more employees to provide the payment of 15 days of additional wages for each year of service to employees who have worked at a company for five years or more.

28. (b) Gratuity = Last Drawn Salary × 15/26 × Years of Service, where
The ratio 15/26 represents 15 days out of 26 working days in a month.
Last Drawn Salary = Basic Salary + Dearness Allowance.

29. (d) CGHS or the Central Government Health Scheme offers all-inclusive health care services to the Central government employees. It includes the pensioners as well as their dependents who are living in specific cities.

30. (c) It was started in 1954 by the Central Government. The healthcare services are offered through Wellness Centres (CGHS Dispensaries/ Allopathic, Yoga/ Ayurveda, Siddha, Unani, and Homeopathic Centres).

31. (c) It has 3 different schemes
- The Employees' Provident Funds Scheme, 1952 (EPF).
- The Employees' Deposit Linked Insurance Scheme, 1976 (EDLI).
- The Employees' Pension Scheme, 1995 (EPS).

32. (c) The Government of India established Pension Fund Regulatory and Development Authority (PFRDA) on 10th October, 2003. Its purpose is to develop and regulate pension sector in the country.

33. (b) The National Pension System (NPS), launched on 1st January 2004, provides retirement income to all citizens. It hopes to encourage citizens to develop the habit of saving for retirement.

34. (c) Initially, NPS was introduced for the new government recruits (except armed forces). Since 1 st May 2009, NPS has been provided for all citizens of the country including the unorganised sector workers.

35. (b) This is a type of account in which you cannot withdraw the money until you reach 60 years of age. Partial withdrawal is allowed in certain scenarios like critical illness, buying a house or wedding. All central government employees must contribute 10 percent of their basic salary to this account as well as DP and DA. The minimum amount that needs to be contributed in INR 6,000 a year. If you invest in this account, then you can get a tax benefit of up to INR 2 lakh per annum.

36. (c) This is more like a savings account as there are no restrictions on when and how much money you can withdraw. You need INR 1000 to open this account and need to ensure that it has INR 2000 at the end of the year. There are no tax benefits you can avail by opening this account. It can be said to be a better version of mutual funds' investments as the costs are 0.25 percent as compared to 1.5-2 percent.

37. (b) **Public Provident Fund (PPF) -** The Public Provident Fund is a savings-cum-tax-saving instrument in India. The National Savings Institute of the Ministry of Finance introduced PPF in 1968.

38. (d) The government of India decides the rate of interest for PPF account. The current interest rate effective from 1st April 2016 is 8.1% Per Annum (compounded annually).

39. (c) The Employees' State Insurance (ESI) Act creates a fund to provide medical care to employees and their families, as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement for those working in factories and establishments with 10 or more employees.

40. (c) The Employees' State Insurance (ESI) Act creates a fund to provide medical care to employees and their families, as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement for those working in factories and establishments with 10 or more employees.

41. (a) Ministry of Labour & Employment, Government of India launched this National Health Insurance Scheme for families who are below the poverty line. The aim is to offer health insurance coverage to BPL families in an economical manner.

* Note: RSBY will now be subsumed under Ayushman Bharat

42. (a) Under RSBY, the government has fixed the hospitalization cover limit at Rs. 30,000. The government has also fixed the hospital package rates.

43. (c) Pre-existing illnesses are also covered without any age limit criterion. 5 family members including self, three dependents, and spouse can be covered. The registration fee for the recipients is only 30 rupees and the premium is paid by the government to the insurance company.

*Note: RSBY will now be subsumed under Ayushman Bharat

44. (b) The scheme offers freedom of choice to the beneficiary BPL household to select between the private and public hospitals. It makes them a prospective client on account of the revenues earned by the hospitals through the RSBY scheme.

*Note: RSBY will now be subsumed under Ayushman Bharat

45. (a) Employment State Insurance Scheme is valid for non-seasonal factory employees. But the factory should have more than 10 employees.

The Scheme is also applicable to hotels, shops, cinemas, restaurants, newspaper establishments and road-motor transport enterprises employing more than 20 people.

46. (a) Aam Admi Bima Yojana or AABY scheme was commenced on October 02, 2007 for rural, landless households.

47. (a) Aam Admi Bima Yojana or AABY scheme was commenced on October 02, 2007 for rural, landless households.

48. (c) Ayushman Bharat, a National Health Protection Scheme, will offer cover to more than 10 Crore vulnerable and poor families offering coverage up to Rs. 5 Lakh per family every year for tertiary and secondary care hospitalisation. This scheme aims at subsuming the schemes that are in progress and are sponsored by the Central Government such as Senior Citizen Health Insurance Scheme (SCHIS) along with Rashtriya Swasthya Bima Yojana (RSYB).

49. (b) Ayushman Bharat, a National Health Protection Scheme, will offer cover to more than 10 Crore vulnerable and poor families offering coverage up to Rs. 5 Lakh per family every year for tertiary and secondary care hospitalisation.

50. (a) The bill proposes setting up of a social security fund to fulfill benefits such as medical cover, pension, death and disablement benefits including gig workers. This will help to tap the corporate social responsibility fund and divert it towards the unorganized sector.