

## Building the New Skill India – A Ready Reckoner for Updates on Labour Laws

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ith the new governance ambience in the country, there have been a plethora of legal and regulatory amendments in order to keep up with the pace at which India is being pegged in terms of growth, innovation and global excellence. Amongst several other enactments and law amendments that have come into play, is the noticeable change of understanding and implementation of labour laws as well. Employment related issues right from wages to anti sexual harassment aspects, have been well addressed to as far as providing legal protection is concerned. This has been maintained equally at both federal and state levels. Some of the recent landmark introductions and amendments are enumerated below for a comprehensive understanding of the regulations.

### EMPLOYEES' STATE INSURANCE ACT, 1948 ('ESI ACT')

Employees' State Insurance Act, 1948 ('ESI Act') broadly aims at providing benefits to employees' in case of sickness, maternity, employee injury (viz., partial and total disablement) and certain other related matters. The insurance funds are mainly derived out of contributions from employers and workers, which is based on his average wage but the responsibility to pay contribution is of the employer in the first instance.

'Wages' broadly mean all remuneration paid or payable to an employee but excludes any contribution by the employer to any pension fund or provident fund; any travelling allowance or the value of traveling concession; any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or any gratuity payable on discharge.

The Ministry of Labour & Employment vide its notification dated December 22, 2016 increased the statutory wage limit provided under the ESI Act from INR 15,000 to INR 21,000 for coverage of all relevant employees (existing and new) working in a factory or commercial establishment. The said increase in statutory wage limit is another step towards reform in labour & employment sector, which is also in line with the recent enhancement of the wage limit for the purposes of coverage under the Bonus Act, 1965.

This amendment will lead to coverage of considerable portion of employees who are drawing wages upto INR 21,000 per month. Such employees will now enjoy the benefits provided under the ESI Act. This will also have substantial financial impact on the employers since contributions will now have to be made for greater portion of employees, who will now be covered under the ESI Act.

From an administrative point of view, employers will need to obtain new/existing employees' declaration forms, upload it on the online portal and other administrative activities. Employers will also be under an obligation to maintain returns and records in relation to the newly covered employees.

### EMPLOYEES' STATE INSURANCE (CENTRAL) RULES, 1950 ("RULES")

The Ministry of Labour and Employment has revolutionized the Rules, by including, within the definition of 'insured woman' a biological mother who wishes to have a child and prefers to get embryo implanted in any other woman and also a woman who legally adopts a child of upto three (3) months of age. Extending reformatory measures in maternity benefits, further, the Rules extend the maternity leave of twelve (12) weeks for all women to twenty six (26) weeks. However, a



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woman having more than two (2) surviving children will be entitled to receive maternity benefits during a period of twelve (12) weeks of which not more than six (6) weeks will precede the expected date of confinement.

This is yet another progressive step taken by the Indian Government towards ensuring that not only the biological mothers enjoy the maternity benefits provided under the Rules but also the surrogate mothers and mothers who adopt a child, benefit from the same. Having said that, there may be some issues to be considered such as any adverse impact on the job opportunities for women since costs of the leave are to be borne by the employer; granting only twelve (12) weeks of leave to a woman who has more than two (2) surviving children may impact the growth and development of the third born child.

### EMPLOYEE PROVIDENT FUND ORGANIZATION

Another recent development, which has brought a sigh of relief for EPFO subscribers, is the allowance to withdraw money from their PF account using one common form and will not be required to file documents such as marriage invitation cards for taking advances. This

step is initiated to add further convenience to the EPFO subscribers. The forms for various advances and withdrawals have been simplified and replaced with a single form, i.e., composite claim form (Aadhar), which now comes with self-certification and requires no attestation of the employers. Further, the requirement of 'Utilization Certificate' has been dispensed with; therefore, no document would be required to be submitted by the EPFO subscribers for partial withdrawals. The Provident Fund (PF) amount is built up over the years of employment for retirement benefits.

### CONCLUSION

It is evident that the spectrum of amendments discussed above ensures long-term security to employees. Not only morally, but employees, semi-skilled workers and skilled workers have been safeguarded financially as well. Additional benefits have been rightfully extended towards women which reflects a very progressive and forward looking approach on the Indian Government. Hence, the legislation has become forbearing and positive in its outlook, upholding the overall welfare of the individual. [W](#)



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