

EXISTING SOCIAL SECURITY SCHEMES AND BENEFITS

PART-II

2.0 It is recorded that in case the present Social Security Schemes if are fully made applicable to the industry, the Employer/Employee statutory liabilities are as under:-

<u>BENEFITS</u>	<u>EMPLOYERS CONTRIBUTION</u>	<u>EMPLOYEES CONTRIBUTION</u>
Under E.P.F.	6.25%	6.25%
Under Gratuity**	4.25%	-
Under E. S. I. C. Scheme* (when extended)	5.00%	2.50%
Deposit Linked Insurance Scheme	1.60%	-
Family Pension Scheme		1.60% (approx.)
	<hr/> <u>17.10%</u>	<hr/> <u>10.35%</u> <hr/>

2.1 It is noted that the P.F. contribution is mostly not paid by the workers because their tenure of employment is of short duration, on account of the peculiar nature of the industry.

2.2 According to the present statutory provisions, the employer is under obligation to deduct the P.F. contribution and deposit it with the prescribed authority under the Act, failing which penal proceedings are initiated against the employer, including the principal employer.

The principal employer in such a

\*\*Most of the workers do not get qualified for the benefits.  
\* At present not applicable

situation is subjected to two punishments. At first stage, the employer is made to pay his contribution and as well as the contribution of the workers engaged by him at a given project site. As such, his liability becomes 12.5%. Secondly, the penal proceedings is initiated for statutory recovery of the above amount including penalty etc. In spite of the fact that the employer is willing to pay his contribution religiously, but is helpless to discharge his obligation when workers as a matter of fact are not willing to pay their contribution.

2.3 The implementation of the Gratuity Act for the workers in the industry is made difficult because of the fact that in most cases the workers due to the peculiar nature of the industry are unable to fulfill the qualifying conditions in order to become entitled to receive the benefit under the Act. It is recorded that the employers are willing to meet this statutory obligations which work out to 4.25% (approx.). The implementation machinery is finding it difficult to administer the benefit to the workers for the in-built difficulties of the qualifying conditions.

2.4 It is recorded that the E. S. I. C Scheme at present is not extended to this industry. In spite of this, the employers and the workers representatives are of the unanimous opinion that some of the outstanding benefits as laid in the scheme must be made available to the workers. It is also recorded that due to the peculiar

nature of the industry, the E. S. I. C is unable to provide coverage under it. As such the workers continue to suffer even to receive the bare minimum like the medical care, and other benefits benefits/under the Scheme. The employers have no reservation whatsoever in following the scheme, if extended. It is however, recorded that the scheme may not prove effective and workable for various reasons. Important being the deduction of the workers contribution on a continued basis, which is a prerequisite under the Act, even if the employer pays his contribution of 5%. Secondly, E. S. I. C. itself has expressed its inability to extend the scheme due to peculiar conditions of the industry and also for want of special insrastructure at the work sites, which in most of the cases are far away from the area of operation of E. S. I.

2.5. It is unanimously recorded that inspite of the above operational/difficulties, there is an urgent need to provide for Social Security to the workers under a comprehensive scheme.

2.6 The unanimous recommendation in this regard is, that to start with, minimum benefits to be made available to the workers inclusive of P.F., Gratuity and Medical benefits, including maternity, accident, sickness and disablement etc.etc.

2.7. It is recorded that with the present system of contribution under the existing Social Security Measures, the workers are unable to avail of benefits

under the scheme as the qualifying conditions are difficult to be fulfilled by the workers due to the peculiar nature of the industry.

2.8 It is, therefore, unanimously recommended that a comprehensive legislation be enacted taking into account the various provisions providing for the social security benefits to the workers under the following Act:-

- (1) Employees' Provident Fund Act,
- (2) Payment of Gratuity Act,
- (3) Maternity Benefit Act,
- (4) Inter-State Migrant Labour (Regulation & Conditions of Service Act),
- (5) Employment of Children Act,
- (6) Contract Labour (Regulation & Abolition Act),
- (7) E. S. I. C. Act.

2.9. It is unanimously recommended to financially administer these schemes instead of deducting the contributions on the basis of the wages, the deduction should be made on the value of the contract work done. The amount be deducted at source by the principal employer/owners/contracting agencies and remitted to the amount to the NATIONAL CONSTRUCTION LABOUR BOARD (N. C. L. B.), which would be the National agency to administer the funds and implement the comprehensive social security schemes for the workers in the industry.

2.10 The pro-rate quantum of levy on the contract value will have to be worked out. However, it is felt that a levy of 1.5% on the contract executing agency may be sufficient to meet the requirements of footing the bill for Social Security Schemes in the industry with a specific provisions of 1% additional contribution to the N. C. L. B. by the Principal Employer/Owner.

2.11 Looking at the deplorable working and living conditions of the workers, it is unanimously recommended that the State and Central Government be requested to set aside adequate funds for the functioning of the National Construction Labour Board and the implementing agencies under it.

Sd/-  
(R.M. Chokshi)

Sd/- (Draft)  
(S.L. Sharma)

Sd/-  
(R.G. Gandhi)

Sd/-  
(K.A. Khan)

Sd/-  
(Narendra Patel)