

## Unit -II

### Social Security laws

1. Workmen's Compensation Act 1923.
2. The Employees State Insurance Act 1948.
3. The Employees Provident Funds and Miscellaneous Provisions Act 1952.
4. The Maternity Benefits Act 1961.
5. The Payment of Gratuity Act 1972.

#### **1. Workmen's Compensation Act 1923**

- Passed in March 1923, and came into force on July 1, 1924. Subsequently, there were a number of amendments to the Act.
- Death or disablement for a person.
- Initially the limit for coverage under the Act was Rs.500 p.m.
- The Act was amended by the Amending Act of 1976 on may 21, 1976 enhancing the wage limit form Rs.500 to Rs.1000 p.m.
- The Act was further amended by the Act of 1984 abolishing the condition of wage limit of Rs.1000/-
- The benefits provided under the Act are not available to those persons who are covered under the E.S.I Act 1948.

#### **Benefits**

- The minimum amount of compensation for death is Rs.20, 000 and for permanent disablement Rs.24, 000.
- The maximum amount for disablement can go up to Rs.1,14,000 while that for death it can go up to Rs.91,000 depending on the wages and age of the workmen at the time of his death.
- In case of temporary disablement compensation at the rate of 50 per cent of wages is payable for a maximum period of 5 years.

#### **2. Employees' State Insurance Act 1948**

- The Employee's State Insurance Act 1948 is a pioneering measure in the field of social insurance in the country.

- The Indian legislature in light of two conventions (No.24 and 25) which were adopted by the International Labour Conference in its 10<sup>th</sup> session. The Royal Commission on Labour (1931) in its report also stressed the need for health insurance for industrial workers in India.
- The problem of health insurance was also discussed by the Bombay Textile Labour Enquiry Committee (1937) and by Kanpur and Bihar Labour Enquiry Committees of 1937 and 1938 and the Labour Ministers Conference in 1940, 1941 and 1942.
- In March 1943 to Prof.B.P.Adarkar, an officer on special duty. He submitted his report
- Outpatient medical facilities are available in 1418 ESI dispensaries and through 1,678 registered medical practitioners. Inpatient care is available in 145 ESI hospitals and 42 hospital annexes with a total of 19,387 beds.
- In addition, several state government hospitals also have beds for the exclusive use of ESI Beneficiaries. Cash benefits can be availed in any of 830 ESI centres throughout India.
- Presently, there are 9 medical colleges and 2 dental colleges established by the ESI Scheme.

### **Administration**

- The Employees State Insurance Scheme is administered by a corporate body called the '**Employees' State Insurance Corporation (ESIC)** which has members representing employees, employers, Central Government, State Governments, The Medical profession and Parliament.
- A standing Committee constituted from the members of the Corporation acts as the Executive body for the administration of the scheme.
- Thus it may be concluded that the provisions of the ESI Act, 1948 is an improvement in this matter on the workmens Compensation Act 1923.

### **Benefit**

- 1- Medical benefit
- 2- Sickness benefit
- 3- Maternity benefit
- 4- Disablement benefit
- 5- Dependants benefit
- 6- Funeral expenses

- 7- Rehabilitation allowance

### **3. The Employee's provident Funds and Miscellaneous provisions Act, 1952**

- Provident funds is a kinds of saving scheme.
- Establishments registered under the Cooperative Societies Act 1912 if the establishments employees less than 50 person and work without the aid of power.
- The Act which initially applied to six major industries such as Cement, Cigarettes, Electrical, Mechanical and General Engineering products Iron, and Steel, Paper and Textile.
- In 1952 is now applicable to 173 industries and classes of establishments employing 20 or more persons. However, any newly started undertaking remains exempted for a period of five years if it employees less than 50 employees and for three years if it employs 50 or more persons.
- Employee's Family pension scheme with effect from March 1, 1971. The Act was further amended in 1976 with a view.

#### **Administration**

- Central and state Governments. The central provident fund commissioner is the Chief Executive Officer of the Organization and Secretary to the Central Board of Trustees.
- Apart from the Central Office, there are at present 16 Regional offices and 29 Sub-Regional offices functioning in various states for implementation of the Act, and the schemes thereunder.
- All establishments employing more than 100 workmen may be allowed to manage all the schemes under the Act through Board of Trustees etc.

### **4. The Maternity Benefit Act 1961**

- In this direction, the ILO has drawn up long bank a convention pertaining to women workers known as Maternity Protection. Convention 1919 (No.3).
- Though the Royal Commission on Labour stressed the need for suitable maternity legislation for women employed.

- Government of Bombay passed the first Maternity Benefit Act long back in the year 1929.
- The Mines Maternity Benefit Act 1941, the E.S.I Act 1948, and the Plantation Labour Act, 1951
- The Central Government enacted a new Act, called the Maternity Benefit Act in 1961. This Act applies to every factory, Mine or Plantation Sectors including Government establishments excluding those establishments which are covered under the E.S.I Act 1948.
- The Act was amended in 1972 and a new section 5-A was added as follows.
- Delivery and for six weeks immediately following that day. The maximum period for maternity benefit is 12 weeks, i.e., six weeks up to and including the day of her delivery and six weeks immediately following that date.
- In order to qualify for maternity benefit the women employee should have rendered 160 days service during preceding one year.
- The Act also entitled to nursing mother from her employers a medical bonus of Rs.25; if pre-natal and post natal care is provided by the employer free of charge.
- In 2016 the Maternity Benefit Act, the amending provisions are based on the recommendations of working group of the Economic reforms Commission.
- Now the maximum period for maternity benefit extend up to 26 weeks.

## **5. The Payment of Gratuity Act 1972**

- Gratuity is a kind of retirement benefit.
- Provision for old age and a reward for good, efficient and faithful service for a considerable period.
- The Kerala and West-Bengal state Government were also enacted legislation for payment of gratuity to workers in 1970 and 1971 respectively.
- The Proposal for Central legislation on gratuity was discussed in Labour Minister's Conference and also in Indian Labour Conference held at New-Delhi on August 24, 25, 1971 and October 22, 23, 1971 respectively.
- Payment of gratuity Act 1972 was passed.
- Drawing wages not exceeding Rs.1600 per month and has completed 5 years of continuous service.
- The maximum ceiling for payment of gratuity is 20 months wages.