

SEPTEMBER 2020 ISSUE



THE COMPLIANCE WATCH

QUALITY | WILL TO WIN | BUILDING & LEVERAGING RELATIONSHIPS

Mr. K. Ramesh
Managing Director



Dear Friends,

We are pleased to share with you that we have completed 28 years of God's faithfulness in our compliance services journey and are so humbled and honoured to have been supported, appreciated and encouraged by all our precious clients who stood with us through all the storms and challenges during these years.

Though we are going through one of the most tumultuous periods, we pray for each one of you and believe that God will bring us all through safely and even this too will come to pass. We are so blessed to have clients who not only desire to comply but also compliment us with the best corporate practices of each of your company, and we must say that we have acquired greater knowledge and understanding of corporate ethics as we have journeyed along with you as an "Exclusive compliance service provider". While we did learn about the excellent corporate ethics from all of you, we also thought that it would be appropriate that we share as to what the companies should be mindful of some of the "Corporate Blind Spots" even in our service domain.



Why do we continue to be an exclusive Compliance Service Provider?

- In this new digital era, “Data is the new Oil”. While all the companies and service providers are doing their best to protect their data, we are also required to ensure that we do our part NOT to cross boundaries by compromising the sensitive data of our clients and their vendor partners.
- Data of employees of both the company as well as the service providers are so sensitive that they take abundant care to protect their data from outsiders and their competitors. In fact, the greatest asset for all the companies is their handpicked, trained and perfectly moulded employees.
- Diversifying business interest into few areas like Staffing may intentionally /unintentionally lead to compromise on vendor partners’ sensitive data.
- If we have payroll services and headhunting solutions company, we could use the data conveniently to complement each of the businesses.
- Never can we choose to handle contracting services, where the data of our clients could be compromised for our project activities. Only by being an exclusive Compliance Service Provider can we avoid any clashes of business interests and also comply with the European GDPR.

Therefore, we choose to continue to remain an “Exclusive Compliance Service Provider”, as this domain needs focus, careful attention all through and cannot be considered as an add on service with any other services leading to a clash of business interest in the future.

As your compliance service provider, we need to have real subject matter expertise, and highest order of integrity and ethical approach as we need to deal with many stakeholders both within the company as well as with the Government. This needs boldness to face tides and storms from both within and outside of the company as many service partners could challenge each audit objection raised. This domain requires deep understanding and careful interpretation to ensure that the company does not face any road bumps due to quick-fix solutions. Last but not the least, this domain needs passion with persistence to achieve the highest order of complying on time with accuracy.

We would like to thank God for each of you who have been continuously patronising us all through these years, and we assure you that we will live up to the expectation by continuing to strictly abide by the highest order of integrity and ethics that are essential to render our services.

Looking forward to many more years of fruitfulness!



UCS POV

Recommendation to Reduce the Eligibility Criteria for Gratuity Payment

The Parliamentary Committee on Labour has made a recommendation to reduce the eligibility period of Gratuity Payment from five years to one year. The committee included the said recommendation in its report on The Code on Social Security 2019. As per the Payment of Gratuity Act 1972, an employee with continuous employment for five years of service or more with the same employer shall be eligible for gratuity at the time of separation. The definition of 'year of service' in the Act is 240 days of employment for establishments which works six days a week, and 190 days for establishments which works less than six days a week. Currently, the definition of 'employee' does not include contract employees, and establishments are responsible to ensure gratuity for their regular employees only.

As per the recommendation made by the standing committee, the gratuity benefits should be extended to all class of employments including, contract employees, GIG workers, and seasonal workers employed for more than one year with the same employer. In this view, the principal employer shall be responsible to ensure the gratuity payment to all such contract employees who are working at their offices through a third-party contractor too. The Central Government had issued a notification on this earlier vide notification No. G.S, R 17 (E) dated 16th March 2018, Amendment of Industrial Employment (Standing Orders) Act 1946 - Schedule-I; the term of 'the fixed-term employment workmen in the manufacturing sector' was changed to 'Fixed-term employment'. As per section 2(h) of the S.O. Rule, such fixed-term employment workmen who are engaged based on written contract employment for a fixed period (under S.O. conditions) shall be eligible for all statutory benefits available to a permanent employee proportionately according to the period of service rendered by him/her even if the period of his/her employment does not extend to the qualifying period of employment required in the statute. Therefore, the fixed-term employees working in the establishment which have already implemented the S.O. certification shall be eligible for gratuity payment even if the years of service for them is less than five years.

The Code on Social Security 2019 was introduced in the Lok Sabha on 11th December 2019 by the Central Labour Ministry. The Code seeks to replace nine central laws relating to social security which includes the Payment of Gratuity Act, 1972. The above-mentioned recommendations may be implemented once the Bill is passed in both the houses of the Parliament. The following may be some major impacts for establishments once the Code on Social Security Act 2019 is implemented:

1. Employees with one year of service shall be eligible for gratuity at the time of separation as per the year of service rendered by them.
2. Fixed-term employees (FTE/ FTC) shall also be eligible for gratuity as per the year of service rendered by them.
3. The definition of 'employee' shall be extended to contract employees, casual workers, probably even GIG workers directly or through third-party agencies. In such cases, the gratuity payment, PF, ESIC, and so on shall be applicable for all such workers and the principal employer shall be responsible to ensure the gratuity even for contract workers who are deployed through various third-party contractors.

Please note, The Code on Social Security 2019 is currently pending approval from the Parliament. Establishments will be required to implement the amendment when the bill is approved and enacted through a government notification.

Shaiju Mathew
Chief Operating Officer

ESIC to Raise the Wage Threshold to Rs. 30,000

Source: www.sightsinplus.com

To provide maximum relief during the corona crisis, the Government of India is planning to increase the wage limit for ESIC coverage to Rs. 30,000 from existing wage limit for coverage under the Employees' State Insurance Corporation Act Rs. 21,000 per month. The Ministry of Labor has submitted the proposal to the Ministry of Finance to increase the current maximum wage limit for ESIC coverage. People covered under Employees State Insurance Corporation (ESIC) will be able to benefit even if the salary is more than Rs. 21,000.

Preparation of rules started – Ministry of Labour is preparing to change the rules. More salaries will have the option to remain attached to the scheme. On getting unemployed, financial assistance will be according to the fixed limit. The proposal will be sent to the ESIC Board soon. The move will add millions of workers to the ESIC pool and will avail the medical benefits. Most recently the ESIC has also announced the relaxation in eligibility criteria and enhancement in the payment of unemployment benefit under Atal Bimit Vyakti Kalyan Yojana.



Unemployed? ESIC To Settle Payment Claim Under Atal Bimit Vyakti Kalyan Yojana Within 15 Days

Source: [Financial Express](#)

Labour Minister Santosh Gangwar said that claims for payment of unemployment benefit under its Atal Bimit Vyakti Kalyan Yojana run by the ESIC will be settled within 15 days from the date of an application. The Employees' State Insurance Corporation (ESIC) board had relaxed norms to double payment of unemployment benefit under the scheme to 50% of average wages of three months to cope with job loss between March 24 and December 31 this year in view of the COVID-19 pandemic.

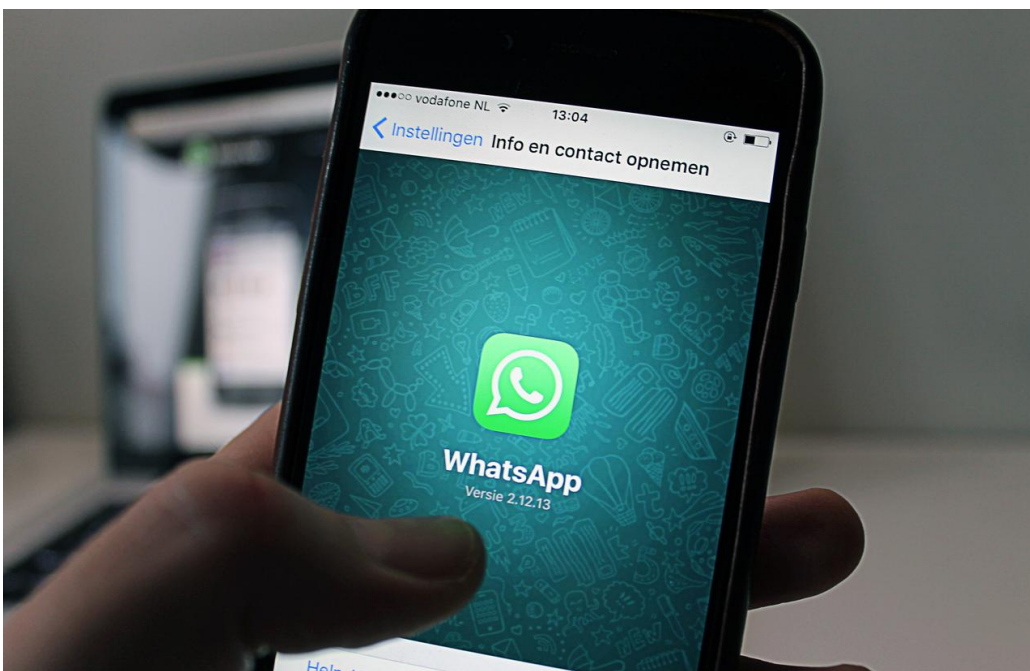
“Claims under the ESI Scheme for job loss benefit will be settled in 15 days. The relaxation in the Scheme will give relief to those ESI subscribers who lost their job during the COVID epidemic. The scheme now offers double the payment for three months at 50% against 25% earlier for the period March 24, 2020, to December 31, 2020,” Gangwar told PTI. Explaining further, the minister said, “The claims can be filed after 30 days from unemployment against 90 days earlier. The claims can be filed directly by workers whereas earlier they needed to be routed through employers.” Besides, he said that the overall validity of the scheme has been extended by one year up to June 30, 2021. Gangwar, who is also the chairman of the ESIC board, appealed to those covered under the scheme to avail the benefits.

The ESIC board’s decision in a meeting held is expected to benefit about 40 lakh industrial workers. The ESIC had approved relaxation in eligibility criteria and enhancement in the payment of unemployment benefit under its Atal Bimit Vyakti Kalyan Yojana. ESIC is implementing the Atal Bimit Vyakti Kalyna Yojna under which unemployment benefit is paid to the workers covered under ESI scheme. It was decided to relax the existing conditions and the amount of relief for workers who have lost employment during the COVID-19 pandemic period. After December 31, 2020, the scheme will be available with original eligibility condition during the period January 1, 2021, to June 30, 2021.

EPF WhatsApp Helpline Number for Grievance Redressal | WhatsApp Contact Numbers of EPFO Regional Offices

Source: www.epfindia.gov.in

EPFO (Employees Provident fund Organization) has recently launched ‘EPF WhatsApp Helpline Number’ for resolving grievances faced by its PF subscribers & Establishments (employers). EPFO has assigned different WhatsApp contact numbers for all of its Regional Offices. An EPF member can also submit his/her grievance to the EPFO through grievance online portal. The WhatsApp helpline numbers of EPFO regional offices is available in the link given <https://bit.ly/32uAw45>



Govt. Lays Out Safety Protocols for Factories in Karnataka

Source: Deccan Herald

Factories in the state will now have to ensure that there are adequate Covid-19 preventive measures in the workplace for the safety of their employees. In an elaborate set of standard operating procedures (SOPs), the government has now made it mandatory for all factories to establish a COVID task force, which will include safety officers and medical staff, apart from members representing the factory.

According to an order issued by the Department of Factories, Boilers, Industrial Safety & Health under the Factories Act, factories have to compulsorily establish hand-washing stations, provide face masks and train staff about their proper use and train staff about their proper use and disposal. They will have to ensure that employees do not work barefoot on the production floor, that there is complete disinfection of the office premises before workers enter the workspace, apart from ensuring PPE kits to in-house medical staff. Factories will also need to have a separate containment room to relocate workers suspected to have contracted the infection, in addition to alerting the government officials as and when cases are detected. As for materials for the factory, employers will have to ensure disinfection of containers before loading and establish adequate safety procedures for receipt of raw material and packing material. Further, when it comes to ferrying employees to work, the organisations must ensure that the number of passengers is limited to 50% of the seating capacity while ensuring social distancing, the government order stated. The government norms have also prescribed for PPE kits to be provided to drivers and for the factories to maintain a detailed log of daily trips and passengers. Speaking to DH, Karnataka Employers Association president BC Prabhakar said the government's order follows a similar set of guidelines issued by the Centre. "This is a welcome move. This puts more obligation on the factories to follow all the prescribed norms. Under the current circumstances, this is inevitable," he said.



Punjab Allows Fixed-Term Industrial Employment

Source: Hindustan Times

The Punjab government has allowed all industrial establishments in the state to hire workers on fixed-term contracts of any duration to promote ease of doing business. A notification was issued by the labour department to amend the Indian Employment (Standing Orders) Punjab Rules, 1978, to make a provision for fixed-term employment wherein workers can be hired by industrial units for any fixed duration for a specific season or worker order, depending on the requirement. The changes in employment rules, which were sought by industry associations for a long time, have made after approval from the state cabinet, allowing them flexibility in hiring workforce after entering into a written contract with them.

“Their hours of work, wages, allowances and other benefits will not be less than that of a permanent employee. They will also be eligible for all statutory benefits available to a permanent workman proportionately according to the period of service rendered by him,” additional chief secretary, labour, Vijay Kumar Janjua said. The employers have been prohibited from converting existing permanent posts into fixed-term employment but they can do new hiring on contract. Janjua said the rules were drafted in June and the notification was issued after following the due process of calling objections and suggestions. The Centre had also approved the labour code last year to allow companies to hire workers on fixed-term contracts for any duration. In addition, the state government has exempted the industrial establishments engaged in continuous process industry from the provisions of the Punjab Industrial Establishment (national and festival holidays, casual and sick leave) Act, 1965, allowing flexibility to decide holidays as per their requirement. The micro, small and medium units have also been exempted from mandatory certification of standing orders under the industrial employment rules. The MSME will not require periodic approvals of these and will have to comply with provisions of the model standing orders.

Govt. Plans to Bring Social Security Schemes Under One Umbrella

Source: Economic Times

The government proposes to bring at least half a dozen social security schemes, including old-age pension and insurance, under the ambit of the proposed social security code. The move is aimed at universalisation by bringing all existing schemes under one umbrella without any additional cost to the exchequer and is expected to cover more than 20% of the bottom of the population.

A senior government official told ET that the labour ministry will shortly finalise a list of the existing social security schemes that can be brought under the social security code once the code is approved by Parliament and notified. “The move is aimed at consolidating millions of beneficiaries of the existing social security schemes under one administration for effective implementation and to avoid duplication,” said the official, who did not wish to be identified. The schemes expected to immediately come under the code are the PM Shram Yogi Maandhan scheme, the PM Laghu Vyapari Maandhan Yojana and the Atal Pension Yojana. All these are voluntary contribution

pension schemes in which contribution is made by the subscriber and matched by the Centre, making the beneficiary eligible for Rs 1,000-5,000 per month pension after attaining the age of 60. Schemes completely funded by the Centre such as the old-age pension scheme and the health insurance schemes, including the Pradhan Mantri Jeevan Jyoti Bima Yojana under which individuals contribute a minuscule amount year after year for availing health insurance, could be brought in next. Section 13 of the proposed social security code provides for bringing all existing social security schemes under the code through notification. "Notwithstanding anything contained in this code, the central government may, by notification, assign additional functions to a social security organisation including administration of any other Act or scheme relating to social security subject to such provisions as may be specified in this behalf in the notification," it said.

Introduction of this section will make it easy for the government to consolidate all schemes under the proposed Social Security Organisation without having to go to Parliament for bringing all such schemes under one roof as they are currently being administered by different ministries including the finance ministry and the rural development ministry.



Karnataka Tops List of States Seeking Skilled Workforce to Resume Industrial Activities

Source: Economic Times

Karnataka has topped the list of states seeking skilled workforce to resume industrial activities followed by Maharashtra, Delhi, Telangana and Haryana as India unlock in varying degrees since June 1 with nearly 65,000 workers being offered jobs via the skills ministry's recently launched ASEEM portal.

Data from the Atmanirbhar Skilled Employee Employer Mapping (ASEEM) portal of the skills ministry shows 64,689 candidates have been offered jobs in less than a month with the highest demand for workers in logistics (44.3% of the posted vacancies), tourism and hospitality (18.1%), telecom (11.9%), construction (6.4%) and IT-ITes (4.6%), suggesting quick revival in these sectors post the lockdown. Of this, 6,281 candidates have joined so far. As per the data, 2,30,331 requirements were posted on the portal till August 7 by the companies registered on the portal. A total of 1,42,027 candidates have sought for a job through this portal mainly for job roles like field technicians, self-employed tailor, assistant electrician, sewing machine operator and retail sales associate. Since its launch on July 10, 29,66,591 candidates have been registered on the portal. According to the ministry's assessment, five most popular job roles in demand are courier delivery executive (20.8% of the total vacancies posted), housekeeping attendant (11.4%), customer care executive (6.7%), warehouse associate (6.6%) and machine operator (6.4%). Majority of candidates registered on the portal are from Uttar Pradesh (13.7%), Haryana (7.1%), Tamil Nadu (6.6%), Maharashtra (6.2%) and West Bengal (4.7%). The data, however, varies for migrant workers registered under the Garib Kalyan Rojgar Abhiyan of the government, launched on June 21, to provide jobs and livelihood opportunities to migrant workers during the pandemic. As per the data on the portal, the maximum number of candidates registered under the programme are from Bihar (81.3%), Jharkhand (12.1%), Odisha (4.9%) and Madhya Pradesh (1.6%). Of the 97.8% of candidates seeking jobs under the scheme are male while a minuscule 2.2% are female candidates. Under the scheme which largely caters to unskilled migrant workers, the maximum demand is of construction work (16.5%), mason's helper (7.7%), mason (4.3%), labour (3.9%) and tailor (3.2%).





UCSCompliTool is a technology to ease the complexities of navigating through the changing Labour laws. With our past experiences and feedbacks, we have developed an in-house Software solution and have created this robust mechanism which represents our motto – Compliance simplified. It provides a real time and 360-degree view of compliance status for the Principal employer (**Complitol-Compliance**) and with risk matrix to monitor the contractors (**Complitol -Audit**). We have developed a Role Based Access Control model and being a cloud-based system, we are offering an absolute security and protection of data.

Following are some of the Major benefits of the Tool:

- * Real Time Statistical Data
- * Informative Tool
- * Transparency
- * Ease of Documentation
- * Ease of Monitoring
- * Highlighting of Critical Points
- * Security and Data Confidentiality
- * Centralization of Data
- * Readily Available Documents
- * Data Integrity
- * Extensive Reporting
- * User friendly Dash Boards
- * Overall compliance review from front end manoeuvre

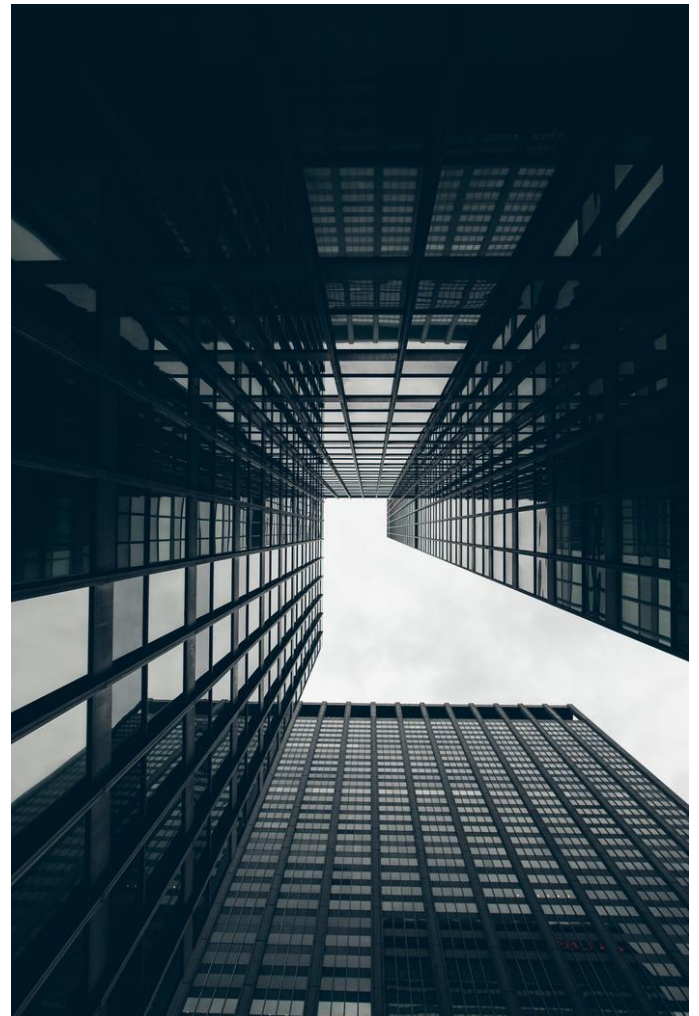
**For Demo, Please write to us at enquiry@ucsdel.com
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About Us

United Consultancy Services is one of the leading consulting firms in India providing compliance, advisory and audit services in the field of Labour Laws, Human Resource Development and Legal matters pertaining to Industrial Relations. We provide meaningful, forward looking and compliance oriented solutions to help organizations grow while being compliant under labour laws. Proactive teams led by domain experts, use insight, experience and best practices to understand complex issues of publicly listed and privately owned clients and simplify compliance.

With over 25 years of existence and with more than 200 professionals the firm provides robust compliance services and solutions on complex requirements under Labour law. The information shared in the newsletter is on the basis of Government notifications and newspaper articles. This is for general information purposes only and does not constitute legal advice. Please reach out to your UCS contact or the Company legal counsel before taking any action.

We simplify compliance for you.



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