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UCS POV | BALA HARISH Associate Vice President

UCS POV: Know more about Employees Deposit Linked Insurance Scheme

EDLI is an insurance cover provided by the EPFO for salaried employees from the private sector. The registered nominee receives a lump-sum payment in the unfortunate event of death of the insured person, during the period of the service. Besides being a retirement fund, EPFO offers many other benefits and this is one of them. There is a lack of awareness of this benefit offered for EPF Members. Most members and the nominees are not aware of this scheme. Hence, very few claims are submitted every year on comparing the number of PF & Pension claims. Since many have lost their lives due to the current pandemic situation, this insurance benefit can be a great help in these trying times for the family.

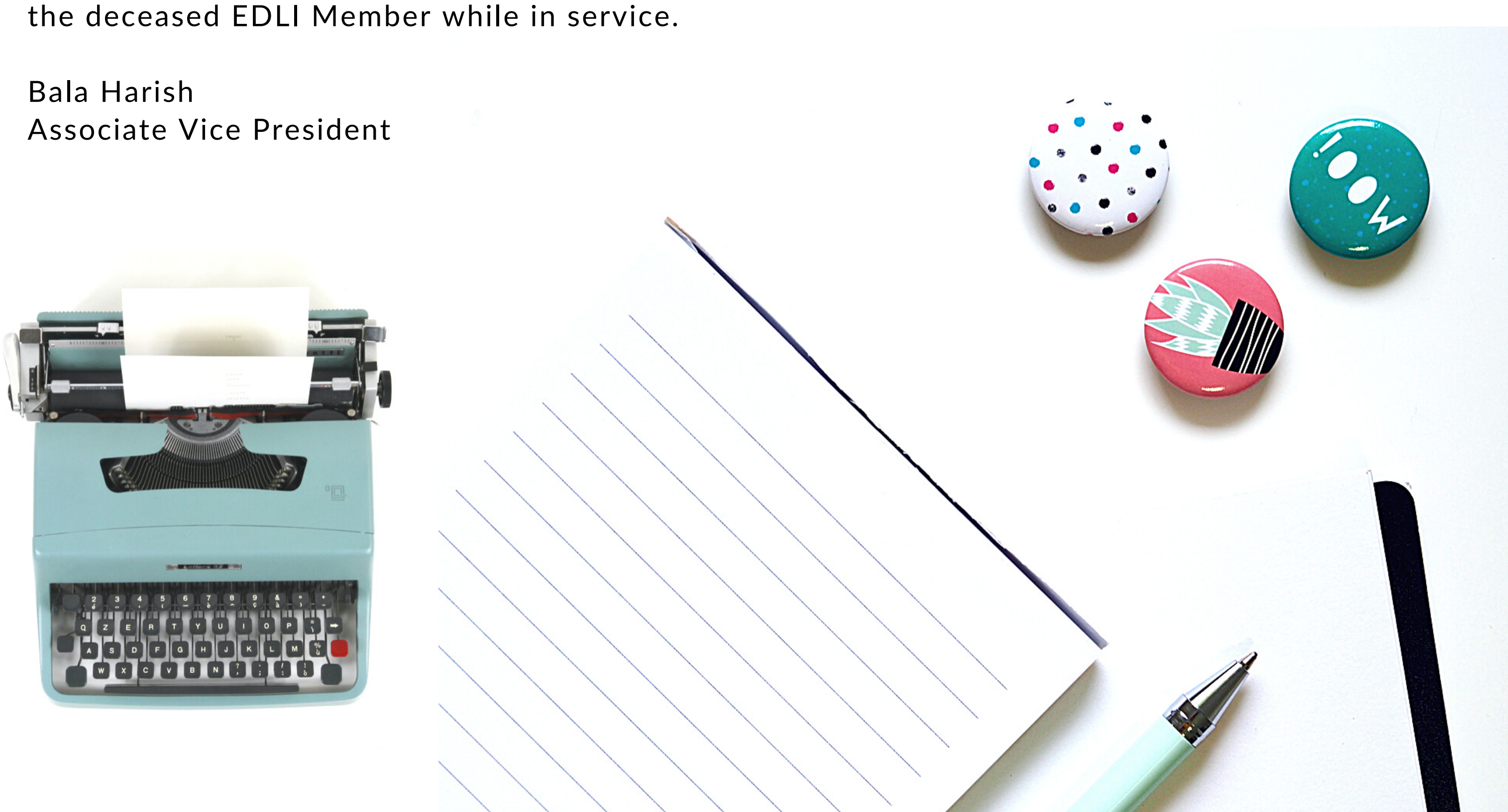
Effective from 15th February 2020, the Ministry of Labour and Employment has extended the minimum assurance benefit of Rs. 2.5 lakhs for the next 3 years and EDLI maximum ceiling amount is revised from Rs. 6 Lakhs to Rs. 7 lakhs. Since the Government has implemented the revision with retrospective effect if there are any EDLI death applications processed in this duration the nominee can be informed to resubmit the application for the difference pay-out.
This amendment was aimed at providing additional support to families and dependents of members of the scheme in case of their unfortunate death while in service.

Salient Features of EDLI:

- The insurance benefits can be availed by the family members, legal heirs or nominees of the member.
- Members of EPFO are automatically enrolled for EDLI.
- An EPFO member is only covered by the EDLI scheme as long as he/she is an active member of the EPF. The family/heirs/nominees cannot claim it after he/she leaves service with an EPF registered company.
- The employer has to make the contribution for EDLI and no payment can be deducted from the employee's salary
- The claim amount under EDLI is **35 times the average monthly salary** in the past 12 months subject to a maximum of 7 lakh (5.25 lakh basic + 1.75 lakh bonus).
- The average monthly salary is calculated as the **Basic + Dearness Allowance** (PF Wages) & is capped at Rs. 15000.
- As per the recent notification, the EDLI assurance benefit shall not be less than 2.5 lakh rupees.
- As per the recent notification, the EDLI assurance benefit shall not exceed 7 lakh rupees.
- The minimum assurance benefit fixed at Rs.2.50 lakh is considered retrospectively w.e.f. 15.02.2020 for employees having a continuous PF membership period of 12 months preceding the month in which he/she died, irrespective of change of establishment.
- An employer can opt for another group insurance scheme, but the benefits offered must be equal to or more than those offered under EDLI.

The prime motive of the EDLI scheme is to offer financial security to the family members of the deceased EDLI Member while in service.

Bala Harish
Associate Vice President



EPFO allows members to avail second COVID-19 advance

Decision taken because of the second wave of Covid19 pandemic: EPFO has now allowed its members to avail of a second non-refundable COVID-19 advance. The provision for special withdrawal to meet the financial need of members during the pandemic was introduced in March 2020, under Pradhan Mantri Garib Kalyan Yojana (PMGKY). An amendment to this effect was made by the Ministry of Labour & Employment in Employees' Provident Funds Scheme, 1952 by inserting therein sub-para (3) under paragraph 68L, through a notification in the Official Gazette. Under this provision, non-refundable withdrawal to the extent of the basic wages and dearness allowances for three months or up to 75% of the amount standing to member's credit in the EPF account, whichever is less, is provided. Members can apply for a lesser amount also. Members who have already availed of the first COVID-19 advance can now opt for a second advance also. The provision and process for withdrawal of the second COVID-19 advance are the same as in the case of the first advance.

Source: Press Information Bureau

Karnataka PT Enrolment due date extended till 30th Jun 2021

The KN State Govt. has issued a circular dated 31st May 2021, which is in continuation to the earlier notification dated 26th April 2021 further extending the due date of payment of enrolment tax from 30th May 2021 to 30th June 2021 due to the continuation of Covid-19 pandemic current situation and consequential lockdowns. The revised PT due dates are given below:

Wage Month	Actual Due date	Revised Due date as per 26th Apr 2021 1st notification	Revised Due date as per 31st May 2021 2nd notification
2021-22 Annual PT Enrolment remittance	30th Apr 2021	30th May 2021	30th Jun 2021

Source: Gov. notification

Labour Ministry Announces Major Social Security Relief to Dependents of Workers Passing Away Due to COVID-19

The Ministry of Labour and Employment has announced additional benefits for workers through ESIC and EPFO schemes to address the fear and anxiety of workers about the well-being of their family members due to the increase in incidences of death due to the COVID -19 pandemic. Enhanced social security is sought to be provided to the workers without any additional cost to the employer.

Currently for the Insured Persons (IPs) under ESIC, after death or disablement of the IP due to employment injury, a pension equivalent to 90% of average daily wage drawn by the worker is available to the spouse and widowed mother for life long and for children till they attain the age of 25 years. For the female child, the benefit is available till her marriage. To support the families of Insured Persons (IP) under the ESIC scheme, it has been decided that, all dependent family members of IPs who have been registered in the online portal of the ESIC prior to their diagnosis of COVID disease and subsequent death due to the disease, will be entitled to receive the same benefits and in the same scale as received by the dependents of insured persons who die as a result of employment injury, subject to the following eligibility conditions:

a. The IP must have been registered on the ESIC online portal at least three months before the diagnosis of COVID disease resulting in death.
b. The IP must have been employed for wages and contributions for at least 78 days should have been paid or payable in respect of deceased IP during one year immediately preceding the diagnosis of COVID disease resulting in death

The IPs, who fulfil the eligibility conditions, and have died due to COVID disease, their dependents will be entitled to receive monthly payment @90% of average daily wages of the insured person during their life. The scheme will be effective for a period of two years from 24.03.2020.

Under the EPFO's Employees' Deposit Linked Insurance Scheme all surviving dependent family members of the members of this scheme are eligible to avail benefits of EDLI in case of death in a harness of the member. At present under this scheme, the benefits extended in case of death of a worker are no requirement of minimum service for payment of Gratuity, family pension is paid as per provisions under EPF & MP Act, sickness benefit of 70% of wages for 91 days in a year is paid in the event of a worker falling sick and not attending office.

A notification issued by the Ministry has made the following amendments to this:

a. Amount of maximum benefit has been increased from 6 lakhs to 7 lakhs to the family members of the deceased employee.
b. Minimum assurance benefit of ₹2.5 lakh to eligible family members of deceased employees who was a member for a continuous period of 12 months in one or more establishments preceding his death in place of existing provision of continuous employment in the same establishment for 12 months. It will benefit contractual/casual labourers who were losing out on benefits due to the condition of continuous one year in one establishment.
c. Restoration of provision of minimum 2.5 lakh compensation retrospectively, i.e., from 15th February 2020.

d. In the coming 3 years, the actuary has estimated that eligible family members will get an additional benefit of Rs. 2185 crore from EDLI fund in the years 2021-22 to 2023-24.
e. Number of claims on account of death under the scheme has been estimated to be about 50,000 families per year including an increase in claims taking into account the estimated death of about 10,000 workers, which may occur due to Covid.

These welfare measures will provide much-needed support to the families of workers who have died due to the COVID-19 disease and will protect them from financial hardships in these challenging times of pandemic.

Source: Press Information Bureau

Big News for EPFO Account Holders! This Rule Will Be Applicable on PF Account from June 1, If Missed, It Will Be a Big Loss

EPFO New Rule: Employees' Provident Fund Organization (EPFO) has made some changes in the rules for its account holders. If you are employed, then understand this change carefully. So, what is that new rule and how it will affect your EPF contribution, understand. These rules will be applicable from June 1 2021. According to the new rules of EPFO, every account holder's PF account should be linked to Aadhaar Card. It will be the responsibility of the employer to ask its employees to get their PF account verified with Aadhaar. If an employee fails to do so by June 1, then he may suffer many losses, such as his employer contribution to the PF account can also be stopped. A notification has also been issued by EPFO in this regard.

<u>What is the new rule?</u>
EPFO has implemented new rules under section 142 of the Social Security Code 2020. In which EPFO has clearly instructed the employers that from June 1, if any PF account is not linked with Aadhaar or UAN is not Aadhaar verified, then its ECR-Electronic Challan cum Return will not be filled. This means that PF account holders will not be able to get the employer's share. Employees will see only their contribution in the account.

<u>How to link EPF account with Aadhaar?</u>
Therefore, if you have not yet linked your PF account with Aadhaar, then by going to the official website of EPFO, first link your account with Aadhaar card and also verify your UAN with Aadhaar, so that PF contribution in your account as before without Keep coming up with an obstacle.

1. Login to the EPFO website www.epfindia.gov.in.
2. After this, by going to Online Services, click on the e-KYC Portal and then link UAN - Aadhaar.
3. You have to upload your UAN number and mobile number registered with your UAN account.
4. An OTP number will come on your registered mobile number.
5. Enter your 12-digit Aadhaar number in the Aadhaar box and submit.
6. Then Proceed to OTP verification will come, click on it.
7. To verify the Aadhaar details again, OTP has to be generated on the mobile number or mail linked with Aadhaar.
8. After verification, your Aadhaar will be linked to your PF account.

Source: www.newsdailyindia.com

Good News Employees! Your Take-Home Salary May Not be Affected This Year | Check Why

As the second wave of coronavirus is affecting the whole country and many states are under complete lockdown, the Central government may not implement the labour reforms under the Code of Wages, 2019 anytime soon. Earlier also, the Central government had deferred the implementation of the labour reforms that were supposed to come into effect from April 1 this year. According to a report by The Economic Times, the ongoing pandemic has kept several states busy, and they are now going slow on readying the framework for the implementation of the labour codes. Even though the Centre was asking the states to frame the draft rules quickly, it is no longer pursuing states with the same interest due to the ongoing pandemic. However, the delay in implementing the labour code is likely to help Indian corporates that were worried about the complex changes required to comply with the new codes. The delay means the corporates will have more time to realign employee salary structures as mandated under new rules.

Earlier, the companies had urged the Centre to relax the 50% mandatory cap on the allowance component of wages under the new rules. Saying that the move would affect them financially during the pandemic, the Industry associations had reached out to respective state governments to delay the drafting of rules for implementation of the labour codes. While it is yet to be seen whether the new labour codes are implemented, it is unlikely that the rules will come into effect this year. This means that the employees will not see a reduction in their take-home salaries in 2021, but social security benefits will remain lower. As per updates, the Union labour ministry earlier had planned to implement four labour codes industrial relations, wages, social security and occupational health safety and working conditions from April 1. These consolidated labour codes will subsume all 29 existing central labour laws.

One of the important rules under the new labour codes is the plan to cap employee salary allowances at 50% of CTC (cost-to-company). This means the basic salary of an employee has to be at least 50% of CTC. But when the new labour codes will come into effect, companies will have to change employee compensation structure to meet the requirement. However, it will be a complex process as most employers do not give 50% salary as basic pay to employees at the moment.

Source: www.india.com

1st BRICS Employment Working Group (EWG) Meeting Amongst BRICS Countries

Shri Apurva Chandra, Secretary, Labour and Employment chaired the 1st BRICS Employment Working Group (EWG) Meeting held on 11-12 May 2021 in Sushma Swaraj Bhawan, New Delhi in virtual format. India has assumed BRICS Presidency this year. The prime agenda for the discussions were Promoting Social Security Agreements amongst BRICS Nations, Formalization of labour markets, Participation of women in labour force and Gig and platform workers role in the labour market. Apart from representatives of member nations i.e., Brazil, Russia, India, China and South Africa, the representatives of the International Labour Organization (ILO) and International Social Security Agency (ISSA) also made valuable interventions and suggestions on the agenda issues. The Indian delegations were represented by Mrs Anuradha Prasad, Special Secretary, Shri R.K Gupta, Joint Secretary, Shri Ajay Tewari, JS & DGLW, Ms Kalpana Rajsinghot, Joint Secretary and Shri Rupesh Kumar Thakur, Director from Ministry of Labour and Employment.

- On the issue of the Social Security Agreement (SSA), the Member Nations resolved to enter into dialogue and discussion with each other and take it forward towards the signing of the agreements, while the ISSA and ILO on their part, expressed willingness to provide technical support in facilitating the conclusion of such agreements. Member Nations also converged on devising a multilateral framework for the same at a later stage. Social Security Agreement would help the international workers to port their benefit to their home countries thereby preventing loss of their hard-earned money. Further, they will be exempted from contributing both in-home as well as host countries.

- On the issue of formalization of the labour market, Member Nations discussed various initiatives taken by them towards formalization of jobs and how Covid-19 has enhanced informalization risk.

- On participation of women in the labour force, the member countries resolved to promote the participation of women in remunerative, productive and decent work and to extend social security cover to the women workers engaged in the informal sector. The impact of Covid-19 on the participation of women in the labour force was also discussed.

- On the issue of Gig and Platform workers and their role in the labour market, the member nations discussed how the proliferation of Digital Labour Platforms is transforming the labour processes in the world of work. Challenges faced by them and various measures being taken by member nations including the extension of the social protection system were also discussed.

The discussion took place in an extremely candid atmosphere and in a seamless manner, where the Member Nations and International Organizations shared not only their initiatives and best practices but also their concerns and challenges.

Source: Press Information Bureau

ESIC Extends Date for Filing of ESI Contribution for April 2021

The country is dealing with a very challenging situation due to the second wave of the COVID-19 Pandemic. Many establishments are temporarily closed and workers are unable to work. In line with the relief measures being extended by Government to business entities and workers, Employees' State Insurance Corporation (ESIC) has relaxed the provision as entered in Regulation 31 of ESI (General) Regulations, 1950 and allowed the filing of ESI contribution for April 2021 up to 15th June 2021 instead of 15th May 2021. The employers covered under ESI Scheme can now file and pay ESI Contribution for April 2021 up to 15th June 2021 instead of 15th May 2021. This will provide an extended window to 12.36 lakh Employers to contribute to the ESI scheme.

Source: Press Information Bureau

Mandatory Registration of Inter-state Migrant Workers in Delhi

The Govt. of Delhi has issued a circular dated 14.05.2021 directing all principal employers employing (or have employed during last 12 months) the workers through outsourcing are required to mandatorily register with Labour Department through the e-district portal of Govt of NCT of Delhi on the link: https://edistrict.delhigovt.nic.in. Every inter-state migrant workman shall be issued a passbook with details of employment and also shall be provided other benefits mentioned in the Act. Non-compliance with the statutory obligations will attract appropriate legal action as mentioned in the Act. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 Act applies to every establishment in which five or more inter-State migrant workmen are employed.

Source: Gov. Notification

Variable Dearness Allowance Hike: 1.5 Crore Workers to Benefit as Minimum Wage Raised

The ministry of labour and employment announced a hike in the variable dearness allowance (VDA) for workers in the railway administration, mines, oil fields, ports and other sectors in the central government. The move is expected to benefit about 1.5 crore workers. The hike, effective retrospectively from April 1, 2021, will range from Rs 105 per day to Rs 210 per day, depending on a worker's occupation and geographical location, and will also have a resultant impact on minimum wages for workers. The VDA is similar to the dearness allowance for government employees. The government's revised wages notification will apply to establishments such as the railway administration, mines, oil fields, major ports or all corporations established by the Central government.

- Contractual & casual workers also entitled to hike in VDA: The hike will also apply equally to all contractual and casual workers. The cumulative hike is expected to be in the range of Rs 2,000 and Rs 5,000 per month.

- While unskilled mine workers will draw Rs 431 per day, those working underground will be eligible to receive VDA at the rate of Rs 539 per day. In contrast, highly skilled mine workers working on the ground will now draw Rs 752 a day and highly skilled mine workers working underground will be eligible to get Rs 840 per day as VDA.

- Revision of VDA has also been done for agriculture workers across skill categories, building and construction workers. 'Sweeping and cleaning' workers, 'watch and ward' workers and workers working for loading and unloading works are also eligible for the pay revisions.

A statement from the labour ministry said it has notified and revised the rate of VDA with effect from April 1, 2021. Union labour and employment minister Santosh Gangwar said the hike in VDA will support these workers particularly in the backdrop of the economic pressures caused by the coronavirus pandemic. The VDA, the government added, was revised based on the average Consumer Price Index for Industrial Workers (CPI-IW), and the ministry took the average CPI-IW from July to December 2020 to revise the VDA.
The enforcement of the Minimum Wages Act in the central sphere, the government said, is ensured through the offices of the Chief Labour Commissioner (Central).

Source: Times of India

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 **(Complitool-Compliance)** and with risk matrix to monitor the contractors **(Complitool -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.

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* Ease of Monitoring
* Highlighting of Critical Points
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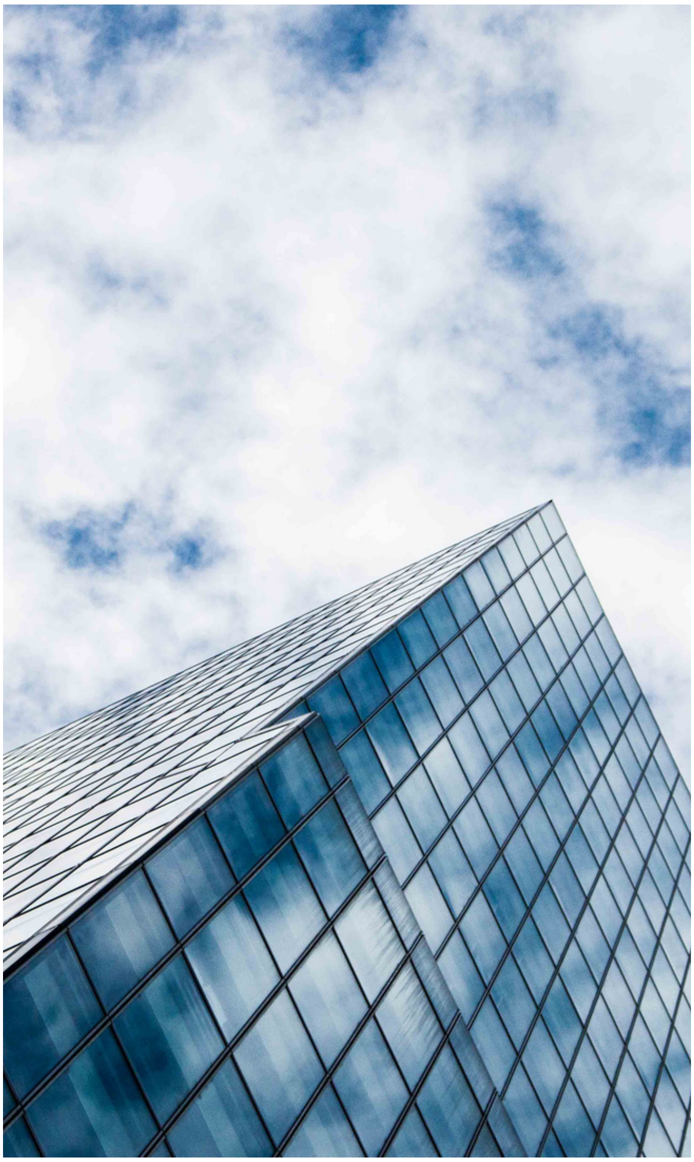

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