



THE COMPLIANCE WATCH

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UCS POV | EPFO - MODERNIZING PF SERVICES FOR A BETTER RETIREMENT OPTION

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The Employees Provident Fund Organisation (EPFO) has undeniably made commendable progress in streamlining transactions for Indian employees. The ability to easily update one's company details, correct personal information, and seamlessly transfer funds between accounts has significantly reduced the bureaucratic hurdles previously associated with PF management. These user-friendly features, accessible through the portal empower employees to manage their PF accounts with greater ease and transparency.

Previously, navigating the complexities of PF transfers and corrections was a time-consuming and often frustrating experience. Now, employees can initiate these processes from the comfort of their homes, reducing the need for multiple visits to PF offices. This digital transformation has not only saved valuable time but also minimized the potential for errors and delays.

The EPFO's focus on simplifying these core functionalities is a welcome change, making PF management more accessible and efficient for millions of Indian workers. While there is always room for improvement, these steps are a positive indication of the EPFO's commitment to modernizing its services and prioritizing user convenience.

Despite complexities and ongoing discussions, EPFO has made some progress regarding higher pension options. The Supreme Court's rulings have mandated the provision for higher pensions based on actual wage (above the previous ceiling) contributed to the PF. However, the implementation has faced several hurdles. Initially, the process involved a complex application procedure and required employees to contribute a significant portion of their higher salaries to the pension fund.

◀◀◀ IN THIS ISSUE

UCS POV | EPFO - Modernizing PF Services for a Better Retirement Option

New Labour Code: Big news! 4 days work and 3 days rest in a week in labor law? know announcement update

Karnataka High Court Rules Employer Can't Forfeit Gratuity Without Recovery Proceedings

Central Govt. May Soon Ask Private Companies to Notify Vacancies

Job Security for ICC Members Important: SC

EPFO set to introduce self-attestation facility for completing KYC

16th Meeting of BoCW Monitoring Committee Reviews Implementation of Social Security Schemes for BoCW

Karnataka Likely to Raise Minimum Wages to ₹20,000 per month

EPS for gig workers: Govt plans to launch social security scheme for gig workers



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This proved difficult for many, particularly those nearing retirement or with limited financial resources. The EPFO has since attempted to simplify the application process, though challenges remain. Deadlines for applications have been extended multiple times, indicating the complexities involved.

While the EPFO has made commendable strides in streamlining core transaction processes and empowering millions of Indian workers with easier access to their funds, the path to implementing the higher pension scheme remains complex. Continued efforts to simplify the application process and address the financial implications will be essential for ensuring a truly beneficial and accessible retirement option for all.



NEW LABOUR CODE: BIG NEWS! 4 DAYS WORK AND 3 DAYS REST IN A WEEK IN LABOR LAW? KNOW ANNOUNCEMENT UPDATE

Labor codes providing four days of work and three days of rest in a week have been prepared in the country. The implementation of such four labor codes is now awaited. According to the report of Economic Times, the Government of India can announce a big decision in this regard in the upcoming budget. Under this, there is a possibility of announcement during the budget about how the labor codes will be implemented. Especially, light will be thrown on what will be the methods of implementation of labor codes in which types of companies, in which types of companies it will be implemented first. According to the report of Economic Times, the Government of India has decided to implement it in the next financial year i.e. the financial year starting from April 2025.

It will be implemented first in companies with more than 500 employees

According to the report of Economic Times, the Government of India will first implement the new labor code in companies with more than 500 employees. After starting its implementation in large establishments, it will be implemented in other companies in three phases. In the first year, it will be implemented only in large establishments i.e. companies with more than 500 employees.

After that, it will be implemented in the second year in medium level enterprises i.e. enterprises with 100-500 employees. It has been planned to implement it in small establishments i.e. those with less than 100 employees from the third year. To implement it, the process of finalizing the draft rule related to it is in the final stage in many big states.



In this way, 85 percent of the establishments in India coming under micro and small enterprises will get two years to implement the labor code.

Draft rules of all four labor codes will be ready by March

Union Labor Ministry officials told Economic Times that discussions are going on continuously with the Chief Secretaries of the states regarding the implementation of all four labor codes. Draft rules related to this will be ready by March in almost all the states.

SOURCE : BUSINESS LEAGUE

KARNATAKA HIGH COURT RULES EMPLOYER CAN'T FORFEIT GRATUITY WITHOUT RECOVERY PROCEEDINGS

The Karnataka High Court has ruled that an employer cannot withhold or forfeit the gratuity of a dismissed employee unless proceedings for the recovery of alleged losses have been initiated against them. Justice Suraj Govindaraj made this observation in a recent order while rejecting a plea by the Central Warehousing Corporation, which had challenged an order passed by the Controlling Authority. The authority had directed the corporation to pay ₹7,88,165 as a gratuity to former employee G C Bhat, along with 10 per cent interest from December 12, 2013, until the actual payment date.

The corporation argued that Bhat's dismissal was due to serious charges of misappropriation, which allegedly resulted in a loss of ₹1.71 crore to the company. It claimed the right to withhold his gratuity and adjust the amount against the losses incurred. Additionally, the corporation raised concerns about the delay in filing the application, as Bhat had approached the Controlling Authority



seven years after his dismissal. After reviewing the records, the court noted that while the corporation had forfeited the amount due to Bhat, it had not initiated any proceedings to recover the alleged losses. The bench emphasised that employers have the option to recover losses by initiating legal proceedings against employees accused of misappropriation. However, merely suspending or dismissing an employee does not compensate for the financial damage caused to the employer.

The judgment clarified that dismissal is a punitive action taken against an employee following due process but does not automatically entitle the employer to retain dues. The court stated, "It was for the employer to have initiated proceedings for the recovery of the losses caused, and during those proceedings, to forfeit or adjust the monies due to the delinquent employee, after holding necessary proceedings and providing an opportunity to the delinquent employee to contest those proceedings."

The court also pointed out that the corporation's failure to initiate recovery proceedings indicated negligence on the part of its officials. It ruled that without such proceedings, the corporation's claim of losses remained unsubstantiated. "No proceedings having been initiated against respondent No 1 for recovery of the alleged losses, the question of the employer retaining the gratuity amount and forfeiting the same would not arise." The court extended the deadline for the corporation to pay Bhat's gratuity until January 31, 2025. Additionally, it advised the corporation's management to ensure that, in future cases of employee dismissal over financial misconduct, recovery proceedings should be initiated before attempting to forfeit gratuity.

SOURCE : HINDUSTAN TIMES

CENTRAL GOVT. MAY SOON ASK PRIVATE COMPANIES TO NOTIFY VACANCIES

Vacancies in all departments and verticals of private companies may soon have to be mandatorily notified to govt, signalling a shift in employment regulation. The Centre plans to replace the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, with the new Social Securities Act, in order to formalise a mechanism for disseminating information on job vacancies and introduce steep penalties for non-compliance – govt wants to hike fines, which were once a negligible Rs 100, to as high as Rs 50,000.

"We have employment exchanges, but they have become defunct. With the changes in the Act, we will revive and strengthen them to ensure companies inform the state about vacancies," said Mangal Prabhat Lodha, state minister for skill education, employment, and entrepreneurship. Speaking at a press conference, Lodha said nominal penalties of Rs 100-500 have discouraged companies from reporting vacancies, a practice that will change under the revamped law.



Currently, most companies post their vacancies on employment-oriented social media platforms like LinkedIn. It is not clear why the govt wants to duplicate this effort. To ease compliance, Maharashtra govt plans to develop a state-specific job portal for companies to list their openings. This initiative, according to the minister, forms part of a broader 100-day action plan.

Sougato Roychoudhary, executive director, CII, said while there is already a provision to notify vacancies, "It (the new proposal) will help to understand (number of) jobs in every state. On the one hand, industry is looking for talent and one speaks of unemployment. This is a good initiative." The Centre is also drafting a Private Placements Act to regulate placement agencies. States like Mizoram, Chhattisgarh, and Assam have already submitted

inputs for this bill. Maharashtra too plans to make submissions for it. Under this act, all placement agencies will have to register in their respective state, which will empanel and monitor them. "These agencies often charge fees and promise jobs but sometimes end up duping candidates. By registering them, we can hold them accountable and track data on jobs secured through their platforms," said an official. These agencies will also be required to participate in state-organized job fairs. Meanwhile, as part of a 100-day action plan in Maharashtra, job fairs will be organized in industrial belts, and memorandums of understanding will be signed with 1,000 industrial establishments.



SOURCE : HR ECONOMIC TIMES

JOB SECURITY FOR ICC MEMBERS IMPORTANT: SC

The Supreme Court termed the plea for job security for members of Internal Complaints Committees (ICC) in private sector companies dealing with workplace sexual harassment as “important” and asked the Solicitor General of India for assistance. A bench of Justices Surya Kant and N Kotiswar Singh took note that despite issuing a notice to the Central government, no one had appeared, nor had a reply been filed. “This is an important issue that we want to examine,” the bench stated. “Please serve a copy to the Solicitor General. If no one appears at the next hearing, we will appoint an amicus curiae,” the bench told the petitioner’s counsel. The petitioners in the case are Janaki Chaudhry, a former member of an internal complaints committee, and former journalist Olga Tellis. The bench has scheduled the next hearing for next week. The Supreme Court had agreed to look into the plea and issued a notice to the Ministry of Women and Child Development on December 6. The Public Interest Litigation (PIL) seeks job security and protection from retaliation for members of Internal Complaint Committees set up under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 in private companies. Filed through advocate Munawwar Naseem, the petition argues that women ICC members in the private sector do not enjoy the same job security and tenure protection as those in the public sector.



The petition states that while ICC members are responsible for handling sexual harassment complaints in a company, they can be terminated (with three months’ pay) without a cause, especially if their decision conflicts with the senior management’s interests. The PIL highlights how this situation creates a conflict of interest and pressures ICC members to make biased decisions. If they rule against senior management, they risk victimisation, including unfair termination or demotion, the petition claims.

“The ‘hire and fire’ rule forms part of the basic tenets of the ‘master-servant’ relationship. In the private sector, if an employee has been terminated from their service, they have no remedy other than the right to claim three months’ salary or severance,” argued the petition.

SOURCE : NEW INDIAN EXPRESS

EPFO SET TO INTRODUCE SELF-ATTESTATION FACILITY FOR COMPLETING KYC

In a major relief for its 80 million active members, the Employees Provident Fund Organisation (EPFO) is set to introduce a self-attestation facility starting in June that will do away with the need for approval from employers to complete the Know Your Customer (KYC) process. KYC is a one-time process that helps in verifying the identity of subscribers by linking their universal account number (UAN) with KYC details. Currently, an employer must approve the details of its employees for the KYC process to be completed. “Providing this facility will help the members complete the process with much ease, as a lot of time is currently wasted in getting approval from employers. Many times, if a firm has closed, the member cannot get the approval. The new facility will do away with all such paperwork and will reduce the rejection of claims as well,” the official said. Apart from this customer-friendly feature to be launched under EPFO 3.0, the social security organisation is also transforming its information technology (IT) infrastructure to manage the added burden of new subscribers that will join the organisation following the implementation of three employment-linked incentive (ELI) schemes.

“One of the features of EPFO 3.0 will be the thrust on scalability. The improved IT infrastructure will help the organisation to offer improved services to its members. As and when new members join the social security net, and we expect the active members to reach 100 million, it will be of great help,” he said.

In addition to this, under EPFO 3.0, the retirement fund body is also considering introducing a facility in partnership with various banks that will allow users to withdraw their money, up to a certain extent, without the need to file claims. Union Labour Minister Mansukh Mandaviya last month told Parliament that EPFO was working to build a robust platform that will enable users to draw their money without any hassles.



“We are working to create a redressal system akin to the banking system. By March, we will be able to launch EPFO 3.0 through which we will be able to solve almost all the user queries,” he added.

SOURCE : BUSINESS STANDARD



16TH MEETING OF BOCW MONITORING COMMITTEE REVIEWS IMPLEMENTATION OF SOCIAL SECURITY SCHEMES FOR BOCW

The 16th Building & Other Construction Workers (BoCW) 'Monitoring Committee Meeting,' was chaired by Secretary, Ministry of Labour & Employment, Smt. Sumita Dawra, in hybrid mode. The meeting was attended by DG Labour Welfare, other senior officers of the Ministry, Additional Chief Secretary/ Principal Secretaries/ Labour Commissioners, of States/UTs, Secretaries of BoCW Welfare Boards, Central Welfare Commissioners, besides representatives from National Health Authority, and Department of Financial Services. More than 100 participants attended the meeting.

Important issues related to (i) amendment to 'Model Welfare Scheme' for coverage of registered BoCW Workers under the central social security schemes such as PMJJBY/PMSBY/PM-JAY/PMSYM, (ii) construction of educational institutions/ schools from BoCW Cess Fund, (iii) BoCW data integration/on-boarding with eShram Portal, (iv) CAG Audit and Social Audit, (v) data submission on BoCW MIS Portal, (vii) automatic transfer of benefits to BoCW, etc. were discussed during the meeting.

Secretary, Labour & Employment emphasised that the States/UTs take required steps for utilization of cess fund for extending coverage of social security to BoC workers. It was noted that presently there are around 5.73 Cr workers registered with the BoCW Welfare Boards of various States & UTs across the country, and with the cumulative amount of balance funds available with the Boards as on 30th September 2024, there was ample availability of resources which may be judiciously utilised for the welfare of the BoC workers, duly focussing the uncovered population. The Secretary, Labour & Employment highlighted, inter-alia, the urgent need for BoCW Welfare Boards to diligently work for providing social security by strengthening registration machinery, API integration of data of BoCW Boards with eShram by all States/ UTs, extending social security benefits to ensure 100% coverage like health, insurance, accidental benefits for all workers, besides leveraging technology to enhance the functioning of the Welfare Boards.

Setting up of an effective grievance redressal mechanism, ensuring training of workers in safety measures and modern building techniques, timely payment of minimum wages, besides updation of data on the central MIS portal regarding coverage of BoCW under welfare schemes were emphasized. During the meeting, Uttarakhand and Assam BOCW Welfare Boards highlighted the good practices of their respective Boards, as part of knowledge sharing. Secretary, Ministry of Health and Family Welfare, Smt. Punya Salila Srivastava also participated in the meeting and made an intervention on eradication of Tuberculosis among the construction workers requesting the BoCW Welfare Boards to take part on intensifying the campaign of 'Pradhan Mantri TB Mukta Bharat Abhiyaan' organized by Ministry of Health & Family Welfare. In this context, Secretary, M/o L&E requested all State/UT Governments to organise health screenings for BoC workers including migrant workers on campaign mode.

KARNATAKA LIKELY TO RAISE MINIMUM WAGES TO ₹20,000 PER MONTH

In a major policy move expected to benefit around two crore workers in Karnataka, the state government is likely to increase minimum wages across organised and unorganised sectors. Unskilled labourers may get a sum of around Rs 20,000 per month as the minimum wage. Minimum wages are revised once every five years, with the existing figure in Karnataka being roughly Rs 15,000 for unskilled labourers. A well-placed source told DH that the Labour Department intended to increase the wages to around Rs 20,000. The move will catapult Karnataka to the top bracket of states paying the highest minimum wages. It is expected to positively impact the livelihood of 53-54 lakh organised-sector workers and another 1.5 crore workers in the unorganised sector.



The minimum wage is defined as the cost of providing basic living conditions for workers to ensure that they reproduce their labour power on the next day. Workers are categorised as unskilled, semi-skilled, skilled and highly skilled, in that order, based on a progressive difference in skill sets. Currently, there is a 10 per cent wage difference between any two adjacent categories. As per Supreme Court guidelines, employers are mandated to pay minimum wages to each worker irrespective of their (employers) financial condition.

In its landmark judgment in the Reptakos Brett case (1992), the Supreme Court had laid down criteria to fix minimum wages. Speaking to DH, Labour Minister Santosh Lad said: "I have had 6-7 meetings on this issue with all stakeholders and there have also been several inter-departmental meetings. We are committed to fixing minimum wages as per the Reptakos Brett case guidelines of the Supreme Court."

Additionally, the government intends to standardise minimum wages across all 83 schedules under the unorganised sector, which includes washermen, maidservants and manual scavengers. Once implemented, all schedules will have standardised wages in the four categories based on skill levels. Currently, these schedules have separate minimum wages. Welcoming the development, Satyanand Mukund, state secretary, All India Trade Union Congress (AITUC), said:

"We welcome the government's decision to implement the Reptakos Brett guidelines, which will ensure that wages are revised scientifically. However, if there are gaps in the implementation, we'll continue our struggle for rigid enforcement." After the previous BJP government decided to increase the minimum wages by 5-10 per cent "arbitrarily" in 2022, the AITUC had challenged the decision in the High Court, contending that as per the Reptakos Brett guidelines, a monthly minimum wage of Rs 31,566 should be fixed for unskilled labourers.

After the union won the case in the single-judge bench of the High Court, employers went to the division bench. Now, the issue has been remanded back to the single-judge bench to consider employers' opinions, too.

SOURCE : DECCAN HERALD

EPS FOR GIG WORKERS: GOVT PLANS TO LAUNCH SOCIAL SECURITY SCHEME FOR GIG WORKERS



The government is preparing to launch a social security contribution system for gig workers. Platforms employing these workers will be required to deduct a specific percentage of their payments and deposit it into the Employees' Pension Scheme. The government may also contribute an additional 3-4% of the amount deposited by the platform. According to a TOI report, this initiative covers not only workers from food delivery and ride-hailing platforms but also software professionals and other gig economy workers.

Social security provisions for gig workers were included in the labour codes enacted a few years ago. However, these codes have not yet been implemented as several states have yet to align with them. Given that many gig workers operate across multiple platforms and perform diverse jobs, the entities making payments could more easily deduct and deposit the prescribed amounts with the Employees' Provident Fund Organisation. "We are finalizing the details and hope to operationalize it soon," a senior labour ministry official stated, adding that the Centre is collaborating with states to push forward the labour codes, which are viewed as critical for businesses.

Social Security Code

The Social Security Code includes provisions for establishing a social security fund and offers health, accident, and other benefits. A few months ago, labour minister Mansukh Mandaviya suggested that the implementation of social security for gig workers could precede the full rollout of the labour codes. A panel under a senior official has been set up to design the scheme's implementation. The goal is to create a retirement savings mechanism that workers can access once they stop working, sources familiar with the discussions revealed. Providing social security for gig workers has become a key government priority, with multiple surveys highlighting the lack of adequate protections. The labour ministry has also been engaging with platforms to extend the benefits of existing schemes, such as Ayushman Bharat, and accident and life insurance, to gig workers. Additionally, some states have already announced measures to ensure social security for gig workers.

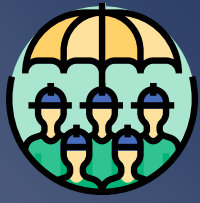
SOURCE : ECONOMIC TIMES

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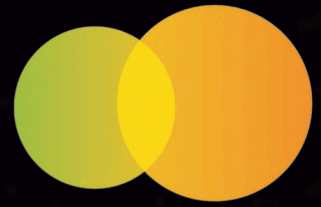
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