

# Karnataka doubles labour welfare fund contribution

## While A Boon For Workers, Small Firms Worried

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**Bengaluru:** The Karnataka govt's decision to double the contributions to the state labour welfare fund from Rs 100 to Rs 200 per employee per year is set to benefit workers with enhanced social security, but is raising concerns among small and micro-scale industries.

The revised contribution — Rs 50 from the employee, Rs 100 from the employer, and Rs 50 from the govt — comes alongside a reduction in the employer threshold from 50 to 10 employees, making the

### 13L MORE TO BENEFIT

- ▶ K'taka increases contributions to labour welfare fund from ₹100 to ₹200 per employee, a move set to benefit workers
- ▶ State govt reduces employer threshold from 50 to 10 workers. Revised contribution may add financial and compliance pressure on small companies
- ▶ State labour dept says 12.9 lakh employees will be added to the list of beneficiaries

scheme mandatory for a much larger number of companies. While the Rs 200 contribution per employee promises stronger social security for workers, it also brings added financial pressure on small employers.

The labour department says the amendment will expand the fund's reach. "With the amendment of ex-

### State min proposes ₹1 per litre fuel cess

Labour minister Santosh Lad said he would propose a cess of Re 1 per litre on petrol and diesel to create a fund for unorganised-sector workers. He urged the CM and MLAs across parties to support the move, which could generate about Rs 2,500cr annually. TNN

panding the labour fund collection corpus, as many as 12.9 lakh employees will be added to the list of beneficiaries. While in 2024-25 the number of employees eligible under the labour welfare fund was 42.3 lakh, it will now increase to 55.2 lakh," officials said.

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