



THE COMPLIANCE WATCH

October 2025 Edition



UCS POV | THE BUILDING AND OTHER CONSTRUCTION WORKERS (REGULATION OF EMPLOYMENT AND CONDITIONS OF SERVICE) ACT, 1996

-- RAM GANESH
VICE PRESIDENT

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (“BOCW Act”) was enacted to regulate the employment, safety, health, and welfare of construction workers, and to provide social security through State Welfare Boards funded by a statutory cess.

Objective

- Regulate employment, safety, health, and welfare of building & construction workers.
- Provide social security through Welfare Boards funded by a construction cess.

Applicability

- Establishments employing **10 or more workers**.
- Excludes: private residential construction up to **₹10 lakhs**.



In This Edition

- UCS POV | The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
- Think twice before withdrawing your PF for misuse: EPFO may recover funds with penalty
- EPFO's New Passbook Lite: A simpler way to check your PF balance
- Karnataka Assembly passes gig workers' Bill; proposes 1%-5% fee on online aggregators
- Scope of Social Security to Expand with SPREE-2025 and AMNESTY Scheme
- Karnataka govt informs high court about new Gig Workers Act covering bike-taxi drivers

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Key Provisions

- **Registration:**
 - Establishments must register with State Welfare Board.
 - Workers must also register to avail welfare benefits.
- **Notice of Commencement:** Employer must notify authority before starting work.
- **Health & Welfare:** Employer to provide safety gear, drinking water, toilets, first aid, creches, canteens, restrooms.
- **Accident & Welfare Benefits:** Welfare Boards to provide financial aid for accidents, death, education, housing, pension, medical.
- **State Welfare Board:** Constituted to manage funds and implement welfare schemes.
- **Penalties:** Non-registration, non-payment of cess, or failure to provide amenities attract penalties.

BOCW Welfare Cess Act, 1996 & Cess Rules, 1998

Levy of Cess: 1% of cost of construction (excluding land cost and statutory compensation).

Collection:

- Payable within 30 days of completion of project, or annually for projects exceeding one year.
- Submit advance cess if required by state rules.

Enforcement: Defaults recovered with interest/penalties; Inspectors empowered to check compliance.

Utilization: Collected cess credited to State Welfare Fund, strictly for welfare of registered workers.

Procedure

- Employer files returns in prescribed forms.
- Assessing Officer finalizes liability and issues demand/adjustments.
- Excess cess = refundable.
- Inspectors empowered to check records.

Under the BOCW Act, 1996, employers are required to provide construction workers with a safe working environment by ensuring secure access to worksites, proper scaffolding, fencing of pits and openings, adequate lighting, and well-maintained machinery; they must supply personal protective equipment such as helmets, safety belts, goggles, gloves, masks, ear protection, and safety footwear, and take precautions for work at heights, excavation, demolition, and handling hazardous substances; in addition, employers must arrange for clean drinking water, toilets, washing facilities, rest areas, first-aid boxes with trained personnel, canteens (for 250+ workers), and crèches (for 50+ female workers), along with firefighting equipment, evacuation plans, and worker training—collectively ensuring the health, safety, and welfare of all building and construction workers.

As per the BOCW Act, 1996 (Sections 22–23) and State Welfare Board schemes, the following benefits are extended to registered construction workers.

Benefits are enabled by the Act, but actual quantum/amounts may vary by State Welfare Board.

Social Security & Financial Assistance

- **Accidental Death Benefit:** Lump sum compensation to nominee/legal heirs if a worker dies in an accident.
- **Natural Death Benefit:** Fixed financial support to family in case of natural death.
- **Disability Assistance:** Compensation for partial or permanent disability due to accident.
- **Pension:** Monthly pension after attaining the prescribed age (usually 60 years).



Health & Medical Support

- **Medical Assistance:** Reimbursement/aid for medical treatment of workers or their dependents.
- **Maternity Benefit:** Cash support for female workers during pregnancy.
- **Hospitalization Assistance:** Support for serious illness or surgery.

Education & Skill Development

- **Scholarships for Children:** Financial aid for children of registered workers for schooling, higher education, professional courses (engineering, medical, ITI, etc.).
- **Skill Upgradation Training:** Training programs to improve employability and safety awareness.

Housing & Livelihood

- **Housing Assistance:** Financial support or subsidy for construction/repair of house.
- **Tool Purchase Assistance:** Financial aid for purchase of tools/equipment for livelihood.

Marriage & Family Welfare

- **Marriage Assistance:** Grant given on marriage of worker's children (sometimes also on worker's own marriage).
- **Support for Dependents:** Financial help for dependent family members in special circumstances.

Other Welfare Schemes

- **Group Insurance Coverage** under centrally sponsored schemes (like PMJJBY / PMSBY, integrated with BOCW funds).
- **Funeral Assistance:** Lump sum for funeral expenses of deceased worker.
- **Critical Illness Aid:** Assistance for treatment of life-threatening diseases (cancer, heart disease, kidney failure, etc.).



THINK TWICE BEFORE WITHDRAWING YOUR PF FOR MISUSE: EPFO MAY RECOVER FUNDS WITH PENALTY

The Employees Provident Fund Organisation (EPFO) has issued a warning to Employee Provident Fund (EPF) account holders, cautioning them against misusing their provident fund savings for purposes not specified under the rules.

Any withdrawal of PF money for reasons other than specified under the EPF Scheme, 1952 or at the time of withdrawal could be treated as a violation, and in such cases, the EPFO has the authority to initiate recovery of the misused funds along with applicable penalties.

This warning comes before the launch of the upgraded digital platform EPFO 3.0 which is set to make PF services faster and easier, including ease of money from ATMs.



What are the withdrawal criteria of PF?

Members can avail any advance provided they meet the eligibility and maximum amount admissible.

A person can withdraw their entire EPF corpus upon retirement or unemployment that extends for more than two months.

However, partial withdrawals are also permitted for specific reasons, such as home purchase, construction or renovation, paying outstanding loans and medical emergencies, according to the EPFO website. Members can avail any advance provided they meet the eligibility and maximum amount admissible. Members do not have to provide any documents to avail these advances.

Some other common reasons in which people partially withdraw their PF are to finance the education of their children and the marriage of the account holder or their children.

“Withdrawing PF for wrong reasons can lead to Recovery under EPF Scheme 1952,” the EPFO wrote on X (formerly Twitter), adding “protect your future, use PF only for the right needs. Your PF is your lifelong safety shield!”

What is recovery under EPF Scheme, 1952?

If a member withdraws PF money and uses it for any other purpose which was not mentioned during the withdrawal process, then under the recovery under EPF Scheme, 1952, the organisation has the right to recover the amount along with the penal interest. For instance, if you withdraw the money on the pretext of financing the construction of a house but later use it for some other purpose, then it is considered as a wrongdoing.

According to the EPF Scheme, 1952, 68B(11) rule, “Where any withdrawal granted has been misused by the member, no further withdrawal shall be granted to him within a period of three years from the date of the grant of the said withdrawal or till the full recovery of the amount of the said withdrawal, with penal interest thereon, whichever is later.”

EPFO 3.0

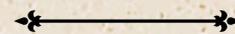
The EPFO is expected to launch its upgraded digital platform, EPFO 3.0, which aims to make PF services faster, more transparent, and user-friendly for individuals across India.

The big buzz around this new system is the assurance that members can withdraw funds from their PF accounts using ATMs. Another key feature includes the ability to withdraw funds using Unified Payment Interface (UPI), contrary to the current process of filling lengthy applications.

Even though ease of access to EPFO money is one of the most significant upgrades to the provident fund system in recent years, it is still important to remember that the EPFO savings are to ensure financial independence post-retirement.

This ease of accessing PF funds will allow members to make regular or unplanned withdrawals, which can significantly drain an individual's long-term savings, thereby compromising future finances.

Source - Live Mint



EPFO'S NEW PASSBOOK LITE: A SIMPLER WAY TO CHECK YOUR PF BALANCE

What is Passbook Lite?

The Employees' Provident Fund Organisation (EPFO) has launched Passbook Lite, a simpler version of its online passbook in the wake of EPFO 3.0 reforms. Earlier, members would login to a separate portal to view PF transactions. With Passbook Lite, users would be able to see an overview of balance, contribution, and withdrawals through Member Portal directly. This eliminates the need for multiple logins, hence becoming faster and convenient for employees.

How is it different from the regular passbook?

The detailed PF passbook keeps a systematic record of every transaction, interest credited, and each month's deposit. Passbook Lite has, however, been designed to allow quick access to the required information like overall balance, contribution summary, and last withdrawals. Members requiring more detailed information or graphical displays of their contributions can still continue to utilize the detailed passbook. Passbook Lite is ideal for workers who wish to view balances quickly without going through separate sites.

Government thrust and digital changes

EPFO's launch of Passbook Lite is a part of an overall digital push to simplify services. The government has also made downloads of Annexure K easier through the Member Portal so employees can keep track of PF transfer while switching jobs.



EPFO has also delegated lower-level officers with the authority for claims and transfers' approvals to speed up processing. All these will simplify delays and transparency, preventing members from facing additional stumbling blocks while dealing with PF accounts.

Why it matters to members

For many workers, being able to simply check PF balances is a big relief. Some had faced login issues or slow access on the earlier standalone passbook website. Passbook Lite is an even faster means to stay updated about savings, especially for those nearing retirement or frequent job change. Combined with easier access to Annexure K and quicker claim processing, this release is expected to raise member trust and streamline the overall PF experience.

Source - Money Control



KARNATAKA ASSEMBLY PASSES GIG WORKERS' BILL; PROPOSES 1%-5% FEE ON ONLINE AGGREGATORS

With the rise in the number of gig workers in cities and towns, the State legislative Assembly recently passed the Karnataka Platform Based Gig Workers (Social Security and Welfare) Bill, 2025, to protect the rights of workers, set up a welfare fund for them, and place obligations on aggregators.

During the debate on the Bill, Labour Minister Santosh Lad said the Bill proposed a welfare fee in the range of 1% to 5% on the payout to the worker during each transaction, for different categories of aggregators of platforms.

23.5 million by 2030

The NITI Aayog said there would be 23.5 million gig workers in India by 2029-30. At present, there are four lakh gig workers, including part-time and full-time, in the State. About 10,500 workers have registered.

The Minister said health issues were a major concern for the workers due to riding two-wheelers and pollution. Many workers earn ₹1,800 by working 16 hours a day, Mr. Lad said.

He said the welfare board would take decisions on issuing health cards, safety guards, and other social security issues of workers.

What Bill aims at

The Bill is aimed at providing dispute resolution mechanisms, creating a welfare fund for gig workers, registering workers with the board, registering aggregators or platforms, and providing income security and reasonable working conditions to the workers.

The Gig Worker's Social Security and Welfare Fund would be created for the benefit of registered platform-based gig workers. The fund would receive money from all contributions made by individual platform-based gig workers; grant-in-aid from the State Government and Central Government; and grants, gifts, donations, benefactions, bequests or transfers.



A gig workers' welfare board will be established to ensure registration of workers by the platforms, welfare fee collection and implementation of social security schemes.



Administrative costs

It said not more than 5% of the fund would be used for administrative costs of the board or employees of the board.

Aggregators include ride-sharing services, food and grocery delivery services, logistics services, e-Marketplace for wholesale/retail sale of goods and/or services, business-to-business /business-to-consumer, professional activity provider, healthcare, travel and hospitality and content and media services.

The Bill has replaced the Ordinance.

Source - The Hindu



SCOPE OF SOCIAL SECURITY TO EXPAND WITH SPREE-2025 AND AMNESTY SCHEME

In a significant step towards strengthening the social security framework and simplifying compliance for industries, the Employees' State Insurance Corporation (ESIC) has launched two major initiatives — SPREE-2025 and the AMNESTY Scheme-2025. Addressing a press conference at the PWD Rest House in Gurugram today, Shri Sunil Yadav, Director (In-charge), ESIC Sub-Regional Office, Gurugram, said that these schemes aim to bring more workers under the ambit of social security while providing industries with relief from the burden of litigation.

The SPREE-2025 (Scheme for Promoting Registration of Employers and Employees) will remain operational till 31st December 2025. Under this scheme, industries and employees who are not yet associated with ESIC can register through the ESI Portal, Shram Suvidha Portal and Company Affairs Portal without the demand of old dues. Employers registering under SPREE-2025 will be considered covered from the date of their registration or the date declared by them, and newly registered employees will start receiving ESI health and social security benefits from the date of registration itself. Shri Yadav emphasised that the focus of this scheme is on voluntary compliance rather than punitive measures, as it seeks to reduce litigation, encourage formal registration, and foster a climate of mutual trust and cooperation between employers and employees.



Highlighting further reforms, Shri Yadav announced the introduction of the AMNESTY Scheme-2025, which will be in effect from 1st October 2025 to 30th September 2026.

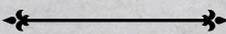
This one-time dispute resolution initiative has been designed to settle issues related to damages, interest, and coverage under the ESI Act. The scheme seeks to provide employers with an opportunity to resolve pending disputes and strengthen compliance, thereby reducing the number of lawsuits and ensuring the smooth delivery of social security benefits to employees.

Representatives from various industrial organisations welcomed the launch of these schemes, noting that they will provide significant relief to both small and large industries while enabling employees to avail themselves of health and social security benefits with greater ease.

Senior officials present at the press conference included Shri Sachin Singh, Deputy Director; Dr. Sweety Yadav, Public Relations Officer; and Shri Kamlander Kumar, Assistant Director, along with other officials and employees of the ESIC Sub-Regional Office, Gurugram.

These initiatives reaffirm the Government's commitment to expanding social security coverage, promoting ease of compliance, and enhancing the welfare of workers across sectors.

Source - Press Information Bureau



KARNATAKA GOVT INFORMS HIGH COURT ABOUT NEW GIG WORKERS ACT COVERING BIKE-TAXI DRIVERS

The state govt recently contended before the Karnataka High Court that the recently introduced Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025, will protect the interests of any gig worker, including those working for platforms such as Uber, Ola and Zepto. Advocate General Shashikiran Shetty made this submission during the hearing of a batch of writ appeals pertaining to the bike-taxi matter.

According to him, the law, which came into force on Sept 12, the day it received the governor's assent, also covers gig workers engaged by aggregators that offer ride-sharing services, as per the schedule to the Act.

The Advocate General further submitted that despite the court's clear direction, cab operators continue to operate and hence, should not be heard in the matter. However, a division bench comprising Chief Justice Vibhu Bakhru and CM Joshi noted they had only said that no coercive action should be taken against individual bike-taxi drivers and had further said the govt can take action.

The bench specifically asked the state govt whether the new legislation suitably covered the operations of bike-taxi drivers and even indicated that it was inclined to pass a full-fledged interim order as the state could not



come out with a specific law pertaining to them, despite the grant of one month's time.

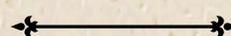
The bench then adjourned the hearing to Oct 15 for further consideration of the matter.

Earlier, during the hearing, senior advocate Dhyani Chinnappa, appearing for some of the bike-taxi owners, submitted that the aggregators are only providing their services free of cost to connect with the customers. He further added while autorickshaws have auto stands, the individual bike-taxi drivers have no such facility.

The court, which is hearing a batch of writ appeals, had granted time to the state govt to convey its policy decision. Uber India Systems, ANI Technologies Private Limited, Roppen Transportation Services Pvt Ltd. (all aggregators) along with others have appealed against the single bench's order. On April 2, 2025, a single bench disposed of their petitions referring to an expert committee report of 2019, which considered the impact of bike taxis on traffic and safety. "Unless the state govt notifies relevant guidelines under Section 93 of the Motor Vehicles Act and the Rules framed thereunder, the petitioners cannot operate bike taxi services and also no directions can be issued to the state govt to consider their applications seeking the grant of aggregator permits/licences," the single bench had said in its order.

Though the aggregators were permitted to operate their services twice for a six-week period, ending on June 15, the same was not extended thereafter, as the state govt declined to frame any policy.

Source - Times Of India



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