

1	2	3	4	5
23. Punjab		220486	19013	159048
24. Puducherry		-	148452	23607
25. Rajasthan		-	-	629906
26. Tamil Nadu		-	-	1019232
27. Tripura		258402	-	136592
28. Uttar Pradesh		4145925	2520514	3380290
29. Uttarakhand		338879	-	252827
30. West Bengal		4486192	708980	1728948
TOTAL		27987800	19872489	19029041

#### **Loss of tax benefit to companies managing their own PF trusts**

276. SHRIMATI T. RATNA BAI: Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether at least 2000 Indian and multinational companies' managing their own provident fund trusts are likely to lose the tax relief on contributions they make to the fund because of the Ministry's inefficiency;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) how Government will protect the Provident Fund (PF) beneficiaries from such loss?

THE MINISTER OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE): (a) to (c) The information is being collected and will be laid on the Table of the House.

#### **Recommendations made in Indian Labour Conference**

277. SHRI R.C. SINGH: Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the 44th Session of the Indian Labour Conference (ILC) was held in Delhi recently; and

(b) if so, the details of the issues discussed therein and the recommendations made?

THE MINISTER OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE): (a) Yes, Sir.

(B) The 44th Session of Indian Labour Conference was held on 14th and 15th February, 2012 at Vigyan Bhavan, New Delhi. The agenda for the Conference include the following items:

- (1) Minimum Wages
- (2) Social Security
- (3) Employability and Employment.

The Conference discussed each of the above issues in detail in a separate Conference Committee. The Conclusions arrived at each of the Conference Committee are given in Statements I, II, and III.

***Statement I***

*Conference Committee on "Minimum Wages"*

A Conference Committee was constituted to discuss Agenda Item No. (i) concerning Minimum Wages and related issues. These issues, *inter alia*, include norms for fixation/revision of minimum rates of wages, Variable Dearness Allowance (VDA), National Floor Level Minimum Wages etc. On the basis of detailed discussion, the following points emerged.

1. There was consensus that the Government may fix minimum wages as per the norms/criteria recommended by the 15th ILC (1957) and the directions of the Hon'ble Supreme Court (Reptakos Co. Vs Workers' Union) 1992. The Government may take necessary steps accordingly.
2. There was a broad consensus that the Minimum Wages Act should cover all employments and the existing restriction for its applicability on the scheduled employments only should be deleted. This will also help India ratify ILO Convention No. 131.
3. It was broadly agreed that there should be national minimum wages applicable to all employments throughout the country.
4. There was broad agreement on the amendment proposals as listed out in Para 5 (iv, v and x).
5. In respect of 5 (iv), it was pointed out that the payment to the apprentices should be treated differently from the other categories.
6. The Committee noted that at present there are 12 States/UTs who have not adopted VDA. There was a broad consensus that all States/UTs should adopt VDA.
7. It was also recommended that the payment of minimum wages should be done through Banks/Post Offices etc.
8. As regards 5(vi), it was felt that the enforcing agencies should not be given the power of adjudication and, therefore, this proposal Should be re-examined.
9. The proposal of paying different minimum wages in respect of same employment either in the Centre or in the State should be done away with.

***Statement II****Conference Committee on "Social Security"*

A Conference Committee was constituted to discuss the agenda item No. (iii) i.e. "Social Security". On the basis of detailed discussions, the following points emerged:

- (i) There was a broad-based consensus that the wage ceiling for the application of EPF Act be increased from the present level of Rs.6,500/- to Rs. 10,000/- or Rs. 15,000/- as already applicable for the ESI Corporation. Similarly the ceiling for workers covered under EPF Act be reduced from 20 to 10. However, Laghu Udyog Bharati was not agreeable to this reduction in ceiling of number of workers.
- (ii) Minimum pension under the EPS 95 be increased to some floor level, which should not be less than Rs. 1,000/-, since a large number of workers receive pension which is less than that provided by the State Governments for elderly people which is normally in the range of Rs. 400/- to Rs.1000/-.
- (iii) The PF Accounts be computerized urgently so that the workers are able to avail the facility of PF transfer and settlement immediately. Smart Cards like RSBY be issued to PF account holders.
- (iv) Minimum ceiling of 5 years of continuous service be reduced in case of gratuity and gratuity be made transferable in case of change of job by the employee.
- (v) The maternity leave under the Maternity Benefit Act be increased from the present level of 12 weeks to 24 weeks. This increased maternity benefits be made available only upto two children, while the lower limit be continued for more than two children.
- (vi) Accountability on the part of organizations implementing the social security schemes be fixed in order to ensure that the beneficiaries receive the deliverables in time. Citizen Charters for these organizations be finalized early.
- (vii) Amendment in the definition of wage is required in the EPF Act so as to remove the ambiguity with regards to splitting of minimum wages for the purpose of contribution.
- (viii) It was felt that the funds of Rs.1000/- crore provided in National Social Security Fund (NSSF) is inadequate and it was broadly agreed that funds should be substantially increased either through imposition of cess or by increasing the corpus.
- (ix) It was agreed that on the lines of National Social Security Board, State

Social Security Boards must be constituted as provided under the Act by the end of the year. Some of the States viz., Karnataka, West Bengal and Chhattisgarh have already constituted these Boards to monitor welfare schemes in their respective spheres.

- (x) Social security benefits be provided to Anaganwadi, Asha, mid day meal workers and other similar type of workers.
- (xi) Unorganized sector must be brought under various social security schemes including health, insurance, education, pension, etc.
- (xii) It was agreed that RSBY should be extended to all the unorganized sector workers to avail the health insurance benefits at the earliest.
- (xiii) There was a consensus that steps should be taken to provide OPD facility to beneficiaries under RSBY and generic medicines should be used and provided under this scheme.
- (xiv) Interest income of various social security funds created by the Central or State Governments be exempted from taxes.

### ***Statement III***

#### *Recommendations of the Conference Committee on Employability and Employment*

1. Employment generation and Employability should be top agenda of the Government.
2. Though lot of focus is being laid on training of 500 million persons by 2022, there is a need to take appropriate measures for creation of employment opportunities to offer the matching employment.
3. There is an urgent need to declare the National Employment Policy in order to provide enabling framework for facilitating employment generation and decent working conditions for all.
4. Investment in labour intensive industries should be promoted and incentivised.
5. Labour Market Information System should be established to get skill requirement from the industry and available skills from the institutes. In this regard, employment exchanges may be modernized for providing virtual job market on real time basis.
6. Skill mapping should be done at the local level and inventory of skill assets should be created.
7. ITIs should also focus on sectors beyond manufacturing and should concentrate on service sector. There is urgent need for quality assurance measures in training of ITIs and instructors.

8. Emphasis should be laid on development of infrastructure including storage, processing and marketing in rural areas and agro-based industries.
9. ITIs should focus more on popular trades keeping in view the requirement of the local industries.
10. Institutional arrangements for providing training in traditional skills should be encouraged and may brought under certification system.
11. Public awareness programme should be taken up, particularly in rural areas regarding the importance of skill development and certification of traditional skills.
12. There should be functional and spatial integration of State and Central infrastructure and other available resources for optimal utilization of resources.
13. MSMEs should be encouraged and supported to participate in the skill development efforts.
14. Stipend of apprentices under the Apprentices Act should be enhanced.
15. Existing and new Centres of Excellence/Clusters in traditional crafts should be strengthened and provided support in terms of marketing, credit, new technology, etc. to promote self-employment.
16. Barriers should be removed from skilling and certification of illiterate and uneducated workers.
17. Entrepreneurship and self-employment should be encouraged by providing necessary support.
18. Existing employment in the unorganized sector should be safeguarded by assuring access to natural resources for those sectors dependent on them. In order to increase their productivity, appropriate advanced tools and technology for traditional producers should be developed.
19. Skill development should be promoted among the women and differently-abled persons. To increase participation of women in skill development, special measures should be taken.
20. Centres of Excellence should be established at the national and State levels which will produce world-class technicians.
21. National level consultation with all the stakeholders should be held immediately to finalize the road-map for preparing skill development plan leading to skilled force of 500 million persons by 2022.
22. Comprehensive steps should be taken to create environment for employment generation and protection.
23. Trainers should be trained in large numbers to meet growing requirement.