

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

RAJYA SABHA

**UNSTARRED QUESTION NO. 2490
TO BE ANSWERED ON 17.03.2021**

MEASURE TO FORMALISE THE INFORMAL SECTOR

2490. SHRI SUBHASH CHANDRA SINGH:

Will the Minister of Labour and Employment be pleased to state:

- (a) the measures are being taken to formalize the informal sector; and
(b) the schemes and policies are in place for formalization and quantum of funding each of these schemes is allotted?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) & (b): The Government has taken a number of measures to formalise the informal sector. The details are as under:-

(i) Pradhan Mantri Rojgar Protsahan Yojana (PMRPY):-

Government is implementing Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) since 2016 with the objective to incentivise employers for creation of new employment and also aimed to bring informal workers to the formal workforce.

Under the scheme, Government of India is paying Employer's full contribution i.e. 12% towards Employees' Provident Fund (EPF) and Employees' Pension Scheme (EPS) both (as admissible from time to time) for a period of three years to the new employees through Employees' Provident Fund Organisation (EPFO). The terminal date for registration of beneficiary through establishment was 31 st March 2019. The beneficiaries registered upto 31st March, 2019 will continue to receive the benefits for 3 years from the date of registration under the

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scheme. As on 3 rd March, 2021, benefits have been provided to 1.21 crore beneficiaries through 1.52 lakh establishments.

The total outlay of the PMRPY scheme for entire period of the scheme is Rs. 10178.60 Crore.

(ii) Aatmanirbhar Bharat Rozgar Yojana (ABRY):-

Aatmanirbhar Bharat Rozgar Yojana (ABRY) has been launched to incentivize employers for creation of new employment along with social security benefits and restoration of loss of employment during COVID-19 pandemic. Under the scheme;

- An employee drawing monthly wage of less than Rs. 15000/- who was not working in any establishment registered with the Employees' Provident Fund Organization (EPFO) before 1st October, 2020 and did not have a Universal Account Number or EPF Member account number prior to 1st October 2020 is eligible for the benefit.**
- Any EPF member possessing Universal Account Number (UAN) drawing monthly wage of less than Rs. 15000/- who made exit from employment during Covid pandemic from 01.03.2020 to 30.09.2020 and did not join employment in any EPF covered establishment up to 30.09.2020 is also eligible to avail benefit.**

This scheme being implemented through the Employees' Provident Fund Organisation (EPFO), that reduces the financial burden of the employers of various sectors/industries and will encourage them to hire more workers. Under ABRY, Government of India is crediting for a period of two years, both the employees' share (12% of wages) and employers' share (12% of wages) of contribution payable or only the employees' share, depending on employment strength of the EPFO registered establishments.

The scheme has commenced from 1st October 2020 and shall remain open for registration of eligible employers and new employees upto 30 th June 2021. Government will pay the subsidy for two years from the date of registration. The total outlay of the ABRY scheme for entire period of the scheme is Rs. 22810 Crore.
