

# Weekly Compliance Bulletin

An update into labour compliance

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From **ALL RISK MANAGEMENT SERVICES**.—South India's blossoming Knowledge Process Outsourcing Service Provider

## Top developments

EPFO has started investing 5% in Stock Markets, out of 15% as approved by Ministry of Finance.

## Your calendar for June 14

15th June – PF remittance

21st June – ESI remittance

25th June – IW Return

As and when – Accident report under Factories Act  
ESIC  
E C Act

## Do you know

### Amendment to TN Apprenticeship (Second Amendment) Rules, 2014

The Minimum Rate of stipend per month payable to trade apprentices shall be:

1 <sup>st</sup> year	70% of MW of semi skilled workers notified by the State
2 <sup>nd</sup> year	80% of MW of semi skilled workers notified by the State
3 <sup>rd</sup> & 4 <sup>th</sup> year	90% of MW of semi skilled workers notified by the State

## First update

### Recent Labour related Judgments

A Contractor who was allotted with EPF allotment number, should be treated as an independent employer. Any PF dues cannot be recovered from the Principal Employer.

### Brakes India Ltd vs EPFO Madras High Court (2015)

#### Tip of the week

**Overtime, Suspension allowance, Leave encashment, Notice pay are NOT WAGES under EPF Act**

### Initiatives taken by Ministry of Labour & Employment

- Shram Suvidha Portal** for Filing of **Unified Online Return** by the establishments instead of filing separate Returns under different Acts. Allotment of more than 9.5 lakh Labour Identification Number (LIN) to establishments so far. Ministry of Labour & Employment has started Single Unified Annual Return for 8 Labour Acts on 24.04.2015.
- Common Registration under 5 Central Labour Acts**, by integration with DIPP's **E-Biz Portal (WIP)**. The Acts covered include:
  - The Employees Provident Fund & Miscellaneous Provisions Act, 1952,
  - The Employees State Insurance Act, 1948,
  - The Building & Other Construction Workers (RECS) Act, 1996,
  - The Contract Labour (Regulation & Abolition) Act, 1970, and
  - The Inter-State Migrant Workmen (RECS) Act, 1979
- Allotment of **Universal Account Number (UAN) to more than 4.54 crore EPF subscribers** for the portability of Provident Fund benefits and to make it hassle free and accessible

### Liability of principal employer for injury, illness, disability, death etc

Section 12(1) of the Employees Compensation Act, 1923 provides that if an employee is employed by a contractor for the trade or business of the principal employer and in case he suffers any injury during the course of employment, the principal employer shall be liable to pay compensation.

Sec 12(2) entitles the principal employer to be indemnified by the contractor. The object of this provision is to safeguard the right to compensation when employer delegates work to another person for the contract between the principal and contractor cannot affect the right of the employees or their dependents to claim compensation from either of them at their option.

#### Four essential conditions have to be satisfied before invoking Sec 12:

- engagement of a contractor by the principal employer to execute the work relating to his trade or business.
- the work is ordinarily a part of the trade or business of the principal
- the accident saddling the liability for compensation should have occurred on, in or about the premises on which the principal has undertaken or usually undertakes to execute the work or which is in his control or management and
- the occurrence of the accident while the employee was in the course of his employment in executing the work.

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