

Weekly Compliance Bulletin

An update into Labour Law Compliance

May 25, 2015
Volume 1, Issue 4

From **ALL RISK MANAGEMENT SOLUTIONS AND SERVICES PVT LTD** –
South India's blossoming Knowledge Process Outsourcing Service Provider

Circular from ESI

It is informed that as per directions received from Ministry of Labour & Employment, Govt. of India, Awareness Camps are to be organized in all the ESIC Regional Offices, Sub-Regional Offices, Divisional Office and Branch Offices from 15th May to 30th May, 2015 for dissemination of information to the target groups, about latest initiatives and new services, being provided by ESI Corporation.

Please contact respective Regional Offices.

Camps to be held on

25th May &
29th May 2015

First update

Amendments under consideration in Employees' Provident Funds & Miscellaneous Provisions Act, 1952

Many establishments are having different types of wage structure with different allowances. Hon'ble Courts have given their judgments in regard to the allowances on which PF deduction are not to be made. This also gives scope to the employers in making lopsided interpretation of the statute. In order to bring uniformity and transparency in the calculation of contribution payable by the employers, the definition of the contributing wages is proposed to be included. **Specific details of allowances included or excluded for the purpose of PF contribution have been mentioned to avoid any ambiguity.** It shall not be less than the Minimum wages for the area.

Amendment to Section 2- In section (2) of the Principal Act- A. The sub section (b) of section (2) of the Principal Act the following shall be substituted namely – (b) —Contributing Wages—Contributing wages means all remuneration paid or payable to an employee, if the terms of the contract of employment, express or implied, were fulfilled and includes any payment to an employee in respect of any period of authorised leave, lock-out, strike which is not illegal or layoff and other additional remuneration, if any, paid at intervals not exceeding two Months, but does not include —

- (a) any contribution paid by the employer under The ESI Act, 1948 or under this Act
- (b) any travelling allowance or the value of any travelling concession ;
- (c) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment ; or
- (d) any gratuity payable on discharge ;
- (e) **HRA OR any such allowance by whatever name given as assistance for housing provided that the same shall not be more than 20% of contributing wages.**

Provided further that contributing wages shall not be less than applicable minimum wages notified for the said area by the State/Central Government.

ANOTHER SPECIFIC AMENDMENT ON THE ANVIL : The definition of Employee has been broadened to include all types of workers including contractor workers and apprentices. Apprentices engaged by an establishment are entitled to compensation under the Apprentices Act in case of an accident; therefore, they are proposed to be included for benefits in EPF Act.

2 days training on Occupational Safety & Health in Engg. Industries

Date & Time : 2nd & 3rd June 2015. 10 am ~ 5 pm.

Venue : Regional Labour Institute, 1, Sardar Patel Road, Adayar, Chennai-600 113.

Fee & other expenses

1. Institution Fee : A sum of Rs.900/- will be charged as institution fee per participant and this amount is to be paid by means of Crossed Demand Draft in favour of Director-In-Charge, Regional Labour Institute, Chennai-600 113.
2. Other Expenses : An amount of Rs.2000/- per participant in CASH ONLY is to be paid on the First day of the Programme to the Managing Committee.

Faculty : Officers of Regional Labour Institute of Chennai and Experts from Industries

Participants : Management Executives, Supervisors, Safety Officers, Safety Engineers, etc

Limited seats only.

Contact : Regional Labour Institute, 1 Sardar Patel Road, TTTI Post, Tharamani, Chennai -113, latest by 25th May 2015

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