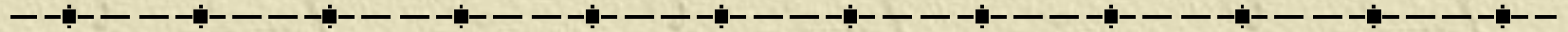


# COMPLIANCE UNDER LABOUR LAWS

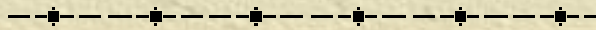


**Dr. M. Charlet Rose Mary Vijaya**  
Assistant Professor in commerce,  
St. Xavier's College (Autonomous),  
Palayamkottai.

(A)

# Contract Labour (Regulation & Abolition) Act, 1970

The main objective of this act is to regulate  
the contract labour and abolish it in certain  
cases.



# Applicability

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- ✦ Every industry engaging 20 or more workers on contract basis.
- ✦ Every contractor engaging 20 or more workers.

# Obtaining registration & license

- 
- ✦ Apply in form I for registration in triplicate copy along with prescribed fees ( Rs.142/- ).
  - ✦ Apply in form IV for license in triplicate copy along with license & security fees ( Rs.370/- per worker Generally in all cases- Refundable) .
  - ✦ For license form V is given by Principal employer to contractor.

# Provisions for temporary registration & license

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- ✦ For work of immediate nature Principal employer/ Contractor can apply for temporary registration/ license which is valid up to 15 days only.

# Obligation of Principal employer

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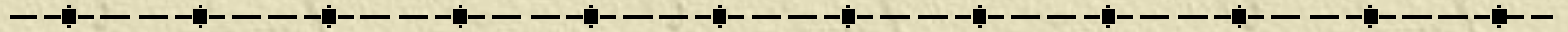
- ✦ Register of contractors Form XII
- ✦ Annual return Form XXV  
(on or before 15<sup>th</sup> Feb-  
consolidated return)
- ✦ Notice of Commencement/  
Completion Form VI B

# Obligation of Contractor

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- ✦ Renewal of license Form VII
- ✦ Register of workman Form XIII
- ✦ Employment Card Form XIV
- ✦ Service Certificate Form XV
- ✦ Muster Roll Form XVI
- ✦ Wages register Form XVII
- ✦ Wage slip Form XIX

# Contd.....



- |   |            |
|---|------------|
| ✦ Deduction for damage/loss             | Form XX    |
| ✦ Register of fines                     | Form XXI   |
| ✦ Register of advances                  | Form XXII  |
| ✦ Register of over-time                 | Form XXIII |
| ✦ Half yearly return                    | Form XXIV  |
| ✦ Notice of Commencement<br>/Completion | Form VI A  |



# Welfare Facilities

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✦ Canteen Section 16

✦ Rest rooms Section 17

✦ Urinals, Latrines  
Drinking Facilities Section 18

✦ First Aid Facilities Section 19

✦ Principal employer will have to provide these facilities if not provided by contractor.

✦ In annual return these facilities needs to be shown

# Applicability of other Act

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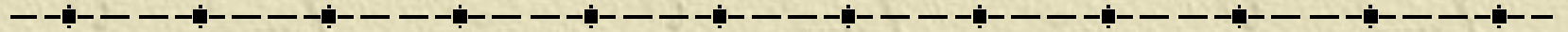
✦ Persons cover under this act will be covered under:

✦ I) Factory Act, 1948

✦ II) Employees' Provident Fund & Miscellaneous Provisions Act, 1952

✦ III) Employees' State Insurance Act, 1948 / Workmen Compensation Act, 1923

# Contd.....



✦ IV) Payment of Bonus Act, 1965

✦ V) Minimum Wages Act, 1948

✦ VI) Payment of Wages Act, 1936

# SAP System

Work order is released by concerned deptt.  
in the SAP system

Commercial deptt.release  
Work order in system

Concerned deptt. Create the indent

Indent is created for Labour  
Supply .

Personnel deptt. marks the entry in  
SAP on the basis of their counting.

Overtime of the labour is marked  
by the concerned deptt.

# Payment of Wages

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- ✦ Bills of the contractor of Labour Supply is passed on the basis of the entry in SAP.
- ✦ Payment to the contract labour is disbursed in Contractor Yard.
- ✦ Payment to the contract labour is disbursed before the management representative
- ✦ Representative stamps the register & signs on it.

# Registers which are maintained

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- ✦ Gate Pass register
- ✦ Attendance Register of Contract Labour
- ✦ Daily entry of the contractor report
- ✦ Register having no. of contract Labour

**(B)**

# **The Employee's Provident Fund Act, 1952**

Nothing but Social Security to  
-----  
Employees

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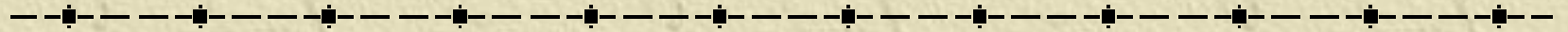
# The Employee's Provident Fund Act 1952

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- ✦ The Employee's Provident Funds Act 1952
- ✦ Employer role & responsibility
- ✦ Employee role & responsibility
- ✦ The Employees Pension Scheme 1995
- ✦ The Employees Deposit-Linked Insurance Scheme (EDLI) 1976
- ✦ List of Forms

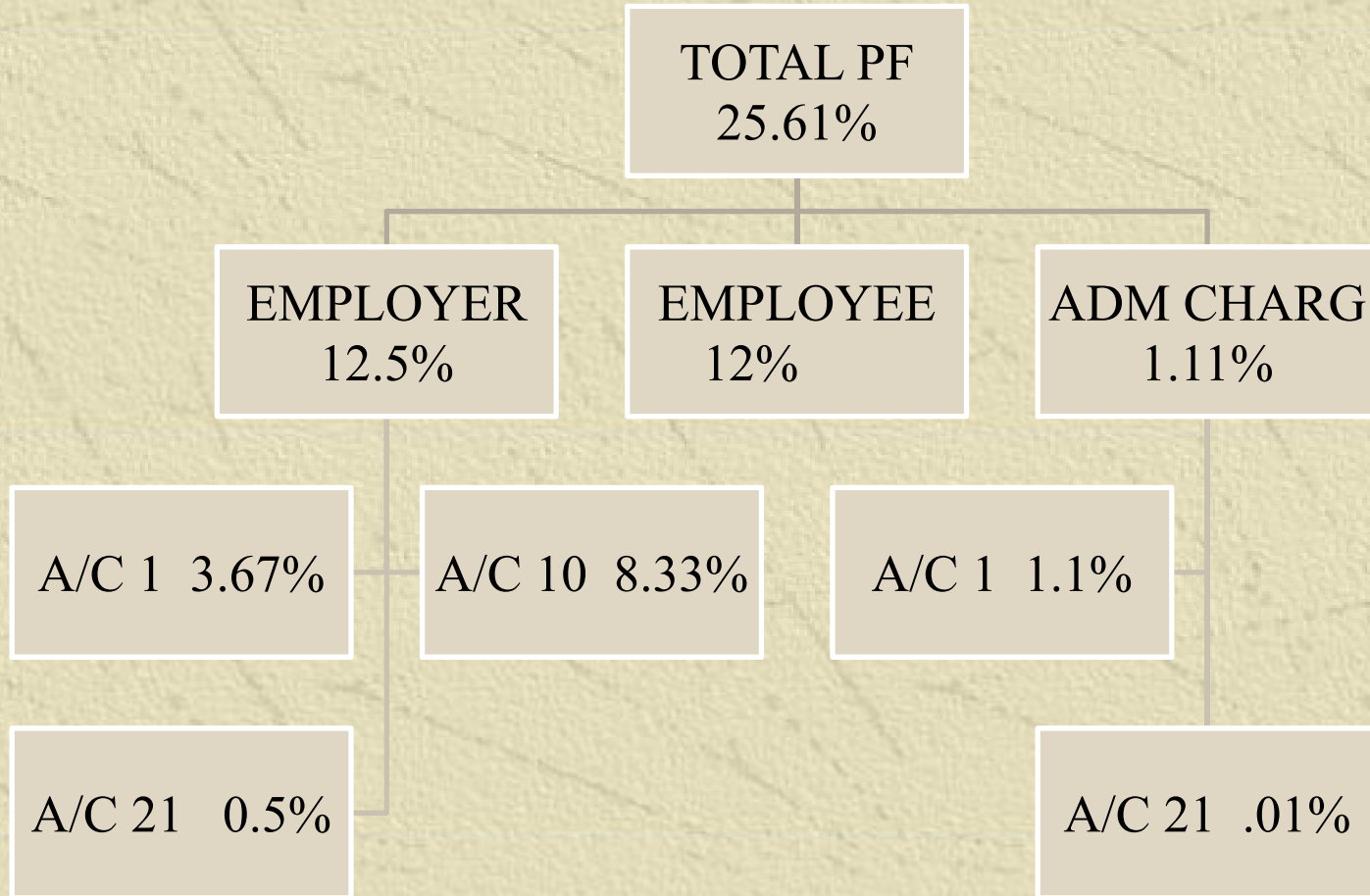
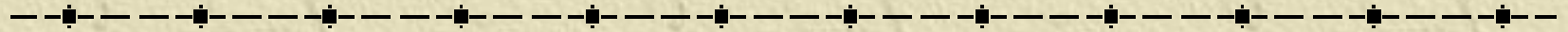


# Introduction



- Salary consists of two parts i.e. earnings & deductions
- Provident Fund is one of the statutory deduction done by the employer at the time of salary payment
- Provident Fund is governed by the Employee's Provident Fund Act 1952

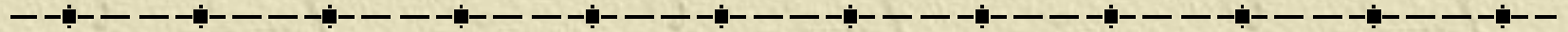
# Statutory Contribution Rate



## Account Number.....

Account Number	Contribution Type	Contribution Rate
1	Employees PF	12% + 3.67%
2	EPF Admin Charges	1.1%
10	Employee's Pension Scheme	8.33% ( Maximum 6500/-)
21	Employee's Deposit Linked Insurance Scheme	0.50% ( Maximum 6500/-)
22	EDLI Admin Charges	0.01%
TOTAL.....		25.61%

# Employer Role & Responsibility



## Monthly Returns

- ✦ Filing monthly PF returns with the EPFO within 15 days of the close of each month
- ✦ Provide list of new employees joined in the establishment during the preceding month & are qualified to become member in fund (Form-5)
- ✦ Provide list of employees leaving service during the preceding month (Form-10)
- ✦ Employer should file 'Nil' returns if there is no new employee or no employee leaving the service during the preceding month
- ✦ Provide the total no. of members last month, new members joined and existing members resigned in the preceding month & total no. of present subscribers to be fund (Form-12A)

# Compliances....

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## **Annual Returns**

- ✦ Employer shall send to the Commissioner within one month of the close of the year, a consolidated Annual Contribution Statement (Form-6A) and individual employee sheet (Form-3A) showing the contributions made by the employees and employer during the year ( PF Year is March to Feb)

# Employee Role & Responsibility

- ✦ Provide details of self & nominees (Form-2) for PF & Pension Scheme at the time of joining the establishment
- ✦ In case of already having PF A/c, apply for transfer of previous A/c to the present A/c
- ✦ If willing to increase contribution, inform the same to the employer to deduct the amount from the salary (Voluntary Provident Fund).
- ✦ Voluntary PF can be upto 100% of wages
- ✦ Understand that the employer is not liable to pay any contribution on voluntary PF

# Employees Pension Scheme 1995

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## **Introduction**

- ▶ To give long term protection / financial security to employee upon retirement and his family in case of his pre-mature death, family pension scheme has come into force by diverting 8.33% contribution made by employer towards PF scheme

## **Application**

- ▶ Scheme is compulsory for all the existing members who become members of the Employees Provident Fund Scheme

## **Eligible**

- ▶ Monthly pension to employees on retirement
- ▶ Widows on death of the member
- ▶ Children of the member below 25 years age
- ▶ Monthly pension to members upon permanent total disablement during service

# The Employees Deposit-Linked Insurance Scheme 1976 (EDLI)

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## Application

- ✦ EDLI scheme is compulsory for all the existing members who become members of the PF Scheme
- ✦ Life insurance benefit (death coverage) of the employee is available under this scheme while in service

## Calculation

- ✦ EDLI is calculated on EDLI slab – Rs. 6500/-
- ✦ 0.50% EDLI calculated on total EDLI slab (Rs. 6500) wages and transferred to EDLI fund
- ✦ 0.01% EDLI Administration charges calculated on total EDLI wages
- ✦ EDLI / administration charges are payable by the employer



# The Employees Deposit-Linked Insurance Scheme 1976 (EDLI)

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## Eligible

- ✦ Person who is eligible to receive PF dues of deceased member who died while in service is only eligible to receive EDLI fund

## Exemption

- ✦ Employer can seek exemption from the Scheme if similar / better benefits are provided other than the Scheme with the consent of majority of employees