

# Social security schemes set to transform with new code

By C Shivakumar | Express News Service | Published: 04th April 2018 03:29 AM |


Last Updated: 04th April 2018 08:14 PM | A+ A A- | 

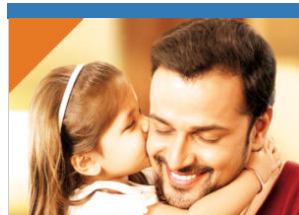


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CHENNAI: Your provident fund, pension and insurance schemes are set to become redundant as the Union Labour and Employment Ministry has drafted Labour Code on Social Security, 2018.

Under the new draft, which was released last month, the Union Labour Ministry is focusing on setting up a universalised social security which will require a set-up to service almost 50 crore workers.

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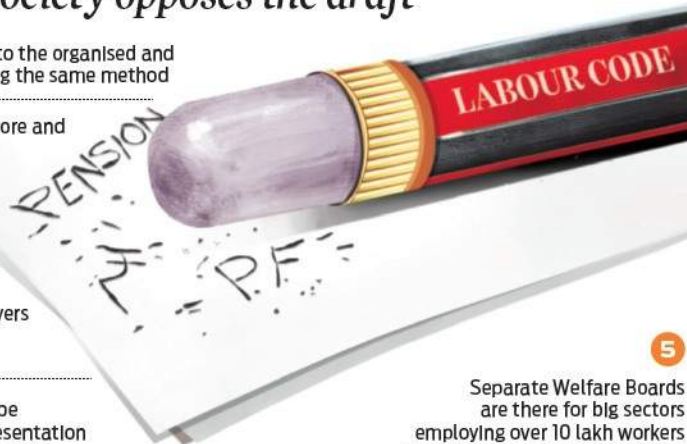
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Under this, registration will be common for organised and unorganised workers; that means present social security schemes will merge into one.

## Why the civil society opposes the draft

- 1 The new code will cater to the organised and unorganised sectors using the same method
- 2 Govt representation is more and workers very less under the new code
- 3 Models have to be different for organised and unorganised sectors since there is no direct relation between employers and workers in the unorganised sector
- 4 Tripartite system has to be followed; one-third representation to workers in all social security organisations



AMIT BANDRE

- 5 Separate Welfare Boards are there for big sectors employing over 10 lakh workers in each state and no such system in the model code

The Code prescribes registration of all kinds of employers - be it establishments (that have a commercial purpose) or households (that employ domestic workers). An 'own-account-enterprise' will be registered both as an employer and a worker automatically. As the scope of this Code expands almost 10 times compared to the present Employee Provident Fund and Employees State Insurance Corporation, a decentralised structure (with central coordination and regulation) has been proposed. The draft proposes a tripartite body which includes State and Centre boards along with National Social Security Council, headed by the Prime Minister to bring out harmonious co-ordination amongst different ministries and also at the Centre-State level.

The National Council has been proposed on similar lines to the Goods and Service Tax (GST Council) which has been able to successfully roll out the GST Regime in India. The NSSC has the function to regulate and coordinate this multi-disciplinary jurisdiction of Social Security. However, the draft has raised concerns among the people of the civil society who question the ministry on having a universal security scheme for both organised and unorganised workers.

R Geetha of the Federation of Unorganised Workers said that till the government regulates the wages and work of the unorganised sector, the universal social security scheme will not work. “Models have to be different for organised and unorganised sectors since there is no direct relation between employers and workers in the unorganised sector. Hence regulation of employment has to be combine with Social Security for unorganised sector workers through sectoral Tripartite Boards,” Geetha said. It is also learnt from sources that the assets and funds under the 16 extant social welfare schemes will be divided among the Social Security Funds (SSFs) to be set up in each state.

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TAGS   Union Labour and Employment Ministry   National Social Security Council   provident fund   insurance

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