Reforms in Labour Laws

Reforms in labour laws are an ongoing process to update legislative system to address the need of the hour and to make them more effective and contemporary to the emerging economic and industrial scenario. Accordingly, Ministry of Labour & Employment have taken several reform initiatives, both legislative reforms as well as Governance reforms through use of technology, to reduce the complexity in compliance and bringing transparency and accountability leading to better enforcement of the Labour Laws. These initiatives, inter-alia, include:

(i) Enhancing the ceiling of wage limit for the purpose of eligibility for Bonus and for the purpose of calculation of Bonus as Rs. 21,000/- per month and Rs. 7,000/- per month respectively by amending the Payment of Bonus Act 1965.

(ii). Prohibition of employment of children below 14 years in all occupations and processes through amendment in the Child Labour (Prohibition & Regulation) Act, 1986.

(iii) Extending the coverage of Employees State Insurance by increase in the wage ceiling from Rs. 15000/- per month to Rs. 21000/- per month.

(iv) Enabling provision under the Payment of Wages Act 1936 for payment of wages through Bank accounts.

(v) Launching of unified Shram Suvidha Portal for allotment of a Unique Labour Identification Number (LIN) for establishments, filing of self-certified and simplified Online Annual Return and a transparent Labour Inspection Scheme through computerized system

(vi) Portability of Employees Provident Fund accounts through Universal Account Number (UAN)

The process of Legislative reforms includes consultations with stakeholders including Central Trade Unions, Employers' Association and State Governments in the form of tripartite consultation. During recent months, several such tripartite meetings have been held for considering suggestions on various legislative reform proposals where the representatives of all stake holders/State Governments participated and gave their suggestions on the legislative proposals.

This information was given by Shri Bandaru Dattatreya, the Minister of State (IC) for Labour and Employment, in written reply to a question in Rajya Sabha today.

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