
OVERVIEW OF THE CODE ON SOCIAL SECURITY, 2020

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ABSTRACT

This paper aims to touch all aspects of Labor law that are interlinked to the concept of Social Security. To evaluate this concept in totality, this paper has brushed through the basics, beginning from its origin to its subsequent developments. After which a progression has been made to the Indian Constitutional and Judicial aspects of this concept, which are of highest importance.

INTRODUCTION

To simplify and consolidate labor laws, the 2nd National Commission on Labour instructed the rationalization of existing labor laws into 4 to 5 groups. In pursuance of the proposal, the Code on Social Security, 2020 (hereafter the Code) obtained the concurrence of the President on 28 September 2020.

The Code strives to regulate the organized / unorganized (or any other) sectors and augment social security benefits, during indisposition, maternity, disablement, etc. to all employees and workers across diverse associations.

The Code undertakes to integrate nine existing labor laws relating to social security into one melded Code.

COVERAGE AND APPLICABILITY

The Code applies to everyone regarding wages in an establishment, irrespective of profession.

Earlier, under the Payment of Gratuity Act, 1972, the word "wages" included "*all emolument which is earned by an employee while on duty or leave in accordance with the terms and conditions of his employment and which are paid or are payable to him in cash and includes*

dearness allowance but does not include any bonus, commission, house rent allowance, overtime wages and any other allowance".

Under the Social Security Code, the term "wages" incorporates all categories of remunerations competent of being represented in monetary stints including basic pay, dearness allowance, and retaining allowance. Regardless, it does not comprise any overtime compensation, house rent, conveyance allowance, gratuity upon termination, or any retrenchment compensation.

The Code shall have an overriding consequence over anything erratic in any other law or the terms of any recognition, agreement, or contract of service, whether it was made before or after this Code came into force.

STRUCTURE AND PROCEDURE

The Code deals with social security organizations, employees' compensation, provident fund, gratuity, Employees' State Insurance Corporation, social security for construction workers, unorganized workers, gig workers, and platform workers.

Every establishment shall mandatorily acquire registration under this Code, including the establishments already registered under any Central Act. Workers under distinct categories shall be required to register under applicable Chapters in the Code. Further, any business in the process of closure shall apply for registration cancellation under this Code.

With the intent to increase the authenticity of the Code, any employee or worker employed in the unorganized sector must establish their identity through Aadhar numbers for seeking benefits available under the Code.

The Code has also included provisions for the establishment of several boards that would administer and enforce different schemes, such as State Building Workers Welfare Boards, National Social Security Board, State Unorganized Workers' Social Security Board, etc.

SCHEMES

Under the Code, the Central Government shall, by notification, articulate diverse schemes for employees such as the Employees' Provident Fund Scheme, Pension Scheme, Deposit Linked Insurance Scheme, etc. The grants under the different schemes are as follows:

Chapter No.	Chapter Name	Applicability	
		Existing Legislations	Social Security Code
III	Employees' Provident Fund	Every factory and other establishment employing 20 or more employees.	Every establishment with 20 or more employees.
IV	Employees' State Insurance Corporation	All factories other than the seasonal factories.	Every establishment with 10 or more employees, other than seasonal employees. It shall also apply to an establishment which conducts hazardous occupations.
V	Gratuity	Every factory, plantation, port, oil field, mine, and the railway company.	Every establishment employing 10 or more employees on any day of the
		Every shop or establishment which employed 10 or more employees on any day of the preceding 12 months.	preceding 12 months. The Chapter shall also apply to every shop, factory, oilfield, mine, railway company, plantation, and port.

VI	Maternity Benefit	Every establishment including mine, factory, and plantation, and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic, and other performances.	Applicable to every establishment including Government institutions. It shall apply to every shop or establishment which employs or employed 10 or more employees in the preceding 12 months.
VII	Employees' Compensation	To a certain class of employers for payment of compensation to their employees for injury by accident.	Applicable to the employers and employees to whom Chapter IV does not apply.
VIII	Social Security and CSS in respect of Building and Other Construction Workers	Every building and construction work.	Applicable to every building and construction work.
IX	Social Security for Unorganized Workers	Every worker is employed in the disorganized sector.	Applicable to the unorganized sector, gig workers, and platform workers.

XIII	Employment Information and Monitoring	-	Applies to career centers, vacancies, persons seeking career center services, and employers.
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EMPLOYEES' STATE INSURANCE

The Employees' State Insurance Fund shall be assessed for payment of benefits, medical treatment, and attendance to the insured person, traveling and compensatory allowances, pension, leave and joining allowances, and payment of donations to the Government, among additional costs that shall be defrayed by the Employees State Insurance Corporation for governance.

The Code uniformly augments its scope under the Employees' State Insurance to all establishments operating ten or more persons and to plantation workers voluntarily. As per the Employees' State Insurance Act of 1948, legislation was implemented as per the notification released by every State. However, under the Code, the Central Government may also extend the pertinence to establishments that enthrall in hazardous occupations. The obligation under this Chapter rests on the employer for registering their employees with the Employees' State Insurance Corporation, for payment of the contributions, and for discharging the benefits to the workers. The Code provides a prospect to establishments employing less than ten employees for volitional membership under the Employees' State Insurance.

The insured employees under the Code shall obtain benefits like sporadic payments in circumstances of sickness, miscarriage, or sickness due to pregnancy, disablement, and medical treatment. Dependents of an impaired or departed employee are entitled to receive such benefits under the Code.

UNORGANISED, GIGS AND PLATFORM WORKERS

The Code has discerned itself from the Unorganized Workers Social Security Act, 2008 ("UWSSA") by creating a distinction between 'unorganized workers', 'gigs', and 'platform workers'. To that end, the Code embellishes on the scaffolding of schemes that incorporates

'education' for unorganized workers and 'creche' for gigs and platform workers under its scope, unlike the UWSSA.

Such undertakings may be 'wholly' or 'partially' funded by the State Government and other sources, including corporate social responsibility funds. Proper records of the Schemes under this Chapter shall be maintained by the authority notified by the appropriate Government. To be eligible under the Code, a worker must satisfy two requirements: (a) completion of 16 years of age; and (b) submit a self-declaration certificate in the manner prescribed by the Central Government. Additionally, the State Government may provide a helpline facility for unorganized workers, gigs, and platform workers to assist them in registration and avail them of information relating to the social security schemes.

CONCLUSION

The Code on Social Security, 2020 is a step in the right direction from an ease of adherence and universality standpoint as it obscures an enormous portion of our working denizens. A regulatory sovereignty to separately dispense the code would be advantageous to scrutinize the welfare of workers and it can track the effectiveness of schemes.

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