



Labour Law Reforms

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Reforms in labour laws are an ongoing process to update the legislative system to address the need of the hour so as to make them more effective, flexible and in sync with emerging economic and industrial scenario. The Second National Commission on Labour has recommended that the existing Labour Laws should be broadly grouped into four or five Labour Codes on functional basis. Accordingly, the Ministry has taken steps for drafting four Labour Codes on Wages, Industrial Relations, Social Security & Welfare and Occupation Safety, Health and Working Conditions respectively, by simplifying, amalgamating and rationalizing the relevant provisions of the existing Central Labour Laws. Out of these, the Labour Code on Wages has been introduced in Lok Sabha on 10.08.2017 and subsequently, referred to the Parliamentary Standing Committee on Labour. The rest of the codes are at pre-legislative consultative stage. The process of Legislative reforms on Labour includes consultation with stakeholders including Central Trade Unions, Employers' Association and State Governments in the form of tripartite consultation. Suggestions/comments received during the tripartite consultations are taken into account/considered while finalizing the amendment in various Act/Rules.

The Ministry has taken a number of legislative initiatives in labour laws during the last 3 years. Some of the important initiatives are as follows:-

- Ø Amendment to the Payment of Bonus Act, 1965 by which eligibility limit for payment of bonus enhanced from Rs. 10000/- to Rs. 21000/- per month and the Calculation Ceiling from Rs. 3500/- to Rs. 7000/- or the minimum wages.
- Ø Payment of Wages (Amendment) Act, 2017 enabling payment of Wages to employees by Cash or Cheque or crediting it to their bank account.
- Ø Child Labour (Prohibition and Regulation) Amendment Act, 2016 provides for complete ban on employment of children below 14 years in any occupation or process.
- Ø Maternity Benefit Amendment Act, 2017, increases the paid maternity leave from 12 weeks to 26 weeks.
- Ø The Employee Compensation (Amendment) Act, seeks to rationalize penalties and strengthen the rights of the workers under the Act.
- Ø Ministry has notified "Ease of Compliance to maintain Registers under various Labour Laws Rules, 2017" on 21st February 2017 which has in effect replaced the 56 Registers/Forms under 9 Central Labour Laws and Rules made there under in to 5 common Registers/Forms. The number of forms provided under 3 Central Acts/Rules has been reduced from existing 36 to 12. The register can also be maintained in digitised manner. This will save efforts, costs and lessen the compliance burden by various establishments.
- Ø A Model Shops and Establishments (RE&CS) Bill, 2016 has been circulated to all States/UTs for adoption with appropriate modification. The said Bill inter alia provides for freedom to operate an Establishment for 365 days in a year without any restriction on opening/closing time and enables employment of women during night shifts if adequate safety provisions exist.
- Ø A category i.e. Fixed Term Employment has been introduced under Industrial Employment (Standing Orders) Act, 1946 to impart flexibility to an establishment to employ people in case of Apparel Manufacturing Sector to meet the fluctuating demands of the sector due to its seasonal nature.

This information was given by Shri Santosh Kumar Gangwar Union Minister of State (I/C) for Labour and Employment, in written reply to a question in Lok Sabha today.

SKP/IA

