

Social Security Schemes for Organised and Unorganised Sector

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As per the Periodic Labour Force Survey (PLFS) carried out by the National Sample Survey Organisation of the Ministry of Statistics & Programme Implementation, in the year 2017-18, the total employment in both organized and unorganised sector in the country was around 47 crores. Out of this, around 9 crores are engaged in the organized sector and the balance of 38 crores are in the unorganized sector.

The categories of the workers have been divided into three categories i.e.

- i. Establishments with 10 or more workers;
- ii. Establishments with 20 or more workers;
- iii. Workers engaged in unorganised sector

The ESI Act, 1948 is Social Security legislation applicable to all factories & notified establishments employing ten or more persons, which are located in ESI notified areas and as such it does not apply to the unorganised sector. Employees earning wages up to Rs 21,000 per month (Rs 25,000/- in the case of persons with disability) are coverable under ESI Scheme and are entitled to all benefits available under ESI Act, 1948. At present the ESI Scheme stands extended to 575 districts in 35 States/ Union territories. The total number of Insured Persons covered under ESI Scheme as on 31.03.2020 are 3.41 crore and the total beneficiaries are 13.24 crore. ESI contributions @ 4% are paid by employers, of which the employees or workers contribute to the extent of 0.75% of their wages and the employers contribute to the extent of 3.25% of their wages. Such contributions entitle them to all benefits available under the ESI Act.

The benefits of social security to the workers employed in organised sector establishments with 20 or more workers under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 are extended through following three schemes:

- The Employees' Provident Funds Scheme, 1952;
- The Employees' Pension Scheme, 1995;
- The Employees' Deposit Linked Insurance Scheme, 1976.

The Employer and Employee both contribute @ 12% of wages towards provident fund. Out of this, 8.33% is diverted towards pension Fund. Employer also contributes to EDLI Scheme @ 0.5 % of wages. During the year 2019-20, 4.89 crores members contributed under the Scheme.

For the workers engaged in the Unorganised sector, social security benefits are being addressed through the Unorganised Workers' Social Security Act, 2008. The Act empowers the Central Government to provide Social Security benefits to unorganised sector workers by formulating suitable welfare schemes on matters relating to (i) life and disability cover, (ii) health and maternity benefits, (iii) old age protection and (iv) any other benefit as may be determined by the Central Government. The State Governments are also empowered to formulate suitable welfare schemes on the matters regarding housing, provident funds, educational schemes, skill upgradation, old age homes etc.

Life and disability cover is provided through Pradhan Mantri Jeevan Jyoti Yojana (PMJJBY) and Pradhan Mantri Surksha Bima Yojana (PMSBY). Benefits under the schemes are for Rs.2 lakh on death due to any cause & permanent disability, Rs.1.0 Lakh on partial disability and Rs.4 lakh on death due to accident to the unorganised workers at the annual premium of Rs.342/- (Rs.330/- for PMJJBY + Rs.12/- for PMSBY) depending upon their eligibility.

The eligible Unorganised Workers can avail the scheme from their respective banks at annual premium of Rs. 342/-. As on 30.12.2020, 9.70 and 21.87 crore people have been enrolled under PMJJBY and PMSBY

respectively.

The health and maternity benefits are addressed through Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) which is a universal health scheme administered by the National Health Authority. The number of eligible beneficiaries under Social Economic Caste Census (SECC) of 2011 on the basis of select deprivation and occupational criteria across rural and urban areas is 10.74 Crore families (50 crore people). The Scheme gives flexibility to States/UTs to run their own health protection scheme in alliance with AB-PMJAY. The States/UTs implementing AB-PMJAY have further expanded the coverage of the scheme to include 13.13 crore families (65 crore people).

For old age protection to unorganised sector workers including traders, shopkeepers and self-employed persons, the Government has launched two flagship schemes namely Pradhan Mantri Shram Yogi Maandhan Yojana (PM-SYM) and National Pension Scheme for Traders, Shopkeeper and Self-Employed Persons (NPS- Traders). Under the schemes, beneficiaries are entitled to receive minimum monthly assured pension of Rs.3000/- after attaining the age of 60 years. The workers in the age group of 18-40 years whose monthly income is below Rs.15000/- can join the PM-SYM scheme and Traders, shopkeepers and self-employed persons whose annual turnover is not exceeding Rs.1.5 crore can join NPS – Traders scheme. These are voluntary and contributory pension schemes and monthly contribution ranges from Rs.55 to Rs.200 depending upon the entry age of the beneficiary. Under both the schemes, 50% monthly contribution is payable by the beneficiary and equal matching contribution is paid by the Central Government. Both the schemes are being implemented in all the States/UTs of India. The details of numbers of beneficiaries as on 28.02.2021 under PMSYM and NPS Traders, 44.90 Lakh and 43,700 respectively.

This information was given by Minister of State (I/C) for Labour & Employment Shri Santosh Kumar Gangwar in a written reply in Rajya Sabha today.

MS/jk

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