



## Inclusion of statutory obligations in the contract for protecting the rights of contractual employees engaged on outsource basis in Government Offices - Request to Chief Secretaries/Administrators of all States/UTs

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The Ministry of Labour and Employment has recently incorporated six statutory obligations on GeM(Government e Marketing) portal in the contract of hiring manpower through outsourcing agencies in Government of India offices in order to protect the interest of the contractual workers.

Of late in a letter addressed to Chief Secretaries/Administrators of all States/UTs, the Union Labour Secretary, Ms. Arti Ahuja has expressed concern about underpayment of contractual workers engaged in State/UT offices through outsourcing agencies due to unauthorized deduction in wages of such workers made by the manpower hiring agencies. Further, she also expressed concern of their delayed payment of monthly wages to such workers by the agencies and low deposit of EPF and ESIC contributions of the workers.

In order to avoid such exploitation to the workers engaged through outsourcing agencies in State/UT Government offices, Union Labour Secretary has advised Chief Secretaries/Administrators of all States/UTs to incorporate following statutory obligations in their contract so that the rights of the workers could be protected:-

- i. Mandatory contribution of EPF and ESIC by the agencies in timely manner.
- ii. The service provider/contractor shall be responsible for paying wages to contract labour at rates not less than the minimum wages as notified by the Appropriate Government.
- iii. The service provider/contractor shall not make any unauthorized deductions from the wages of the contract labour.
- iv. As per the Contract Labour (Regulation and Abolition) Act,1970, the service provider/contractor shall be responsible for ensuring that wages are paid to the contract labour ontime. The principal employer/buyer shall ensure that the wages are paid on time to the contract labour by the service provider/contractor. In case the service provider/contractor fails to pay the wages on time or makes short payment, the principal employer/buyer shall be liable to pay the wages to the contract labour directly and recover the amount from the service provider/contractor.

v. The service provider/contractor shall be responsible for paying bonus to contract labour in the manner prescribed by the Payment of Bonus Act, 1965 & shall get reimbursed from the buyer.

vi. The service provider/contractor shall be responsible for paying proportionate gratuity to contract labour who have rendered continuous service as per the provisions of the Payment of Gratuity Act, 1972.

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## **MJPS**

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