

Ministry of Labour & Employment Holds Inter-Ministerial Consultation on Employment Linked Incentive (ELI) Scheme

Labour Secretary Urges Ministries to Disseminate the ELI Scheme to Employers and Employees For Greater Participation

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Secretary, Ministry of Labour & Employment (MoLE), Government of India, Ms. Sumita Dawra, chaired an inter-ministerial meeting today on Employment Linked Incentive (ELI) Scheme, a recently launched initiative in the Union Budget 2024-25 aimed at employment generation and formalisation of labour force in the country. The focus of the meeting was to discuss the broad contours of the proposed Scheme, in consultation with various Ministries/Departments, for an effective roll out of the Scheme. The consultation is part of a series of stakeholder consultations being held by the Ministry with employers, labour unions, industry including Micro, Small and Medium Enterprises (MSME), other institutions, etc.

While setting the context for the meeting, Secretary, MoLE highlighted that the three schemes for ELI, as part of the Hon'ble Prime Minister's package of 5 schemes to facilitate employment, skilling and other opportunities, announced in the Union Budget 2024-25 will be based on enrolment in the Employees' Provident Fund Organisation (EPFO), and focus on recognition of first-time employees, and support to employees and employers, she added.

Ms. Dawra said that the ELI scheme offered a golden opportunity to various sectors of the economy for formalization of their workforce and ensure them social security. She urged the representatives from the participating ministries to organize advocacy initiatives in collaboration with Ministry of Labour & Employment for explaining the scheme to employers and employees. The Secretary said that this would go a long way in ensuring greater participation in the ELI scheme. Broadly, the Scheme encompasses the following:

Scheme A: Targeting first-time employees in the formal sector registered with EPFO, this scheme offers a one-month wage (up to Rs. 15,000) in three instalments.

Scheme B: Focusing on job creation in manufacturing, this scheme incentivizes both employees and employers for the additional employment of first-time employees, offering benefits based on their EPFO contributions during the first four years of employment. Employees with salaries up to Rs. 1 lakh will be eligible.

Scheme C: Providing support to employers by reimbursing upto Rs. 3,000 per month for two years towards their EPFO contribution for each additional employee with a salary of up to Rs. 1 lakh per month.

The meeting saw participation by Ministry of Commerce & Industry, Ministry of Finance, Ministry of Micro, Ministry of Small and Medium Enterprises, Ministry of Textiles, Ministry of Skill Development & Entrepreneurship, Ministry of Rural Development, Ministry of Corporate Affairs, NITI Aayog and others.

Fruitful discussions were held on implementation of Schemes A, B & C with focus on awareness building for Special Economic Zones (SEZs), MSMEs, manufacturing sector, plantations, besides others. The opportunity offered by the ELI scheme for formalisation of workers in the informal sector was appreciated by all.

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