Syllabus subtopic: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Prelims and Mains focus: About the key features of the Bill and its significance on welfare of the unorganized sector workforce in India

News: The Code on Social Security, 2019 was introduced in Lok Sabha on Wednesday.

Context: The unorganised sector, which accounts for a little over 80 per cent of India’s total workforce, has largely been out of social security schemes as well as the ambit of labour regulations at present.

Key features of the Bill

- It proposes **universalisation of social security benefits** for the country’s around 5 crore workforce, along with offerings such as medical, pension, death and disability benefits to them.

- The Code also provides an enabling provision for **constituting special purpose vehicles for the implementation of schemes for unorganised sector workers**.

- It also seeks to **expand the sources of the fund for various schemes** under the Code to include funds from corporate social responsibility (CSR).

- The Code **empowers the Centre** with an enabling provision to change the mandatory monthly contribution towards employees provident fund (EPF) for a certain class of employees for a certain period.

- **Employers** will, however, **have to contribute to the retirement fund at the existing rate**. This will help increase the take-home pay of workers with relatively lower salaries.

- The Bill also **empowers the government to frame schemes for providing social security to gig workers and platform workers who do not fall under the traditional employer-employee relation**.

- It also provides for **payment of gratuity in case of fixed-term employment on pro-rata**
basis, even if the period for fixed term contract is less than five years. Under the current Act, an employee is entitled for gratuity only after completing five years of continuous service.

- The Bill also provides for **maternity benefit to the woman employees** and compensation to the employees in case of the accidents while commuting from residence to place of work and vice-versa.

- The Code will make **Aadhaar mandatory** for seeding at the time of registration of member or beneficiary or any other person to register or for receiving benefits.

**Difference between Organised and Unorganised sector**