

**LABOUR LAW in UNION BUDGET 2018/19**

	<b>Up to 07/16</b>	<b>08/16 Onwards</b>	<b>04/17 Onwards</b>	<b>2018/19 to 2020/21 (Proposed for 03 Years)</b>	
Basic Wage	Male/Female	Male/Female	Male/Female	Male	Female
	10,000	10,000	10,000	10,000	10,000

<u>Worker</u>	PF Share	1200	12%	1200	12%	1200	12%	1200	12%	800	8%
	ESI Share	175	1.75%	175	1.75%	175	1.75%	175	1.75%	175	1.75%
	Pro. Tax	150		150		150		150		150	
	Take Home	8475		8475		8475		8475		8875	

<u>Employer of all Sector</u>	PF Share	1336	13.36%	503	5.03%	482	4.82%	115	1.15%	115	1.15%
	GOI share (PMRPY)	0		833	8.33%	833	8.33%	1200	12%	1200	12%
	ESI Share	475	4.75%	475	4.75%	475	4.75%	475	4.75%	475	4.75%
	Cost to Co.	11811		10978		10957		10590		10590	

<u>Employer of Garment Sector</u>	PF Share	1336	13.36%	136	1.36%	115	1.15%	115	1.15%	115	1.15%
	GOI share (PMRPY)	0		1200	12%	1200	12%	1200	12%	1200	12%
	ESI Share	475	4.75%	475	4.75%	475	4.75%	475	4.75%	475	4.75%
	Cost to Co.	11811		10611		10590		10590		10590	

- PMRPY-Pradhan Mantri Protsahan Yojna introduced on 09/08/2016
- PMPRPY-Pradhan Mantri Paridhan Protsahan Yojna introduced on 09/08/2016
- Mandatory requirement to avail the benefits under above schemes.
  - i) Gross Salary should be less than 15000/-
  - ii) Employee should join on or after 01/04/2016
  - iii) Employees Name in PF should be as per AADHAR
- **In case establishment has not taken the benefit of PMRPY/PMPRPY w.e.f.08/2016 or started to avail the benefits later on, it has been decided to allow reimbursement for previous months.**

If require, feel free to call or communicate to undersigned for getting more clarifications.

Thanks,  
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- Currently an employee contributes 12% of his or her basic salary as EPF contribution and a matching contribution is made by the employer.

#### **Announcement for Female employees;**

- Budget Speech of Hon. Finance Minister Shri Arun Jaitely “I propose to make an amendments in the Employees Provident Fund (EPF) and Miscellaneous Provisions Act, 1952 to reduce women employees’ contribution to 8% for the first three years of their employment against the existing rate of 12% with no change in employers’ contribution.”
- Announcement of reduction in the EPF contribution of new women employees from 12% to 8%, to promote women’s participation in the labour force as well as increase their take-home pay. Women’s labour force participation in India is at 24% as against 40% globally. Economists and industry veterans argue that improving female labour participation will help boost the economy. The aim is “to incentivize employment of more women in the formal sector and to enable higher take-home wages”.

#### **Announcement for Employers;**

- Budget Speech of Hon. Finance Minister Shri Arun Jaitely “the government will now contribute 12% of the wages of new employees to the EPFO for all sectors for the next three years”
- It means companies across sectors will not have to pay the employer’s share of provident fund contribution when they hire new employees. To be sure, for the past two years, the apparel and textiles garment sector has been getting the 12% employer’s share of employees provident fund contribution from the government while other sectors have been getting 8.33%.
- While the move is intended to reduce the payroll cost of employers as the government will foot their provident fund burden for new employees, it may also help create fresh job openings across sectors.
- By reducing the EPFO deduction burden and incentivizing EPFO contributions for new employees, the finance minister seems to have addressed a key demand from both job seekers and job providers. Employment creation is a big challenge for the country, while some 12 million people are entering the job market every year, the growth in jobs is believed to be much lower.
- प्रधानमंत्री रोज़गार प्रोत्साहन योजना (PMRPY) के तहत नए कामगारों के लिए नियोक्ताओं को सरकार द्वारा दिए जाने वाले 8.33 % के ईपीएफ अंशदान को बढ़ाकर अब 12 % कर दिया गया है। इससे संगठित क्षेत्र में रोज़गार सृजन को और भी अधिक बल मिलेगा।