LABOUR & INDUSTRIAL LAW

UNIT – IV

Social Security

EPF • ESI • Maternity Benefit • Employees' Compensation

Learning Objectives

01 Explain the Employees' Provident Funds and Miscellaneous Provisions Act, 1952

02 Describe the Employees' State Insurance Act, 1948 and the benefits available

03 Analyse the Maternity Benefit Act, 1961 (as amended)

04 Understand the concept of employer's liability under the Employees' Compensation Act

05 Identify the authorities and enforcement mechanisms under these statutes

Employees’ Provident Funds Act, 1952

Object: To provide for the institution of provident funds, pension funds and deposit-linked insurance funds for employees in factories and other establishments.

Three main schemes:

- Employees’ Provident Fund Scheme
- Employees’ Pension Scheme
- Employees’ Deposit Linked Insurance Scheme

Applicability: Establishments employing 20 or more persons (and others notified by the Government).

Contribution: Both employer and employee contribute at rates prescribed by the Government.

Benefits: Lump-sum on retirement/resignation, monthly pension, and insurance-linked payment on death.

EPF – Important Provisions

Section 1	Applicability and coverage
Section 6	Contributions by employer and employee
Section 7A	Determination of moneys due from employers
Section 8	Mode of recovery of moneys due
Section 14	Penalties for non-compliance
Schemes	PF Scheme, Pension Scheme, EDLI Scheme

Employees’ State Insurance Act, 1948

Object: To provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto.

Key features:

- Applies to factories and other establishments with prescribed number of employees and wage ceiling
- Contributions from both employer and employee
- Benefits administered by the Employees’ State Insurance Corporation (ESIC)
- Medical benefit, sickness benefit, maternity benefit, disablement benefit, dependants’ benefit, funeral expenses
- Insured persons and their families are entitled to medical care

ESI is one of the most important social security legislations for the organised sector.

ESI – Benefits at a Glance

Medical Benefit	Full medical care for insured person and family
Sickness Benefit	Cash compensation during certified sickness
Maternity Benefit	Cash benefit for confinement and related periods
Disablement Benefit	Temporary or permanent disablement compensation
Dependants' Benefit	Pension to dependants on death due to employment injury
Funeral Expenses	Lump-sum payment for funeral of insured person

Maternity Benefit Act, 1961

Object: To regulate the employment of women in certain establishments for certain periods before and after child-birth and to provide for maternity and other benefits.

Key provisions (as amended):

- Maternity leave of 26 weeks for the first two children (12 weeks for subsequent children)
- Leave for adoption and commissioning mothers
- Crèche facility in establishments having 50 or more employees
- Work-from-home option in certain cases after availing maternity leave
- Protection from dismissal during maternity absence
- Medical bonus where free medical care is not provided by the employer

The amendments have significantly strengthened the protective framework for working women.

Maternity Benefit – Important Sections

Section 5	Right to payment of maternity benefit
Section 6	Notice of claim for maternity benefit
Section 9	Leave for miscarriage and related conditions
Section 10	Leave for illness arising out of pregnancy
Section 12	Dismissal during absence of pregnancy prohibited
Section 18	Forfeiture of maternity benefit in certain cases

Landmark Cases & Key Takeaways

Important decisions:

• Municipal Corporation of Delhi v. Female Workers – expansive interpretation of maternity benefits and welfare rights of women workers.

• Various decisions of the Supreme Court and High Courts on coverage under EPF and ESI, contribution disputes, and benefit claims.

Key takeaways:

• EPF, ESI and Maternity Benefit form the core of social security for organised workers.

• Contributions are statutory and non-negotiable.

• Benefits are legal rights, not concessions of the employer.

• Enforcement authorities (EPFO, ESIC, Labour Inspectors) play a crucial role.

• Recent amendments (especially maternity leave of 26 weeks) reflect progressive policy.

Unit-IV – Quick Revision

EPF Act, 1952	PF + Pension + EDLI Schemes; dual contribution
ESI Act, 1948	Medical + cash benefits for sickness, maternity, injury
Maternity Benefit Act	26 weeks leave (first two children); crèche facility
Key Authority	EPFO, ESIC, Labour Inspectors
Nature of benefits	Statutory rights, not employer's grace
Enforcement	Penalties, recovery proceedings, inspections

End of Unit – IV

Social Security – EPF • ESI • Maternity Benefit

Next → Unit-V : Unorganised Labour & Globalisation