

**Bill No. 78 of 2023**

THE CODE ON SOCIAL SECURITY (AMENDMENT)  
BILL, 2023

By

SHRI UNMESH BHAIYYASAHEB PATIL, M.P.

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BILL

*to amend the Code on Social Security, 2020*

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of India as follows:—

1. (1) This Act may be called the Code on Social Security (Amendment) Act, 2023.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification  
5 in the Official Gazette, appoint.

Amendment of section 15.

2. In section 15 of the Code on Social Security, 2020 (hereinafter referred to as principal Act), in sub-section (1), in clause (b), after sub-clause (iii) the following proviso shall be inserted, namely:—

“Provided that the Employees Pension Scheme shall be revised every five years to index for inflation or to be linked to the interest payable on Government Security in such manner as may be prescribed. 5

*Explanation.*— For the purposes of this clause,—“(a) “inflation” includes the rate of increase in the observed general price index between two time periods; and

(b) “Government Security” includes a tradable instrument issued by the Central Government or the State Governments acknowledge the Government’s debt obligation towards short term (usually called treasury bills with original maturities of less than one year) or long term security (usually called Government bonds or dated securities with original maturity of one year or more).” 10

Substitution of new heading for heading.

3. In Chapter VIII of the principal Act, for the heading the following heading shall be substituted, namely:— 15

“SOCIAL SECURITY AND CESS IN RESPECT OF BUILDING, OTHER CONSTRUCTION WORKERS AND INTER-STATE MIGRANT WORKERS”.

Insertion of new section 108A.

4. After section 108 of the principal Act, the following section shall be inserted, namely:—

**“108A. (1) There shall be constituted an Inter-State Migrant Workers Welfare Fund for the welfare of inter-state migrant workers and there shall be credited thereto—** 20

**(a) contribution from the States from where the inter-migrant worker has migrated;**

**(b) contribution from the States to which migrant worker has migrated;** 25

(c) contribution from the principal employers; and

(d) minimum contribution from the inter-State migrant worker.

(2) The amount from the Inter-State Migrant Worker Welfare Fund shall exclusively be utilized for the welfare of inter-State migrant workers.”.

## STATEMENT OF OBJECTS AND REASONS

The Social Security Code (the Code), 2020 has been enacted to amend and consolidate the laws relating to social security with the goal to extend social security to all employees and workers either in the organized or unorganized or any other sectors. The Code has vital provisions with respect to social security benefits to workers including gig workers. India's obligation to provide a comprehensive social security cover for the workers may be traced to several provisions enshrined in the Constitution of India which include *inter-alia* securing equal pay for equal work for both men and women; directions pertaining to the State's responsibility for making effective provisions for assistance in cases of unemployment, old age, sickness and disablement; for securing just and humane conditions of work.

Pensions contribute to economic growth through a range of pathways at household, community and national levels. Within households, they are used for investing in children, tackling stunting and enabling them to attend and perform well in school, thereby helping them become a more effective and productive workforce. Pensioners and their families use the cash they receive to supplement in income generating activities while working age household members are better able to gain employment, increasing overall productivity of the labour force. They also enable households to recover their productivity more quickly following shocks.

Pension indexation affects the income of a large and increasing number of older people. Without indexation, benefit increases are subject to discretionary decisions by governments or pension authorities, implying that the value of a pension in payment depends on economic and political cycles. Therefore, section 15 of the Code has been amended to include inflation indexed pensions schemes.

Further, in the wake of the Covid-19 pandemic one of the issues that emerged is the conditions of the Inter-State Migrant Workers, their retention in job, food and ration facilities for them, etc. Therefore it is only imperative that a separate fund be created for the purpose of providing monetary support to Inter-state Migrant Workmen.

Hence this Bill.

NEW DELHI;  
November 23, 2022

UNMESH BHAIYYASAHEB PATIL

## FINANCIAL MEMORANDUM

Clause 4 of the Bill *vide* proposed new section 108A provides for constitution of an Inter State Migrant Workers Welfare Fund for the purpose of welfare of inter-state migrant workers.

The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. It is likely to involve a recurring expenditure of about rupees one hundred crore per annum from the Consolidated Fund of India.

A non-recurring expenditure of about one hundred crore is also likely to be involved.

ANNEXURE

[EXTRACT FROM THE CODE ON SOCIAL SECURITY ACT, 2020]

(ACT NO. 36 OF 2020)

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15. (1) The Central Government may, by notification— Schemes.

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(b) frame a scheme to be called the Employees' Pension Scheme for the purpose of providing for—

(i) superannuation pension, retiring pension or permanent total disablement pension to the employees of any establishment or class of establishments to which this Chapter applies;

(ii) widow or widower's pension, children pension or orphan pension payable to the beneficiaries of such employees; and

(iii) nominee pension;

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CHAPTER VIII

SOCIAL SECURITY AND CESS IN RESPECT OF BUILDING AND OTHER  
CONSTRUCTION WORKERS

108. (1) There shall be constituted by a Building Workers' Welfare Board a fund to be called the Building and Other Construction Workers' Welfare Fund and there shall be credited thereto—

Building and Other Construction Workers' Welfare Fund and its application.

(a) the amount of any cess levied under sub-section (1) of section 100;

(b) any grants and loans made to the Building Workers' Welfare Board by the Central Government; and

(c) all sums received by the Building Workers' Welfare Board from such other sources as may be decided by the Central Government.

(2) The Building and Other Construction Workers' Welfare Fund shall be applied for meeting—

(a) expenses of the Building Workers' Welfare Board in the discharge of its functions under sub-section (6) of section 7;

(b) salaries, allowances and other remuneration of the members, officers and other employees of the Building Workers' Welfare Board; and

(c) expenses on objects and for purposes authorised by this Code.

(3) No Building Workers' Welfare Board shall, in any financial year, incur expenses towards salaries, allowances and other remuneration to its members, officers and other employees and for meeting the other administrative expenses exceeding five per cent. of its total expenses during that financial year.

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*(Shri Unmesh Bhaiyyasaheb Patil, M.P.)*