

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA
UNSTARRED QUESTION NO. 3745
TO BE ANSWERED ON 16.03.2026**

FUNDING UNDER CODE ON SOCIAL SECURITY, 2020

3745. SHRI MADDILA GURUMOORTHY:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government has finalised a sustainable funding framework under the Code on Social Security 2020 to ensure timely payment of benefits to the beneficiaries, particularly for unorganised, gig and platform workers;**
- (b) if so, the details thereof;**
- (c) whether any mechanisms have been put in place to mandate contributions from aggregators, principal employers and State Governments to prevent diversion or under-utilisation of social security funds; and**
- (d) if so, the details thereof including audit mechanisms, disclosure norms, penalties for defaulting employers or aggregators and safeguards proposed to ensure transparency, fiscal accountability and long-term viability of social security schemes under the said Code?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SUSHRI SHOBHA KARANDLAJE)**

(a) to (d): The Code on Social Security, 2020 has come into force on 21.11.2025 with the objective to consolidate and simplify the existing social security laws into a single framework and to extend social security coverage to all workers, including organised, unorganised, gig, platform, and self-employed workers, by ensuring universal access to social security benefits, promoting portability of benefits across employments and States, enabling the Central and State Governments to frame appropriate schemes, leveraging technology for efficient delivery and clearly defining the roles of Governments, employers and aggregators.

The Code provides for framing of suitable welfare schemes for unorganised workers on matters relating to-

Contd..2/-

- (i) life and disability cover;**
- (ii) health and maternity benefits;**
- (iii) old age protection;**
- (iv) education; and**
- (v) any other benefit as may be determined by the Central Government.**

Similarly, the code also provides for framing of suitable social security schemes for gig workers and platform workers on matters relating to-

- (a) life and disability cover;**
- (b) accident insurance;**
- (c) health and maternity benefits;**
- (d) old age protection;**
- (e) crèche; and**
- (f) any other benefit as may be determined by the Central Government.**

Further, Code provides for constitution of National Social Security Board for Unorganised workers, Gig workers and Platform workers to exercise the power conferred on and to perform functions assigned to it.

Code also provides for establishment of a Social Security Fund for social security and welfare of the unorganised workers, gig workers and platform workers and the sources of the fund shall comprise of funding received-

- a) any scheme wholly funded by the Central Government;**
- b) partly funded by the Central Government and partly funded by the State Government; or**
- c) wholly funded by the contributions of the aggregators; or**
- d) from the composition of the offences under this Code relating to Central Government and from any other Social Security Fund established under any other Central labour law.**
- e) The contribution to be paid by the aggregators shall be at such rate not exceeding two per cent., but not less than one per cent., as may be notified by the Central Government, of the annual turnover of every such aggregator who falls within a category of aggregators.**
- f) any other source.**

:: 3 ::

For the first time, the definition of 'gig workers' and 'platform workers' and provisions related to the same have been provided in the Code on Social Security, 2020 which has come into force on 21.11.2025.

The Code provides for offences and penalties in cases of failure on the part of the employer to pay contributions.
