

# **Social Security Scheme for Platform based Gig workers**

## **1. Introduction:**

The Code on Social Security, 2020 was enacted on 28th September, 2020 to reform the existing laws relating to the social security and expanding its applicability to all employees and workers that includes unorganized, and platform based gig workers. The main aim of the Act is 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 and for matters connected therewith or incidental thereto.

Section 114 of the code empowers the central government to frame and notify the suitable social security schemes for gig and platform workers on matters relating to life and disability cover, Accident insurance, health and maternity benefits, old age protection, crèche and any other benefits as may be determined by the central government. The central government notify social security scheme for the platform based gig workers.

The Platform based Gig workers welfare scheme intend to provide certain benefits to the Platform based Gig workers. This scheme will be implemented by the central government as per the provisions of the Code on Social Security, 2020 (36 of 2020) and the Code on Social Security (Central) Rules, 2021.

## **2. Objectives:**

The main objective of this scheme is for extending Social Security Scheme to the Platform based Gig workers. Following are the six components of social security that configure its scope:

- (a) life and disability cover;
- (b) accident insurance;
- (c) health and maternity benefits;
- (d) old age protection.

## **3. Constitution and composition of the Board for the welfare of gig workers and platform workers.**

Section 114 (6) of the social security code provides for constitution of Board for the purpose of welfare of the gig workers and platform workers. The following members shall form the composition of the board:

- a) Union Minister for Labour and Employment as Chairperson (Ex-officio)
- b) Secretary, Ministry of Labour and Employment as Vice-Chairperson (Ex-officio)
- c) Five representatives of the aggregators as the Central government may nominate.

- d) Five representatives of the platform based gig workers as the Central government may nominate.
- e) Director General of ESIC
- f) Central Provident Fund Commissioner
- g) Five expert members as the Central Government may consider appropriate
- h) Five representatives of State Governments by such rotation as the Central Government may consider appropriate
- i) Joint Secretary to the Government of India in Ministry of Labour and Employment who shall be the Member Secretary to the Board

Terms of the members of the board will be three years. A member of the National Social Security Board other than an ex officio member thereof, shall hold office for a period not exceeding three years from the date of his nomination and shall be eligible for re-nomination.

Provided that a member, other than an ex officio member, shall not hold the office for more than total of two terms.

#### **4. Functions of Platform Based Gig Workers Social Security Board:**

The Social Security Board shall perform the following functions, namely:—

- a) recommend to the Central Government for framing suitable schemes for different sections of unorganized workers, gig workers and platform workers;
- b) advise the Central Government on such matters arising out of the administration of this Code as may be referred to it;
- c) monitor such social welfare schemes for unorganized workers, gig workers and platform workers as are administered by the Central Government;
- d) review the record keeping functions performed at the State level;
- e) review the expenditure from the fund and account; and
- f) Undertake such other functions as are assigned to it by the Central Government from time to time.

#### **5. Constitution of Platform based gig workers social security fund:**

Government will constitute platform based gig workers social security fund. The sources of the fund shall be as under

- i. Funds received from the central government and state government,
- ii. Contribution/cess collected from the aggregators,
- iii. Contribution collected from Platform workers,
- iv. Funds received from the corporate social responsibility fund, and
- v. Any other source.

## 6. Nature of benefits:

All the benefits provided by the ESIC Corporation to the insured persons (IPs) will be provided to the registered platform workers. The required contribution payable to the ESIC will be given by the government from the platform workers welfare fund. The details of the benefit are as follows:

- 1) **Medical Benefit:** Full medical care is provided to an Insured person and his family members from the day he enters insurable employment. There is no ceiling on expenditure on the treatment of an Insured Person or his family member. Medical care is also provided to retired and permanently disabled insured persons and their spouses on payment of a token annual premium of Rs.120/- .
- 2) **Sickness Benefit:** Sickness Benefit in the form of cash compensation at the rate of 70 per cent of wages is payable to insured workers during the periods of certified sickness for a maximum of 91 days in a year. In order to qualify for sickness benefit the Insured Person is required to contribute for 78 days in a contribution period of 6 months. Extended Sickness Benefit (ESB) : SB extendable upto two years in the case of 34 malignant and long-term diseases at an enhanced rate of 80 per cent of wages. Enhanced Sickness Benefit : Enhanced Sickness Benefit equal to full wage is payable to insured persons undergoing sterilization for family planning upto 7 days/14 days for Vasectomy and Tubectomy respectively.
- 3) **Maternity Benefit:** Maternity Benefit for confinement/pregnancy is payable for Twenty Six (26) weeks, which is extendable by further one month on medical advice at the rate of full wage subject to contribution for 70 days in the preceding Two Contribution Periods.
- 4) **Disablement Benefit:** a) Temporary disablement benefit (TDB) : From day one of entering insurable employment & irrespective of having paid any contribution in case of employment injury. Temporary Disablement Benefit at the rate of 90% of wage is payable so long as disability continues. b) Permanent disablement benefit (PDB) : The benefit is paid at the rate of 90% of wage in the form of monthly payment depending upon the extent of loss of earning capacity as certified by a Medical Board
- 5) **Dependents Benefit:** DB paid at the rate of 90% of wage in the form of monthly payment to the dependants of a deceased Insured person in cases where death occurs due to employment injury or occupational hazards.
- 6) **Funeral Expenses:** An amount of Rs.15,000/- is payable to the dependents or to the person who performs last rites from day one of entering insurable employment. b) Confinement Expenses : An Insured Women or an I.P.in respect of his wife in case confinement occurs at a place where necessary medical facilities under ESI Scheme are not available. c) In addition, the scheme also provides some other need based benefits to insured workers. Vocational Rehabilitation :To permanently disabled Insured Person for undergoing VR Training at VRS. Physical Rehabilitation : In case of physical disablement due to employment injury.
- 7) **Rajiv Gandhi Shramik Kalyan Yojana:** This scheme of Unemployment allowance was introduced w.e.f. 01-04-2005. An Insured Person who become unemployed after being insured two or more years, due to closure of factory/establishment, retrenchment or permanent invalidity not less than 40% arising out of non-employment injury are entitled to :- Unemployment Allowance equal to 50% of wage for a maximum period of upto Two Years during the life time. Medical care for self and family from ESI Hospitals/Dispensaries during the period IP receives unemployment allowance. Vocational Training provided for upgrading

skills - Expenditure on fee/travelling allowance borne by ESIC.

- 8) **Atal Beemit Vyakti Kalyan Yojana (ABVKY):** This scheme is a welfare measure for employees covered under Section 2(9) of ESI Act, 1948, in the form of relief payment upto 90 days, once in a lifetime. The Scheme was introduced w.e.f. 01-07-2018 on pilot basis for a period of two years initially. The scheme has now been extended upto 30 June 2022. It has also been decided to enhance the rate of unemployment relief under the scheme to 50% of wages from earlier rate of 25% along with relaxation in eligibility conditions, provided the Insured Person should have been in insurable employment for a minimum period of one year immediately before her/his unemployment and should have contributed for not less than 78 days in the completed contribution period in 12 months immediately prior to unemployment. In a significant relaxation, relief shall become due for payment after 30 days from date of unemployment and claim can be submitted directly to the designated ESIC Branch Office by the worker. Claims to get the relief can be made online at website [www.esic.in](http://www.esic.in) along with submission of the physical claim with an affidavit, photocopy of Aadhaar Card and Bank Account details to the designated ESIC Branch Office by post or in person.
- 9) Incentive to employers in the Private Sector for providing regular employment to the persons with disability: Minimum wage limit for Physically Disabled Persons for availing ESIC Benefits is 25,000/-. Employers' contribution is paid by the Central Government for 3 years.

The above stated benefits shall be provided through the ESIC. The required contribution payable to the ESIC will be given by the Government from the Platform based gig workers social security fund.

- 10) **Old Age Protection:** The platform workers will be given old age protection by way of old age pension and family pension by enrolling them under Pradhan Mantri Shram Yogi Maandhan (PM-SYM) / Atal pension Yojana (APY). The required contribution payable by the worker will be paid from the fund.

## **7. Process for the registration as beneficiary of the scheme:**

- i. A platform based gig worker shall be eligible to avail the benefit of the concerned scheme after completion of registration process.
- ii. Every aggregator shall share the details of the platform based gig workers who are engaged with such aggregator on the e-ashram portal/any other portal of the Central Government for the generation of a Universal Account Number if such worker is not already in possession of such number.
- iii. The aggregator on engaging platform based gig worker shall register such worker on the designated portal of the Central Government.
- iv. Every registered platform based gig worker shall be issued an identity card, digital or otherwise, bearing his photograph and other details as specified by the Central Government for such purpose; and such digital card can be downloadable from the designated portal of the Central Government.
- v. For facilitating the updating of particulars of registered platform based gig workers, every aggregator shall share electronically the details of the platform based gig workers engaged with such aggregator, quarterly or at such other periodicity and in such form as shall be

specified on the designated Portal.

## **8. Eligibility Criteria:**

Eligibility conditions for the beneficiary of the scheme:

- a) he/she must have worked not less than 90 days as platform worker in the preceding 12 months,
- b) who has completed the age of sixteen years, but not attained the age of sixty years,
- c) should not be a member of EPFO/ESIC,
- d) Registration as gig or platform workers on e-shram or any other designated portal.

## **9. Registration of establishments and cancellation thereof:**

- i. The aggregator seeking registration for an establishment not already registered shall apply electronically in the Form I on the Shram Suvidha Portal / any other designated portal of Central Government by giving details about the establishment, and uploading documents related to Registration of the establishment, proof of Identity and address of the aggregator(s) as specified in the Form.
- ii. The Form shall be signed digitally or in any other manner as may be required on the portal.
- iii. The applicant shall be responsible for veracity of all information submitted in the application.
- iv. The Permanent Account Number (PAN) of the establishment allotted under Income Tax Act, 1961 or any other unique number allotted to the establishment under any other Act for the time being in force or any other particular furnished in the form, may be verified online.
- v. The certificate of registration shall be issued electronically immediately if the application is complete in all respect but not later than seven days from the date of submission of complete application, failing which such establishment shall be deemed to have been registered and the certificate of registration shall be auto generated:
- vi. The Authorized officer of the Central Government may direct the aggregator who fails to comply with the requirements of registration of establishment, to do so within the time stated therein and such aggregator shall, thereupon comply with the instruction issued by the officer in this behalf.
- vii. The aggregator in respect of an establishment already registered under any other central labour law for the time being in force shall, update the registration particulars on the Shram Suvidha Portal / any other portal of Central Government, within such period as the Central Government may specify by notification.
- viii. Any registration made or deemed to have been made shall expire, after twenty-four months from the date of registration, in case no compliance on that registration number is made by the aggregator. Such expiration of the registration may be revoked on an application made on the portal.
- ix. Any registration obtained by providing wrong information shall be liable to be cancelled provided that the establishment has been given an opportunity to show cause within a period of 30 days from the date on which the notices served under the concerned aggregator, electronically or otherwise, as to why the certificate of registration should not be cancelled.
- x. The aggregator shall quote the Registration Number on all documents prepared or submitted by him in connection with the Scheme, and in all correspondence with the offices concerned.
- xi. Any change in the particulars furnished in Registration Form submitted on the specified

- portal, shall be updated by the aggregator within thirty days of such change.
- xii. The aggregator of an establishment, whose business activities are in the process of closure, may apply for cancellation of registration in prescribed form online on the Shram Suvidha Portal / any other portal of Central Government after giving complete details and the status of the contribution and other dues payable.
  - xiii. The application for cancellation of registration shall be allowed after the particulars in the application are verified in the manner as may be specified by the Central Government:
  - xiv. No such application for cancellation of registration shall be entertained unless the aggregator has furnished all statutory returns, paid all statutory dues and submitted a self-certification to that effect along with the application.
  - xv. A copy of the certificate of registration shall be displayed at the conspicuous places at the premises where the work is being carried out

## **10. Collection and administration of Cess:**

### **i. Levy and collection of Cess:**

The cess shall be levied and collected at the rate of 1 % of the annual turnover of every such aggregator who falls within the category of aggregators. Provided that the contribution by an aggregator shall not exceed five per cent of the amount paid or payable by an aggregator to platform workers. This shall include all such workers engaged with the aggregator directly or through the associate company or holding company or subsidiary company or limited liability partnership or through a third party.

### **ii. Time and manner of collection:**

- a) The cess levied on the aggregator shall be paid by an aggregator, within sixty days of closing of the financial year or within sixty days of the date on which assessment of cess payable is finalized, to the Central Government.
- b) If any aggregator fails to pay any amount of contribution within the specified time aggregator shall be liable to pay interest on the amount of contribution, to be paid, at the rate of one per cent for every month or part of a month comprised in the period from the date on which such payment was due till such amount is actually paid.

### **iii. Information to be furnished by the aggregators:**

- a) Every aggregator, within Sixty days of closing of financial year, as the case may be furnish the information on the designated portal by Central Government in Form II.
- b) Any change or modification in the information furnished in form II shall be communicated to the authority designated by Central Government immediately but not later than thirty days from the date of affecting the modification or change.

### **iv. Assessment:**

- a) The authority designated by Central Government, on receipt of information in Form II an aggregator shall make a scrutiny of such information furnished and, if he/she is satisfied about the correctness of the particulars so furnished, he/she shall make an order of assessment within a period not exceeding three months from the date of receipt of such information in Form II,

indicating the amount of cess payable by the aggregator and endorse a copy thereof to the aggregator electronically.

- b) The order shall inter-alia specify the amount of cess due, cess already paid by the aggregator and the balance amount payable and the date, consistent with the provision of social security rule, by which the cess shall be paid to Central Government.
- c) If on scrutiny of information furnished, the authority designated by Central Government is of the opinion that aggregator has under-calculated or miscalculated the cost of construction or has calculated less amount of cess payable, he shall issue notice to the aggregator for assessment of the cess.
- d) On receipt of such notice the aggregator shall furnish to the authority designated by Central Government a reply together with copies of documentary or other evidence in support of his claim, within fifteen days of the receipt of the notice: provided that the authority designated by Central Government may, in the course of assessment, afford an opportunity to the assessee to be heard in person, if he so requests to substantiate his claim.
- e) If the aggregator fails to furnish the reply within the period specified under the rule, or where an aggregator fails to furnish information in Form II, The authority designated by Central Government shall proceed to make the assessment on the basis of available records, and other information incidental thereto.
- f) **Return of overpaid cess:** After finalisation of the audited statement of the account for the previous financial year as per the relevant provisions of the Income-Tax Act, 1961 (43 of 1961) or the Companies Act, 2013 (18 of 2013) or the Limited Liability Partnership Act, 2008 (6 of 2009), each aggregator shall submit a final return in Form-III, detailing the provisional payment of contribution made along with the details of outstanding contribution, if any, paid by 31st October, of the current year in which the contribution is payable. In case of excess contribution, if any, paid by any aggregator, such aggregator shall claim the refund in **Form-III** of such excess amount. The authority designated by the Central Government in this regard shall scrutinize **Form-III**, as submitted by the aggregator and the excess amount paid, if any, shall be refunded electronically in the bank account specified in **Form-III**, within a period not exceeding ninety days from the date of receipt of such claim.

## 11. Role of Aggregators in the Scheme:

The role of aggregators in the scheme shall be to register electronically each and every platform based gig workers and to educate them about social scheme available to them after registration. The promotion of schemes under this code is also the responsibility of aggregators.

## 12. Setting up of Helpline and Facilitation Centers:

The Central Government may set up a toll free call centre or helpline or such facilitation centres as may be considered necessary from time to time to perform any or more of the following functions, namely:—

- a) To disseminate information on available social security schemes for platform based gig workers;

- b) To facilitate filing, processing and forwarding of application forms for registration of platform based gig workers;
- c) To assist platform based gig workers to obtain registration; and
- d) To facilitate the enrolment of the registered platform based gig workers in the social security schemes.

## **FORM-I**

### **Application for Registration for existing establishments/New Establishment/Amendment to certificate of Registration**

#### **A. Establishment Details.**

1. Retrieve details of Establishment through LIN:
2. Name of Establishment:
3. Location and Address of the Establishment:
4. Others details of Establishment:
  - a. Total Number of employees engaged directly in the establishment:
  - b. Total Number of the contract employees engaged:
  - c. Total Number of Inter-State Migrant workers employed:

#### **5 (a) For factories:**

Details of the manufacturing process	Full postal address and situation of the factory alongwith plan approval details	Name and address of the occupier and manager	Maximum number of workers to be employed on any day
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1	2	3	4
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**5 (b) For mines:**

Name of Mineral (s)	Lease extent of the mine(in Acres)	Name and address of the owner	Average Monthly output, targeted (Tonne)	Maximum number of persons to be employed on any day
1	2	3	4	5

**5 (c) For Dock work:**

Name of dockWork /Major Port	Types of Dock Works	Name of the Cargo handled and stored along with quantity	Name of the chemicals handled and stored along with quantity	Name of the hazardous chemicals handled and stored along with quantity
1	2	3	4	5

**5 (d) For building and other construction work:**

Type of Construction work	Probable period of commencement of work	Expected period for completion of work	Details of approval of the local authority
1	2	3	4

6. Ownership Type/Sector:

7. Activity as per National Industrial Classification:

8. Details of Selected NIC Code:

9. Identification of the establishment e-sign/ digital sign of employer/ representative:

**B. Details of Employer:-**

1. Name & Address of Employer / Occupier / Owner/Agent/ Chief Executive/ port authorityetc :
2. Designation :
3. Father's/ Husband's Name of the Employer :
4. Email Address, Telephone& Mobile No :

**c. Manager/ Agent Details**

1. Full name & Address of Manager/ Agent or person responsible for supervision and control of the Establishment
2. Address of Manager/ Agent:

3. Email Address, Telephone& Mobile No :

**D. Contractor Details**

Name and Address Contractor	Email address& Mobile of Contractor	Name of Work	Maximum No. of Contract labour engaged	Date of Commencement / Probable date of Completion of work
1	2	3	4	5

**E. Others Details:-**

Dated:-

Signature/ E-sign/digital sign of employer

Place:-

## FORM – II

### Format for self- assessment of contribution by aggregators of gig workers or platform workers

(To be submitted by 31<sup>st</sup> May of the current year in which the contribution is payable)

1	Registration number (LIN) of Aggregator		
2	Name of the Aggregator and address/ location of Aggregator		
3	Name and address of the authorised person along with contact details		
4	Number of gig workers or platform workers engaged with the Aggregator as on opening day of the current financial year, i.e. 1 <sup>st</sup> day of April in the year in which contribution is payable.		
5	Annual turnover of such aggregator of the preceding year		
6	Provisional contribution assessment (tick whichever is applicable) -		
	6.1	% of the annual turnover as notified under sub-section (4) of section 114 for the preceding year	
	6.2	5% of amount paid or payable to gig workers and platform workers, by the aggregator during the preceding year.	
7	Amount of contribution payable (in Rs.)		
8	Payment of provisional contribution as assessed above.		
9	Details of the provisional payment		
10	Remarks, if any		

Note: For this purpose, the annual turnover of an aggregator shall not include any tax, levy and cess paid or payable to the Central Government.

### **Declaration**

I/We hereby declare that the particulars given above are true to the best of my/our knowledge and belief and I/We hereby declare that nothing has been concealed or any fact has been misrepresented in the above calculation made by me/us.

Signature of authorized person  
Along with seal and stamp

Name:

Date:

Place:

Mobile Number:

E-mail (if any):

### FORM – III

**Format for return to be submitted by Aggregators of gig workers or platform workers  
( to be submitted by 31<sup>st</sup> October, of the current year in which the contribution is payable. )**

1	Registration number (LIN) of Aggregator		
2	Name of the aggregator and address/ location of aggregator		
3	Name and address of the authorised person along with contact details		
4	Number of gig workers or platform workers engaged with the aggregator as on opening day of the current financial year, i.e. 1 <sup>st</sup> day of April in the year in which contribution is payable.		
5	Annual turnover of such aggregator of the preceding year		
6	Final contribution assessment after audited statement of account		(Amount in Rs.)
	6.1	% of the annual turnover as per notification under sub-section (4) of section 114 for the preceding year	
	6.2	5% of the liability of the aggregator to gig workers and platform workers	
7	Amount of contribution payable (in Rs.)		
8	Amount paid as provisional contribution based on self-assessment.		
9	Details of the provisional payment (along with receipt)		
10	Amount of outstanding contribution to be paid (Sl. No 7- Sl.No. 8)		
11	Proof of payment of outstanding contribution, if any		
12	Amount of excess paid contribution, if any		
13	In case excess paid, details of the bank account in which excess amount is to be refunded		
14	Remarks, if any		

Note: For this purpose, the annual turnover of an aggregator shall not include any tax, levy and cess paid or payable to the Central Government.

### **Declaration**

I/We hereby declare that the particulars given above are true to the best of my/our knowledge and belief and I/We hereby declare that nothing has been concealed or any fact has been misrepresented in the above calculation made by me/us.

Signature of authorised person

Along with seal and stamp

Name:

Date:

Place:

Mobile Number:

E-mail (if any):