

## Employment Law Relief for Employers in India

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We are in the midst of a national disaster with no end in sight. All States and Union Territories of India are currently under lock-down until April 14, 2020, which date may be extended if the virus spread is not contained. The pandemic is predicted to have far reaching consequences on the economy. Battling time, the Indian government is utilizing all its resources to ensure safety of the citizens.

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*Below is a summary of the important relief measures initiated by the Indian government for employers until March 31, 2020.*

- The Finance Minister of India has announced that the Government shall pay 24% of the monthly wages of wage-earners employed in businesses having less than 100 workers and earning less than INR 15,000 (approx. USD 200) in their Provident Fund accounts for three months from April 2020. In pursuance of the same, the Employees' Provident Fund Organization (EPFO) has declared that the 24% contribution will include the Provident Fund contribution for the employee as well as the employer (12% each).
- The State governments / Union Territories have been instructed by the Ministry of Labour and Employment to utilise the welfare funds under the Building and Construction Workers' Welfare Cess Act, 1996, as

collected by the Labour Welfare Boards, which currently has a corpus of INR 52,000 crores (approx. USD 6,800 million) to provide relief to construction workers through Direct Benefit Transfer mode.

- The EPFO has allowed employees in certain notified areas to access a non-refundable advance from their individual respective provident fund account up to three months' basic wages and dearness allowance or 75% of the amount available in the employee's account, whichever is lesser.
- The EPFO has relaxed Know Your Customer ("KYC") verification norms allowing online verification / rectification of Date of birth of Employees' Provident Fund account holders based on the Date of birth specified in their Aadhaar cards in order to expedite the process of accessing refundable advance made available by way of notification dated March 27, 2020.
- The Employees' State Insurance Corporation (ESIC) has extended the date of statutory insurance contribution by employers for February and March 2020, to April 15, 2020 and May 15, 2020 respectively.
- The ESIC has also allowed employers who did not file the relevant statutory contributions for their employees for the period April 2019 to September 2019 to file such contributions until May 15, 2020.
- The Indian Ministry of Labour and Employment has extended the last date of filing unified annual returns under eight labour statutes and ten central rules, allowing employers to complete their filings until April 30, 2020 without any consequent penalty.
- The Ministry of Labour and Employment has given relaxation to all employers in mines for submission of notices, returns and other forms required under the Mines Act, 1952 and rules and regulations thereunder, for one month from the date of respective due dates for such submissions.

Given the adverse economic impact due to mandatory lock down imposed by the Indian government, more initiatives are expected. As the virus continues to spread, the pressure continues to mount. Proprietors and businesses in labour-intensive countries like India are already struggling to meet their liabilities and obligations towards their workers.

If the government truly wants employers to comply with its advisories and notifications restricting employers from terminating workers or reducing their wages, the government will need to rise up to the challenge. This is the time for innovative relief measures that have a direct and positive impact upon employers, similar to those in Canada, Denmark and Singapore. As it's said, a stitch in time saves nine..

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