

**GOVERNMENT OF INDIA  
LABOUR AND EMPLOYMENT  
LOK SABHA**

UNSTARRED QUESTION NO:3439

ANSWERED ON:10.08.2015

Non-payment of Wages

Chaudhary Shri P.P.; Chautala Shri Dushyant; Chavan Shri Ashok Shankarrao; Gaikwad Dr. Sunil Baliram; Gupta Shri Sudheer; Joshi Shri Chandra Prakash; Kirtikar Shri Gajanan Chandrakant; Patole Shri Nanabhau Falgunrao; Singh Deo Shri Kalikesh Narayan; Singh Shri Kunwar Haribansh

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

- (a) whether the Government proposes to amend the Provident Fund Act and if so, the details thereof and whether the Government has invited suggestions from State Governments and small factories and medium enterprises in this regard;
- (b) if so, the details thereof and the status of all such suggestions received;
- (c) whether instances of non-payment of minimum wages to workers and employees of private companies also not crediting the share of PF in their accounts have come to the notice of the Government in various States including Maharashtra;
- (d) if so, the details thereof and the corrective steps taken in this regard including action taken against defaulting companies;
- (e) whether the Government has decided for digitization of complete database of subscribers of EPFO through universal account number, if so, the time frame fixed in this regard and the current status thereof; and
- (f) the status of Shram Suvidha Portal as on date including total registration made so far, inspections undertaken, grievances received and resolved?

**Answer**

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT

(SHRI BANDARU DATTATREYA)

(a) & (b): A proposal for comprehensive amendment to the Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952 is under consideration of the Government which, inter alia, includes reducing threshold limit from 20 to 10 employees for coverage under the Act, removal of Schedule for coverage under the Act, simplification of definition of wages, etc., multi-member EPF Appellate Tribunal, a new category of "Small Establishments" (employing upto 40 persons), exclusion of establishment/class of establishment/individual or class of employees on opting for National Pension System (NPS), etc.

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All the above amendments have been included in the proposed comprehensive amendment to the EPF & MP Act, 1952 and discussed in two rounds of tripartite consultations held with various stakeholders, i.e., State Governments, employers' and employees' representatives.

(c) & (d): Whenever violation of the provisions of the Minimum Wages Act, 1948 is come to the notice of the concerned Machinery, i.e., in the Central sphere, the Central Industrial Relations Machinery (CIRM) and in the State sphere (including Maharashtra), the State enforcement machinery, appropriate actions against defaulting employers as per provisions of the Act are taken. The officers of these machineries are appointed as Inspectors under the provisions of the Act. They conduct regular inspections and in the event of detection of any case of non-payment of minimum wages, they advise the employers to make payment of the shortfall of wages. In case of non-compliance of advices of inspectors, there are provisions for prosecution in the Act against the defaulting employers. Further, whenever instances come to the notice of Employees' Provident Fund Organisation (EPFO) about violation of provisions of EPF & MP Act, 1952, the following actions are taken by EPFO against the defaulting establishments:-

- i. Action under Section 7A of EPF & MP Act, 1952 is taken against the defaulting establishments for assessment of dues.
- ii. Action under Section 14B of the Act is taken for levying of damages for belated deposit of dues.
- iii. Action under Section 7Q of the Act is taken for levy of interest for belated remittances.
- iv. Recovery actions as provided under Section 8B to 8G of the Act are taken.
- v. Action under Section 14 of the Act is taken for filing prosecution against the defaulters before the competent court of law.
- vi. Action under Section 406/409 of Indian Penal Code (IPC) is taken against the employer for non-payment of employees' share of contribution deducted from the wages/salary of the employees but not deposited in the Employees' Provident Fund (EPF).

(e): EPFO has started the process of digitizing its various records and the Universal Account Number (UAN) Programme is one of the important areas addressing the completion of data bases. The initial allotment of UAN on 25th July, 2014 was 4.17 crore which has now incrementally grown to 4.94 crore as on 5th August, 2015. Since it is an ongoing process, no time frame can be fixed in this regard.

(f): Under the Shram Suvidha Portal, launched on 16.10.2014, the computerized status of Inspections/Establishments (as on 04.08.2015) indicates that 961586 Labour Identification Number (LIN) have been allotted. Total 107409 inspections have been assigned, out of which inspections report in respect of 95914 cases have been uploaded.

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