

MERGE VARIOUS SOCIAL SECURITY BENEFITS TO ONE “UNIFORM SOCIAL SECURITY SYSTEM”

Social security is widely defined as “The security of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident, to provide for retirement through age, to provide against loss of support by death of another person and to meet exceptional expenditure, such as those concerned with birth, death and marriage.” For this reason, it becomes the obligation of the Government and authorities to help workers by providing them the social safety cover. This fact has been recognized by the employers and policymakers. These are some of the measures considered while establishing the legislation to help maintain individual or family income or to provide income when some or all sources of income are disrupted or terminated or when exceptionally heavy expenditures have to be incurred.

Further, State and Union Government provide various social security benefits to employees. Some of which are –

1. Employees’ State Insurance Act, 1948 (ESI Act)
2. Employees’ Provident Funds Act, 1952
3. Workmen’s Compensation Act, 1923 (WC Act)
4. Maternity Benefit Act, 1961 (M.B. Act)
5. Payment of Gratuity Act, 1972 (P.G. Act)

Unlike several countries in the world, India do not have an existing universal social security system with approx. 90% of the workforce is in the informal sector. Today nearly 1/8th of the world’s older people live in India. The overwhelming majority of these depend on transfers from their children. In India the coverage gap i.e. workers who do not have access to any formal scheme for old-age income provisioning constitute about 90% of the estimated workforce of 400 million people.

AIAI strongly suggests that all these benefits under various acts to employees should be merged into Uniform Social Security Benefit Act. This will reduce the transaction and operation cost which will be beneficial to all concerned. The Government of India is committed to providing benefits to employees for their retirement benefits. The efforts should therefore be made to strengthen the existing system to enable them to get maximum benefits.

We also recommend that the amount deducted from the salary should not be bifurcated under different heads but should be one consolidated figure. However the percentage deducted may not be considered but benefit to the workers will be more even if it is done in this manner.