CHAPTER - TEN

OTHER SCHEMES OF SOCIAL SECURITY
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Some other important schemes of Social Security viz., Maternity Benefit Scheme, Payment of Gratuity Scheme and Old Age Pension Scheme have been analysed in this Chapter.

(1) MATERNITY BENEFIT SCHEME:

Although the child birth convention, 1919 adopted by the International Labour Conference at Washington but it could not be ratified by the Government of India for following reasons; i.e. difficulty of enforcing compulsory abstention from work in case of the pregnant women workers, shortage of lady doctors who could issue medical certificates, the migratory habit of women workers, prevalence of primitive methods of treatment and employers as well as the employees not willing to contribute towards the finances of the scheme. The Government also feared victimisation of the female employees and their dismissal or discharge by the employers at the first sign of pregnancy. In view of this, the Government of India consulted Local Governments and employers etc., and submitted its report to the International Labour Conference in November, 1921. "The general tenor of this report was that legislation upon the subject would be premature, but that an attempt would be made to induce the principal organized industries to start voluntary benefit schemes by assisting them financially."¹ Thus, "they thought that the scheme would achieve no results so far as this aspect is concerned.

Therefore, the Government of India expressed their inability to ratify the convention in its present form.¹

However, the need of maternity benefits for women workers has always been very great. Consequently almost all the State Governments undertook legislations on this subject.² Besides these provincial enactments, the Central Government also passed the Mines Maternity Benefit Act in the year 1941 and E.S.I. Act, 1948³ and Plantation Labour Act, 1951 which provides maternity benefits to the female workers.

UTTAR PRADESH AND THE MATERNITY BENEFITS:

The Royal Commission on Labour suggested that the maternity benefit scheme should be made compulsory in respect of women permanently employed in industrial establishments, and the cost of benefits should be born by the employers. As a result of this recommendation, the Uttar Pradesh Government (then United Provinces) passed the United Provinces Maternity Benefit Act, 1938. The obvious object of the Act was to provide security of employment to women workers during maternity period and also to provide medical, financial and leave benefit during the same period.

The Act applies to all regulated factories where manufacturing process is carried on with the help of power and where ten or more workers are employed.

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(1) Hasan N. Social Security System of India, p.38.
(2) See Chapter VI for details of Provincial Maternity Benefits.
(3) See Chapter VIII for details of E.S.I. Maternity Benefits.
QUALIFYING CONDITIONS:

As regards the qualifying period, the Act provided for six months' service preceding the date of notice, for being entitled to the benefit.

PERIOD OF BENEFIT:

As regards the period of benefit, Act provides eight weeks of benefits, i.e. four weeks preceding and four weeks following the delivery.

AMOUNT OF BENEFIT:

The Act provides free medical attendance at the time of confinement. The beneficiary is paid full salary or average daily earnings, whichever is greater. The Act also provides that a woman worker employed in any factory and having a child of less than one year of age shall be entitled to two intervals of rest of half an hour each, one in the forenoon and the other in the afternoon or at such times as she thinks fit, in addition to normal rest intervals permissible under the Factories Act. But these intervals in case if a creche is maintained by the employer, will be of 15 minutes duration only. The U.P. Act also provide for setting apart a room in the factory premises to be used as creche and for appointing a female attendant to look after children in factories with more than 30 women or where 25 percent of workers employed are women and there number is not less than ten. The Act also provides for 3 weeks' leave with pay in case of miscarriage.

PROTECTION AND SAFE-GUARDS:

Provision also exists in the Act for protection of pregnant women workers against dismissal by the employer to avoid liability of payment. A woman can not be discharged during the period of maternity leave. Employment of women during maternity leave is a penal offence.
ADMINISTRATION OF THE ACT:

The Act is administered by the Factory Inspectorate Section of Labour Commissioner Office Uttar Pradesh. The Act also require the employers to furnish annual statement, showing the number of claims made, the number of claims paid and the total amount of benefits paid during the year.

MATERNITY BENEFIT ACT, 1961:

Because of lack of uniformity in the provisions of State legislations on maternity benefits, the Central Government considered to consolidate various schemes into one single scheme. The Royal Commission on Labour recommended as far back as in 1931 that legislation on the lines of the Maternity Benefit Acts of Bombay, 1929 and Central Provinces, 1930 should be enacted on all India basis. But it took more than 31 years on the part of Central Government to realise this goal. The Central Government enacted a new Act, called Maternity Benefit Act, 1961.

In the beginning it was Central Mines Maternity Benefit Act, which received the consent of the President on 12th December, 1961 but was actually brought into force on 1st November, 1963 in mines, and on 16th December, 1963 in plantations, but now it extends to factories also and it is called Central Maternity Benefit Act of 1961.

OBJECTIVE AND SCOPE:

The Central Maternity Benefit Act, 1961, was enacted with the prime objective of reducing the disparities of various Acts and to provide uniform standards.

of maternity benefits as an indemnity for the loss of wages incurred by a woman who, voluntarily before child birth and compulsorily thereafter, abstains from work in the interest of her own as well as of children's health. The Act provides income security, proper medical care and protection from dismissal during the period of confinement to the female workers.

The Act applies to every establishment, be it a factory, mine or plantation. The Act may be adopted by the State Governments in which case it would repeal and replace the legislation applying in the State. The subsequent amendment in 1973 brought under its purview "establishment belonging to Government or establishments wherein persons are employed for the exhibition of equestrian, acrobatic and other performances." This Act is not applicable in those establishment where the E.S.I. Act, 1948 is in operation. But according to the amendment Act of 1972, "Every woman entitled to the payment of maternity benefit under this Act shall, notwithstanding the application of the Employees' State Insurance Act 1948 to the factory or other establishment in which she is employed, continue to be so entitled until she becomes qualified to claim maternity benefit under the Act."²

The Act extends to All India (Extended to Jammu and Kashmir w.e.f. 1971).³ This is provided that no employer shall knowingly employ a woman in any establishment during the six weeks immediately following the date of her delivery or miscarriage. It does not allow any woman to work in any establishment during this period.

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(1) Section -2 of the Act confers power on the State Governments to extend the application of the Act to other industries.

(2) Maternity Benefit Act, 1961, Section -5'A'.

Further, no pregnant woman shall, on a request being made by her, be required by her employer to do during the period of one month before the date of her expected delivery any work which is of an arduous nature or is likely to interfere with her pregnancy or is likely to cause adverse effect on her health.  

QUALIFYING CONDITIONS:

In order to receive the benefits under the Scheme the notice of pregnancy must be given in prescribed form indicating the date of confinement. The claimant must have worked for 160 days (inclusive of the period of lay off, if any) in the twelve months immediately preceding the date of her expected delivery. The Amendment Act of 1976 has sought to remove the wage limit with regard to payment of maternity benefits to women Employees covered under E.S.I. Act, 1948, by making them eligible under the maternity benefit Act, 1961.

PERIOD OF BENEFIT:

The period of benefit given to the women workers is 12 weeks i.e. 6 weeks upto and including the day of her delivery and six weeks immediately following that day. But in case a woman dies during this period, benefits are paid for the days upto and including the day of her death. In case she left a living child, the employer is liable to pay benefits for the entire period of six weeks immediately following the day of her delivery but if the child also dies during the period then for the days upto the day of the death of the child. In case of the death,

(1) Maternity Benefit Act, 1961, Section -4.

(2) Failure to give notice would not deprive her of the benefits under the Act, she shall have to prove the facts of child birth, still birth or miscarriage if pregnancy ends before such notice is given.

(3) Maternity benefit Act, 1961, Section -5'B' of the

(4) Ibid.
the amount of maternity benefit will be paid to the nominee or legal representative of the deceased woman worker.¹

**RATE OF BENEFIT:**

Benefits are paid at the rate of average daily wages for the period of actual absence immediately preceding and for the six weeks immediately following that day. The average daily wages are calculated on the basis of wages payable to her for the days on which she worked during the period of three calendar months immediately preceding the date from which she absented herself on account of maternity, subject to minimum of one rupee per day.² For this purpose, wages means all remuneration paid or payable in cash and includes dearness and house rent allowance, incentive granted, and also bonus and cash value of food or other concessions paid. But it excludes bonus, overtime earnings, fines and contribution to P.F. Etc.³

The Act also provides for the payment of a medical bonus of Rs.25/- to the beneficiary, in case no pre-natal confinement and post-natal care is provided by the employer free of charge.⁴ In case of illness arising out of pregnancy, delivery or miscarriage, the women workers are also entitled in addition to the above benefits leave with wages at the rate of maternity benefits for a maximum period of one month.⁵ Two nursing breaks are also allowed until the child attains the age of 15 months.⁶ The Act also safeguards the pregnant

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¹ Maternity Benefit Act, 1961, Section -7.
² Ibid, Section -5.
³ Ibid, Section -3(N)
⁴ Ibid, Section -8
⁵ Ibid, Section-10
⁶ Ibid, Section-11
women workers' interest, and provides that they shall not be dismissed nor can be discharged during the period of Maternity Leave.

FINANCE:

The Maternity Benefit Act, 1961, like the Uttar Pradesh Act does not have any financial structure and the employer has to bear the entire cost of cash as well as medical benefits.

ADMINISTRATION:

The administration of the Act has been entrusted to the State Governments who have assigned this duty to the factory inspectorates.

OPERATIONAL RESULT OF MATERNITY BENEFIT:

The number of factories coming under the scope of the maternity benefit Act in Uttar Pradesh and the number of women workers employed in them is given in the Table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Factories</th>
<th>No. of Women Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>403</td>
<td>3376</td>
</tr>
<tr>
<td>1980</td>
<td>413</td>
<td>3824</td>
</tr>
<tr>
<td>1981</td>
<td>419</td>
<td>3979</td>
</tr>
</tbody>
</table>
SITUATION AT RAE BARELI:

Out of the four public and four private sector units under study, the Maternity Benefit Act, 1961 is applicable only in one public sector unit, viz. 1 Indian Telephone Industries Ltd., Rae Bareli employing 157 women workers. Although two more units viz., U.P. Tyre and Tubes Ltd. (Public Sector) and Universal Ceramics and Insulators (Private Sector) are employing 1 and 25 women employees respectively, but both units are covered under E.S.I. Scheme and women workers of these two units are entitled to maternity benefits according to the E.S.I. Rules.

THE MATERNITY BENEFIT PAID:

The amount of maternity benefits made available to the women workers, sectorwise is as following:

TABLE NO. 10.2

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Women employed</th>
<th>No. of women claiming benefits</th>
<th>Percent age of column II-III</th>
<th>No. of Women paid benefits</th>
<th>Percent age of column I to V</th>
<th>Total Amount paid Rs.inLac</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>V</td>
<td>VI</td>
<td>VII</td>
</tr>
<tr>
<td>(a) FACTORIES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>358402</td>
<td>2747</td>
<td>.71</td>
<td>2468</td>
<td>.68</td>
<td>13.19</td>
</tr>
<tr>
<td>1979</td>
<td>445905</td>
<td>1703</td>
<td>.38</td>
<td>1482</td>
<td>.31</td>
<td>12.63</td>
</tr>
<tr>
<td>(b) PLANTATIONS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>175584</td>
<td>42991</td>
<td>24.4</td>
<td>41791</td>
<td>23.8</td>
<td>119.31</td>
</tr>
<tr>
<td>1979</td>
<td>140250</td>
<td>26920</td>
<td>19.1</td>
<td>24949</td>
<td>17.8</td>
<td>135.13</td>
</tr>
<tr>
<td>(c) MINES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>1098</td>
<td>796</td>
<td>72.4</td>
<td>683</td>
<td>62.3</td>
<td>7.89</td>
</tr>
<tr>
<td>1979</td>
<td>981</td>
<td>589</td>
<td>60.4</td>
<td>441</td>
<td>44.9</td>
<td>6.69</td>
</tr>
</tbody>
</table>


(1) However no Maternity Benefit is paid to any women worker under E.S.I. Scheme in Rae Bareli upto 31st Jan., 1983.
It is evident from the perusal of the Table number 10.2 that the percentage of women workers who claimed maternity benefit in Factories, Plantations as well as in Mines is declining. The Table also reveals that the percentage of maternity cases are highest in mines (60.4 percent) and lowest in factories (.38 percent). The reason of higher percentage of maternity cases in Mines and Plantations in comparison to factories is the illiteracy, backwardness and also lack of consciousness about family planning of the mines and plantation women workers. It is also clear from the above table that percentage of women who were paid maternity benefits were less than the percentage of women who claimed maternity benefits. This clearly indicates that there was evasion of the maternity cases by the employers, or they took one or other excuses to avoid the liability of the maternity benefits to be paid to the claimants.

BENEFITS IN UTTAR PRADESH AND RAE BARELI:

The details of the maternity benefits paid in Uttar Pradesh and also in Rae Bareli is as follows:

**TABLE NO. 10.3**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average No. of women</th>
<th>Percentage of column</th>
<th>Total Amount paid Rs. in Lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>of women</td>
<td>paid bene-fits.</td>
</tr>
<tr>
<td>UTTER PRADESH:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>3824</td>
<td>30</td>
<td>.78</td>
</tr>
<tr>
<td>1979</td>
<td>3376</td>
<td>24</td>
<td>.71</td>
</tr>
<tr>
<td>RAE BARELI:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>140</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>1980</td>
<td>150</td>
<td>25</td>
<td>16.6</td>
</tr>
<tr>
<td>1981</td>
<td>157</td>
<td>30</td>
<td>19.2</td>
</tr>
</tbody>
</table>

The perusal of the Table number 10.3 reveals the following facts:

(i) the percentage of women workers who claimed maternity benefit in Uttar Pradesh is declining whereas opposite to it the maternity claims in Rae Bareli are on increase. The reason of high incidence of maternity claims at Rae Bareli is that most of the women workers are young and married and they belong to child bearing age-group (20 to 45 years)

(ii) in Rae Bareli all the claimant have been paid maternity benefits. The women workers claiming the maternity benefits are paid maternity benefits equivalent to full wages for the period of absence viz., six weeks preceding and six weeks following the day of delivery. Apart from the facility of leave with full salary for the period of absence, the women workers have been provided free medical treatment in the medical establishment of the I.T.I. Ltd., Rae Bareli. Delivery cases are also referred to District Hospital, Rae Bareli. In this unit a creche is maintained by the employers but the worker mothers are provided two intervals of rest of half-an-hour in place of two feeding intervals of 15 minutes as statutorily required.

INSPECTIONS CARRIED OUT:

To insure perfect implementation of the provisions of the Act and to detect irregularities following inspections were made in the units covered under the Act.

(1) See Chapter IV for details of Creche provided in I.T.I. Ltd., Rae Bareli.
TABLE NO. 10.4

Number of Inspections, prosecutions and instruction letters issued under Maternity Benefit Act in Uttar Pradesh.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Inspections carried out</th>
<th>No. of cases in which instructions letters were issued</th>
<th>No. of prosecution made</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>411</td>
<td>-</td>
<td>95</td>
</tr>
<tr>
<td>1979</td>
<td>428</td>
<td>-</td>
<td>107</td>
</tr>
<tr>
<td>1980</td>
<td>366</td>
<td>-</td>
<td>121</td>
</tr>
<tr>
<td>1981</td>
<td>276</td>
<td>-</td>
<td>83</td>
</tr>
</tbody>
</table>


It was also reported that in Rae Bareli on an average one to two inspections were made under the Act in the years 1979, 1980 and 1981 but no cases of evasion or irregularity were reported.

WORKERS' VIEWS:

The views of the women workers regarding ease in getting the maternity benefits in the unit was as under.

TABLE NO. 10.5

Workers' Views Regarding Ease of Getting Maternity Benefit

<table>
<thead>
<tr>
<th>Name of the Unit</th>
<th>Ease of Getting Maternity Benefits</th>
<th>Total opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.T.I.Ltd.</td>
<td>Easy: 32 (91.4%)</td>
<td>35</td>
</tr>
<tr>
<td>Rae Bareli</td>
<td>Difficult: 3 (8.6%)</td>
<td>(100%)</td>
</tr>
</tbody>
</table>
It is obvious from the Table Number 10.5 that almost all the women workers (91.4 percent) find it very easy to obtain maternity benefits. They also expressed their satisfaction over medical facilities provided free of cost. Only 8.6 percent women workers reported it to be difficult and they were also not satisfied with the medical facilities provided. They also reported several post-natal troubles.

However the male workers in all the units under study were of the opinion that maternity benefits must be provided to their wives in the similar manner as they are entitled to medical benefits, as because of the sky-rocketing prices and due to lack of finances it is very difficult for them to meet the contingency of maternity.

**EMPLOYERS' AND TRADE UNIONISTS' VIEWS:**

Both, Managers and Trade Unionists expressed that it is a very good scheme, which protects the women workers during the period of maternity. It may be mentioned here that the management of I.T.I. Ltd. Rae Bareli reported that all the maternity claims were granted and they denied any evasion of maternity cases. The trade unionists were of the view that maternity benefits should be extended to the wives of the male workers also.

**LABOUR ADMINISTRATORS' VIEWS:**

The Labour Inspectors expressed that for the perfect compliance of the Act and to check cases of evasion frequent checkings are essential but it could not be performed due to shortage of staff. Therefore, for the perfect compliance of the provisions of the Act, Inspectorate staff should be proportionally increased.
(2) PAYMENT OF GRATUITY ACT, 1972:

Gratuity is another important provision for old age. Although as early as in 1929 the Bombay strike Enquiry Committee recommended the introduction of a voluntary gratuity scheme by employers, but only after the continuous demand of the workers, the payment of Gratuity Act was passed in 1972 which came in operation on 16th September, 1972. "The nature of gratuity as a component of Social Security, currently obtaining in the Country has been, by and large, voluntary."  

COVERAGE:

The Act applies to (i) factories, mines, oil-fields, plantations, ports and railways, (ii) companies, all shops and establishments employing ten or more workers on any day of the preceding twelve months.

AMOUNT OF GRATUITY:

The employers are required to pay Gratuity at the rate of 15 days' wages, for each completed year of service subject to a maximum of 20 months' gross wages. Wages for the purpose of calculation is inclusive of dearness allowance. In seasonal industries, gratuity is paid at the rate of 7 days' wages for each season. In the case of piece rated employees, daily wages is computed on the average of the total wages received by him for a period of 3 months.

ELIGIBILITY:

Under the Act, all those employees who have rendered a minimum of 5 years continuous service are entitled to Gratuity at the time of Superannuation, Retirement, Resignation, Death or if they leave their job due to accident, disease or disablement. The

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(1) Mehrotra S.N., Labour Problems in India, p.375.
completion of this period shall not be necessary in case of death/disablement and in case of death it shall be paid to the nominee or to his/her heirs. The Gratuity under this Act shall not be liable to attachment in execution of any decree/order of any Civil, Revenue or Criminal Court. The Act does not affect also the right of an employee to receive better terms of Gratuity under any award/agreement/contract with the employer.

In case of default, the amount of Gratuity is recovereded from the employer together with nine percent compound interest. Defaulters may be punished with imprisonment for a term which may extend to one year or with fine upto Rs.1000/- or both.

The Central Government is the appropriate Government in case of an establishment, factory having branches in more than one State where as in other cases, the State Government is the appropriate Government.

PAYMENT OF GRATUITY AND THE UNITS UNDER STUDY:

In three out of the four public sector units viz., I.T.I. Ltd., Rae Bareli Textile Mills, U.P. State Spinning Mills and in one private unit viz., Modi Carpets Ltd. Gratuity is paid to the employees in accordance with the provisions of the Gratuity Act, 1972. It was reported by the employers' of the remaining public and private sector units under study that after being five years old, their units will also pay gratuity to the employees according to the provisions of the Payment of Gratuity Act, 1972. In Indian Telephone Industries Ltd., Gratuity is paid at the rate of 15 days emoluments for each completed year of service subject to a maximum of 16.5 times the emoluments or Rs.36,000/- whichever is less, whereas other terms and conditions for payment of Gratuity within the purview of the payment of Gratuity Act, 1972.
In Rae Bareli Textile Mills Rs.22,807.18 and Rs.77,203.35 and in U.P. State Spinning Mills Rs.412264/- and Rs.629435/- were paid as Gratuity to the employees in the year 1980-81 and 1981-82 respectively. Figures in other units were not available.

None of the units under study were reported to be defaulter in payment of gratuity amount. Employers, workers, trade unionists and labour administrators expressed satisfaction over the working of the Scheme.

(3) OLD AGE PENSION SCHEME:

An important achievement of the Uttar Pradesh State Labour Department has been the enforcement of the Old Age Pension Scheme. With a sum of Rs.25 Lacs, this Pension Scheme, a pioneer Social Security measure of its kind in whole of the country, was enforced with effect from December 1, 1957, for the award of pension to the poor and destitute persons who are blind or infirm and have no source of income of their own and have also no relative of certain specified categories between 20 years or more. In the beginning, persons of 70 years of age and more were given a monthly pension of Rs.30/-. The age limit was reduced to 65 years in February, 1962. The age limit for the grant of pension to widows and infirm has also been lowered to 60 years. If both the husband and the wife fall within the age limit and are unable to help each other, both of them are entitled for the pension under the scheme.\(^1\)

The rate of pension was increased to Rs.40/- per month with effect from April, 1976. The amount of pension has been once more increased to Rs.60/- per month with effect from 1st April, 1981.\(^2\)

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\(^1\) Uttar Pradesh 1978, p.p. 198-199.
PROGRESS OF THE SCHEME:

The Idea of the progress made by the Pension Scheme in Uttar Pradesh may be have from the following Table:

**TABLE NO. 10.6**

Progress of Old Age Pension Scheme in Uttar Pradesh.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of applications for grant of pension</th>
<th>No. of Old Age pension granted</th>
<th>No. of Pensioners died during the year</th>
<th>No. of Living Pensioners</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958</td>
<td>5522</td>
<td>4470</td>
<td>585</td>
<td>3885</td>
</tr>
<tr>
<td>1971</td>
<td>2772</td>
<td>2710</td>
<td>2104</td>
<td>16474</td>
</tr>
<tr>
<td>1980</td>
<td>7864</td>
<td>5290</td>
<td>1262</td>
<td>33753</td>
</tr>
<tr>
<td>1981</td>
<td>12908</td>
<td>9935</td>
<td>2663</td>
<td>41325</td>
</tr>
</tbody>
</table>


It is obvious from the above Table that the number of beneficiaries has increased manifold since the commencement of the Scheme in Uttar Pradesh.

In Rae Bareli as on 31.12.81, there were 1244 living pensioners whereas the total number of pensions sanctioned till that day was 2068 and number of pensioners who died in the district was 824.¹

The Scheme is not restricted to only industrial workers but it is open to all such persons who are domiciled and have resided in the State for more than a year on the date of application and are certified to be destitutes by the District Magistrate concerned.

(1) Office of the District Magistrate, Rae Bareli.
As mentioned above the Scheme aims at providing Social Security in the shape of regular pension to old and destitute persons but this objective can't be achieved till all the needy persons are not included in the list of pensioners and amount of pension is not raised to at least Rs.200/- per month. The amount of pension should also be linked with the cost of living.