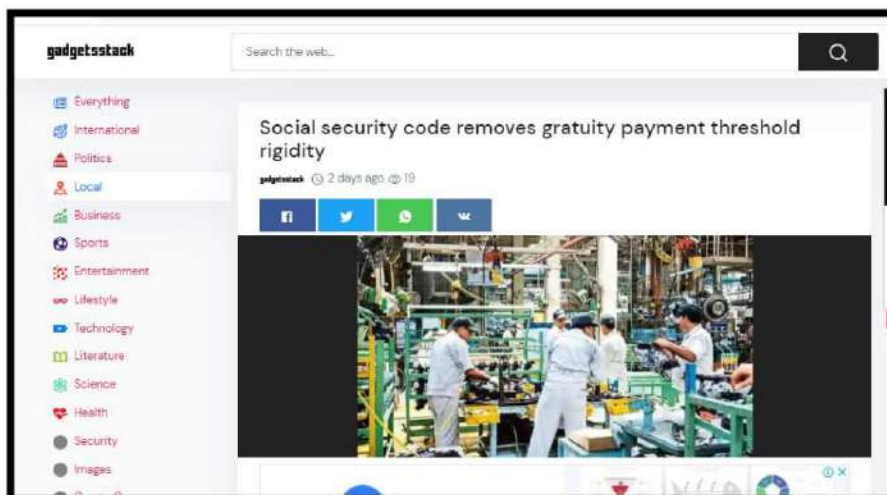


Media Coverage

Publication	Date	Edition	Link	Headline
Gadgets Stack	20 Sept 2020	Online	https://www.gadgetsstack.com/social-security-code-removes-gratuity-payment-threshold-rigidity-27349.html	Social Security Code Removes Gratuity Payment Threshold Rigidity



NEW DELHI: Workers need not work for five years continuously at an organisation to avail gratuity benefits, according to the new Social Security Code Bill.

The code has removed the minimum five-year work rule and has introduced a differential threshold for various categories of workers. While regular and permanent employees need to work for at least five years to become eligible, fixed term employment workers will have no such limit and their gratuity will be paid on the basis of their tenure of work.

"Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years -- (a) on his superannuation, or (b) on his retirement or resignation, or (c) on his death or disablement due to accident or disease; or (d) on termination of his contract period under fixed term employment, or (e) on happening of any such event as may be notified by the Central Government," as per the code.

"The completion of continuous service of five years shall not be necessary where the termination of the employment of any employee is due to death, or disablement or expiration of fixed term employment or happening of any such event as may be notified by the central government," it added.

To read more click on the link



For journalists, the code enables gratuity benefits after three years of service and for seasonal workers, gratuity worth seven days of salary for every season of work must be made available.

There had been a growing demand to make the number of work years criteria shorter, between one and three years, as declining job security and increasing contractualisation in the employment market deprive workers of their dues . Experts have said the five-year threshold was outdated and no longer serves the interest of employees. Trade union believe firms fire workers before they become eligible for gratuity payments to save on costs.

Earlier, the five-year work rule was was mandatory which meant millions of workers had to forfeit their gratuity deposits--15 days salary for every year of work--if they resigned or lost jobs before the stipulated period. Mint reported on 10 August that a move to cut threshold for gratuity payments is being formulated.

"The five-year threshold was formulated decades ago to promote long-term work culture. The realities now are different. I think gratuity threshold of 2-3 years is a better option. One year may not be a feasible idea," said R.P. Yadav, chairman and MD of Genius Consultants, a staffing company had told Mint.

However, the bill makes provision that if an employee is involved in damaging activities and or has damaged properties then his gratuity payment may either get adjusted against the damage or forfeited.

To read more click on the link