

**Fifteenth Kerala Legislative Assembly**

**Bill No. 70**

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**THE KERALA LABOUR WELFARE FUND  
(AMENDMENT) BILL, 2021**

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*BILL*

*further to amend the Kerala Labour Welfare Fund Act, 1975.*

*Preamble.*—WHEREAS, it is expedient further to amend the Kerala Labour Welfare Fund Act, 1975 (11 of 1977) for the purposes hereinafter appearing;

BE it enacted in the Seventy-second Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Labour Welfare Fund (Amendment) Act, 2021.

(2) It shall be deemed to have come into force on the 16<sup>th</sup> day of January, 2020.

2. *Amendment of section 15.*—In sub-section (1) of section 15 of the Kerala Labour Welfare Fund Act, 1975 (11 of 1977) (hereinafter referred to as the principal Act),—

(i) for the words “four rupees”, the words “forty five rupees” shall be substituted;

(ii) for the words “eight rupees”, the words “forty five rupees” shall be substituted.

3. *Repeal and saving.*—(1) The Kerala Labour Welfare Fund (Amendment) Ordinance, 2021 (120 of 2021) is hereby repealed.

(2) Notwithstanding such repeal, anything done or deemed to have been done or any action taken or deemed to have been taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act, as amended by this Act.

## STATEMENT OF OBJECTS AND REASONS

Sub-section (1) of section 15 of the Kerala Labour Welfare Fund Act, 1975 provides that every employee shall contribute four rupee per half year to the Fund and every employer shall in respect of each such employee contribute eight rupees per half year to the Fund.

2. As the income of the Fund is too insufficient, in order to enhance the financial resource of the Board, the Government have decided to enhance the contribution paid by the employee to forty five rupees, from four rupees and contribution paid by the employer from eight rupees to forty five rupees. Hence it was decided to bring suitable amendment to the Act.

3. As the Legislative Assembly of the State of Kerala was not in session and the above said proposal had to be given effect to immediately, the Kerala Labour Welfare Fund (Amendment) Ordinance, 2020 was promulgated by the Governor of Kerala on the 16<sup>th</sup> day of January, 2020 and the same was published as Ordinance No.8 of 2020 in the Kerala Gazette Extraordinary No.115 dated 16<sup>th</sup> day of January, 2020.

4. Though a Bill to replace the said Ordinance by an Act of the State Legislature was published as Bill No. 248 of the Fourteenth Kerala Legislative Assembly, the same could not be introduced in, and passed by, the Legislative Assembly of the State of Kerala, during its session which commenced on the 29<sup>th</sup> day of January, 2020 and ended on the 12<sup>th</sup> day of February, 2020.

5. As the provisions of the said Ordinance had to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala Labour Welfare Fund (Amendment) Ordinance, 2020 was promulgated by the Governor of Kerala on the 17<sup>th</sup> day of February, 2020 and the same was published as Ordinance No.11 of 2020 in the Kerala Gazette Extraordinary No.540 dated 18<sup>th</sup> day of February, 2020.

6. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala, during its session which commenced on the 2<sup>nd</sup> day of March, 2020 and ended on the 13<sup>th</sup> day of March, 2020.

7. As the provisions of the said Ordinance had to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala Labour Welfare Fund (Amendment) Ordinance, 2020 was promulgated by the Governor of Kerala on the 31<sup>st</sup> day of March, 2020 and the same was published as Ordinance No.25 of 2020 in the Kerala Gazette Extraordinary No.1013 dated 31<sup>st</sup> day of March, 2020.

8. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala, during its session which convened on the 24<sup>th</sup> day of August, 2020.

9. As the provisions of the said Ordinance had to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala Labour Welfare Fund (Amendment) Ordinance, 2020 was promulgated by the Governor of Kerala on the 26<sup>th</sup> day of September, 2020 and the same was published as Ordinance No.67 of 2020 in the Kerala Gazette Extraordinary No.2223 dated 29<sup>th</sup> day of September, 2020.

10. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala, during its session which convened on 31<sup>st</sup> day of December, 2020 and during its session which commenced on the 8<sup>th</sup> day of January, 2021 and ended on the 22<sup>nd</sup> day of January, 2021.

11. As the provisions of the said Ordinance had to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala Labour Welfare Fund (Amendment) Ordinance, 2021 was promulgated by the Governor of Kerala on the 9<sup>th</sup> day of February, 2021 and the same was published as Ordinance No. 7 of 2021 in the Kerala Gazette Extraordinary No.657 dated 9<sup>th</sup> day of February, 2021.

12. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala, during its session which commenced on the 24<sup>th</sup> day of May, 2021 and ended on the 10<sup>th</sup> day of June, 2021.

13. As the provisions of the said Ordinance had to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala Labour Welfare Fund (Amendment) Ordinance, 2021 was promulgated by the Governor of Kerala on the 1<sup>st</sup> day of July, 2021 and the same was published as Ordinance No. 57 of 2021 in the Kerala Gazette Extraordinary No.1923 dated 2<sup>nd</sup> day of July, 2021.

14. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by, the Kerala Legislative Assembly of the State of Kerala, during its session which commenced on the 22<sup>nd</sup> day of July, 2021 and ended on the 13<sup>th</sup> day of August, 2021.

15. As the provisions of the said Ordinance had to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala Labour Welfare Fund (Amendment) Ordinance, 2021 was promulgated by the Governor of Kerala on the 23<sup>rd</sup> day of August, 2021 and the same was published as Ordinance No. 120 of 2021 in the Kerala Gazette Extraordinary No.2463 dated 24<sup>th</sup> day of August, 2021.

16. The Bill seeks to replace Ordinance No. 120 of 2021 by an Act of the State Legislature.

#### FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation would not involve any additional expenditure from the Consolidated Fund of the State.

V. SIVANKUTTY.

EXTRACTS FROM THE KERALA LABOUR WELFARE FUND, ACT, 1975  
(11 OF 1977)

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15. *Contribution to the Fund by employees and employers.*—(1) Every employee shall contribute four rupees per half year to the Fund and every employer shall in respect of each such employee contribute eight rupees per half year to the Fund.

(2) Every employer shall pay to the Fund both the employer's contribution and the employee's contribution before the 15<sup>th</sup> day of July and 15<sup>th</sup> day of January of every year.

(3) Notwithstanding anything contained in any other law for the time being in force, the employer shall be entitled to recover from the employees the employee's contribution by deduction from his wages or in such other manner as may be prescribed, and such deduction shall be deemed to be a deduction authorised by or under the Payment of Wages Act, 1936 (Central Act 4 of 1936).

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