



HR VIDYALAYA

An HR Partner, a signal hidden among noise

People Management,
the Pulse of an Organization

The Insight

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Hire to Retire, HR Compliance, Skill Enhance Programs/POSH

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News updates

Labour Codes:

Decision to notify the Labour codes is further delayed!

Still few States have not notified the Rules, which includes major States like Maharashtra, Tamilnadu, Delhi, Telangana, AP, and Haryana etc.

Industry is eagerly waiting, how the Government is going to respond to the request of Industries and on the other hand from the Trade Unions, on Wage Definition. This is going to be the game changer in determining the social security benefit payables to the employees.

PF – KYC and e-nomination

The EPFO has determined not to extend the deadline of September 01, 2021 as the due date for seeding AADHAR as a KYC.

Once the above is made effective, the EPFO is determined to notify the other mandatory provision of e-nomination, without which operationally nothing can be done either by the employer or the PF member.

New process improvement in PF

Unlike the past, if an employee joins an PF covered Establishment, where the employer seeds,

1. AADHAR
2. PAN
3. Bank details

Apart from AADHAR mandatory seeding, the PAN and Bank details] needs to be Digitally certified by the Employer.

Besides, where an employee (PF member) wants to change the Bank, he/she needs to update account details and IFSC code, which will be verified, and the PF member will receive an OTP to confirm the bank details.

This is new process introduced in Unified Member portal.

Why industry is apprehensive on Labour Codes?

Once the Code on Wages is going to be implemented, there are possibilities that the “Wages” becomes DYNAMIC, every month.

Even if, only exclusions are enhanced in a specific month, it may have impact on “Wages”, in case the exclusion exceeds 50% of total remuneration

Even if the Basic is fixed at less than 50%, then the Wages is going to be 50%..... So it is fixing ‘Wages’ and not ‘Basic’

So once the Labour Codes are implemented..... Anything and everything is based on one single component called “Wages” and that is neither Gross nor Take home nor Basic

CTC concept is set to GO.....

It is going to be the monthly fixed Remuneration.....

Major worry for the Employers are:

1. PF, if it is considered on Actual Basic
2. Gratuity fund allocation
3. F&F within 2 working days

-  Entire HR Policy is set to be re-worked
-  Worker separate and Employee separate (where worker is also an Employee.....)
-  All individuals in an establishment becomes Employee.....
-  But only some are going to be Workers and as many provisions are application in OSH Code and IR Code are applicable only to Workers.....
-  OSH Code is going to be applicable for Shops and Commercial establishments also.

WFH or WFO or Blended Work Preparedness of Human Resources

Though Manufacturing facilities in India are inching towards 100% manpower engagement in the workplace, the commercial establishments are, still laid back in bringing normalcy in the physical office engagement.

The Work-From-Home norm becomes Work-From-Anywhere. Where few departments (like HR, Project, etc) would like to resume normal physical office atmosphere, the Managements are reluctant, until a Vaccine is rolled-out. Besides, the Finance is the one such department which supports WFH or WFO norm, for a long time, as it helps the organization to consolidate many administrative expenses.

This new business model, is here to stay for years - Permanently at least for around 10% of workforce (on a rotational basis) this needs to be adapted and strategize appropriate ways to incorporate technologies to such workforce structures, for them to effectively perform & deliver.

Challenges before Human Resources, in such atmosphere:

1. Are they prepared to manage the dispersed workforce?
2. Can they be able to Digitally check the health and safety of those dispersed workforce?
3. How fast HR can reach out with latest information (updated policies, etc) to such dispersed workforce?
4. Where WFH or WFA is not always a (a) challenges free or (b) smooth environment at home/place from where they are performing or (c) availability of appropriate infrastructure, how best the HR can make available a supportive and a positive workplace experience to employees?
5. What magic wand the HR is having, to reassure, reaffirm that anxieties apart, the workforce will be taken care to perform and deliver
6. Where workforce may choose to work at flexi timings (a team may work round the clock too, at the convenience of each team member), how far the HR can make themselves available to them to care, at the earliest

PAYROLL

COMPLY APPROPRIATELY, WHY?

- **Any Compliance is a comprehensive program that helps Organizations, and its employees conduct business ethically**
- **Compliance is a Legislative requirement under various Acts. It is a Trust involving the Organization and the Government which enacted the regulatory legislation.**
- **It consists of regulatory requirement and policies laid by the Organization in achieving the Organizational Goal.**
- **It Foster culture of Ethics & conformation. Also to identify and manage the risks for Organizations' brand**
- **Compliance Risk leads to Reputational Risk, which will have high impact on the Strategy, Operations and Finance of any Organisation.**



Do you have 'Complied' Payroll Process for your Establishment?

Various Factors which determine a Complied Payroll is discussed in the section

Challenges

- HR-V New joinee data
- HR-V Change in Salary/Wage Structure (due to various factors)
- HR-V Promotion /Increment
- HR-V LOP/Absence
- HR-V Joining or Separation of Attendance closure
- HR-V Employees working in multiple locations (PT and LWF computation)
- HR-V Notice period pay / waiver
- HR-V Appropriate Attendance before closing attendance
- HR-V LOP reversal if any
- HR-V Statutory deductions on arrear wages/salary
- HR-V Leave approvals before closing attendance
- HR-V PF consideration – Identification of Domestic worker / International worker / Computation of working days & LOP
- HR-V Tax liability – requests through manual processes of Investment declaration/ Reimbursements
- HR-V Statutory amendment in Tax, PF, PT, LWF etc.
- HR-V F&F, Notice pay deduction/payment

More challenges faced by the Organizations are change in Compliances, poor infrastructure facilities at the remote working places of the employees, data security, and dependencies on select few individuals for deliverables.

The solution before such Organizations are now to look for development of competencies of individuals to manage situations, appropriate automation tools, right vendors for infrastructure support, upskilling manpower for cross learning, build more subject matter experts, etc.