

State welfare boards for building and other construction workers (BOCW)

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In News: The labour ministry has asked states to use Direct Benefit Transfer (DBT) for providing assistance to building and other construction (BOC) workers directly into their bank accounts instead of distribution of aid in kind, like ration or household use articles.

Building and Other Construction Workers welfare Act 1996

- Aims to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health, and welfare.
- Mandates that any construction activity that engages more than 10 workers must follow the guidelines set by it.
- Mandates that 1% of the total amount of every construction project worth over Rs 10 lakh, whether private or public, must be submitted to the Labour Department as welfare cess.
- Provides for the establishment of state welfare boards to counsel and assist workers, fixed hours of work and ensure regular payment to the workers.
- Boards provide identity cards to the workers upon registration that may be used for availing benefits.

Building and Other Construction Workers' Welfare Cess Act, 1996

- Act a cess is levied and collected at the rate of 1% of the cost of construction by the State Governments.
- The States, through their respective State Building and Other Construction Workers Welfare Boards, constituted

under BOCW Act, utilize the cess fund in terms of Section 22 of BOCW Act, 1996.

- This money can be utilized for various schemes meant for labour welfare such as scholarships for labourers' children, compensation for families in case of death or physical handicap, low-cost housing, among others.
- The Welfare Schemes funded from BOCW welfare cess fund are exclusively for the building and other construction workers.
- Diversion of the cess fund for welfare of other category of workers is not permissible.

Cess

- Cess is a form of tax levied over and above the base tax liability of a taxpayer.
- Cess is not a permanent source of revenue for the government.
- Cess can be discontinued when the purpose of levying it is fulfilled.
- Cess can be levied on both indirect and direct taxes.

Examples: Swachh Bharat Cess: Introduced in 2015, a 0.5% Swachh Bharat cess was imposed to fund a national campaign for clearing the roads, streets and the infrastructure of India.