

## Salient Features- Apprenticeship Rules (Amendments) 2019

\*That Service Sector is now covered other than Manufacturing Sector.

\* An establishment can hire apprentice/trainees equal to 15% of its own workforce/on roll headcount.

However, if an establishment is engaging such workforce through a contractor/manpower/staffing company then percentage of such workforce can go up to 18% of its on roll headcount of such establishment.

\*Stipend have been de-linked with Minimum Wages.

\*Stipend now range between Rs.5000/ and Rs.9000/ per month - depending upon qualification of a trainee - (Maximum stipend is Rs.9000/- for Graduate and equivalent. In 03 years engagement, there is slight increase of around 10% in 2nd and 3rd year).

\*No Labour Law, including PF and ESI, shall be applicable to Such workforce hired under the provisions of the Apprentice Act, and Amended rules of 2019.

However, as prescribed, such hires will have to be covered under Workmen Compensation Act (now Employee Compensation ACT) and under alternative private insurance cover appropriately, where WC/EC is not applicable, to protect them against any trade/workplace/employment related injury/compensation.

\*In case an establishments provides basic training, up to Rs.1500/ per trainee can be claimed from government as an incentive - i.e. 25% of the maximum basic training cost envisaged at maximum Rs.6000/ per month during the period of basic training that can spread maximum up to 06 month.

\*Period of Apprenticeship engagement/contract can vary from 06 to 36 months.

\*Post completion of Apprenticeship period, an employer is under no compulsion to give job/employment to any such apprentice.

\*Amended rules/Scheme has provision to cover/link multiple locations of an establishment.

Although given the flexibility, it will primarily increase short terms prospects mainly at entry level and mostly in Blue Collar jobs but it can be a good cost effective measure , besides creating employment, for any Establishment.

Shared for update and reading, Should you need to more or wish to discuss on this model of training/employment, do write back to us for an expert advise by Legal and Employment Laws Expert Mr. Sundeep Arora (Adv).