

## **CHAPTER – CONSTITUTIONAL PERSPECTIVES**

### **ENTRY 23 THIRD LIST OF SEVENTH SCHEDULE**

**Social security refers to the system of public programs designed to provide financial support and assistance to individuals and families in times of need, such as retirement, disability, unemployment, and medical expenses.**

**It's a way to ensure a basic level of economic security for citizens.**

**Social insurance, on the other hand, is a subset of social security that involves programs funded by contributions from both employees and employers.**

**These programs provide benefits to eligible individuals based on their contributions and the specific risks they face, like old age, disability, or unemployment. Examples include Social Security in the United States and national pension schemes in various countries.**

**Both social security and social insurance aim to protect individuals from financial hardship due to life events or circumstances beyond their control**

#### **Social Security:**

##### **1. Introduction:**

**Social Security is a government program designed to provide financial assistance and security to individuals who are retired, disabled, or survivors of deceased workers.**

2. **Funding:** The program is funded through payroll taxes collected from employees, employers, and self-employed individuals. These taxes are known as FICA (Federal Insurance Contributions Act) taxes.
  
3. **Contributions:** Employees and employers both contribute a certain percentage of the employee's wages to the Social Security system. Self-employed individuals pay both the employee and employer portions.
  
4. **Benefits:** Social Security provides various benefits, including retirement benefits, disability benefits, survivor benefits for spouses and children of deceased workers, and Medicare (health insurance for retirees).
  
5. **Retirement Benefits:** Individuals who have paid into the system for a certain number of years are eligible for retirement benefits once they reach a specific age (usually around 65). The benefit amount is based on the individual's average lifetime earnings.
  
6. **Disability Benefits:** People who become disabled and are unable to work may qualify for disability benefits, which are based on their work history and the severity of their disability.
  
7. **Survivor Benefits:** If a worker dies, their eligible family members, such as a surviving spouse or children, may be entitled to survivor benefits.

## Social Insurance:

1. **Concept:** Social insurance is a broader concept that encompasses various government programs designed to provide financial protection against specific risks, such as unemployment, illness, disability, and maternity.
2. **Risk Pooling:** Social insurance operates on the principle of risk pooling, where a large number of individuals contribute to a fund that provides benefits to those who experience the insured risks.
3. **Types of Social Insurance:** Different types of social insurance include unemployment insurance, health insurance, disability insurance, and maternity/paternity leave benefits.
4. **Unemployment Insurance:** This provides financial support to individuals who have lost their jobs involuntarily. Eligibility and benefit amounts vary based on factors like work history and reason for unemployment.
5. **Health Insurance:** Social health insurance programs, like Medicare and Medicaid in the United States, provide medical coverage to individuals who may not be able to afford private health insurance.
6. **Disability Insurance:** Similar to Social Security, disability insurance provides financial support to individuals who become disabled and unable to work. It may be provided by the government or through private insurance.

7. **\*\*Maternity/Paternity Leave:\*\*** Some social insurance programs offer paid leave to new parents to care for their newborns, allowing them to take time off work without losing their income.

8. **\*\*Funding:\*\*** Social insurance programs can be funded through various means, including payroll taxes, government subsidies, and contributions from both employers and employees.

In essence, both social security and social insurance aim to provide a safety net for individuals and families during times of need or vulnerability, ensuring financial stability and reducing the impact of unexpected events.

#### **ENTRY 24.**

Welfare of labor refers to initiatives and provisions that ensure the well-being and fair treatment of workers. It includes **conditions of work**, which relate to factors like working hours, safety, and comfort in the workplace. Provident funds are savings mechanisms set up by employers to help employees save for their retirement. Employers' liability pertains to the legal responsibility of employers for the health, safety, and well-being of their employees while they are at work. These aspects collectively contribute to creating a positive and supportive work environment for employees.

**Employers' liability** refers to a legal concept that holds employers responsible for injuries, illnesses, or accidents suffered by their employees during the course of their work. It ensures that employers provide a safe and healthy working environment, and if an employee is harmed due to negligence or unsafe conditions, they have the right to seek compensation. This is typically covered by employers' liability

insurance, which helps companies financially handle claims related to workplace injuries or illnesses.

### **Provident fund**

**A provident fund** is a type of retirement savings scheme typically offered by employers to their employees. It involves regular contributions from both the employee's salary and the employer, which are then invested to grow over time. These funds accumulate until the employee's retirement, resignation, or another specified event. At that point, the employee can access the funds as a lump sum or as periodic payments, providing financial security during their retirement years.

**Worker's compensation**, also known as worker's comp or workman's comp, is a form of insurance that provides financial benefits to employees who are injured or become ill due to their work-related activities. It is designed to protect both employees and employers by providing compensation for medical expenses, lost wages, and rehabilitation costs that arise from work-related injuries or illnesses. In exchange for these benefits, employees typically give up the right to sue their employer for negligence in the event of such incidents. The specifics of worker's compensation regulations vary by jurisdiction, but the overall aim is to ensure that employees are fairly supported in the event of work-related injuries or illnesses.

**An old age pension** is a social welfare program that provides financial assistance to elderly individuals who have reached a certain age and often have limited or no other sources of income. This program is designed to support older adults in their retirement years by offering a regular payment to help cover living expenses and ensure a basic standard of living. The eligibility criteria and the amount of pension granted can vary from country to country, and it's typically funded through taxes, contributions, or a combination of both.

**Maternity benefits** refer to financial assistance and job protection provided to expectant or new mothers to support them during pregnancy, childbirth, and the postpartum period. These benefits are designed to ensure that women can take time off work to care for their newborns without facing undue financial hardship. Maternity benefits can include paid leave, health coverage, and job security, and they vary based on the country's laws and the employer's policies. These benefits play a crucial role in promoting gender equality, maternal health, and the well-being of families.