

## Annexure to Part – A

### Prime Minister’s Package for Employment and Skilling

#### Coverage and Estimated Central Outlay

	Enrolment Duration	Expenditure Duration	Beneficiaries	Central Outlay
	Years		(lakhs)	(₹Crore)
Employment Linked Incentive				
Scheme A (first timers)	2	3	210	23,000
Scheme B (bulk hiring of first timers in manufacturing)	2	6	30	52,000
Scheme C (job creation)	2	6	50	32,000
Internship Programme (Phase-1)	2	3	30	19,000
Internship Programme (Phase-2)	3*	4*	70	44,000
Upgradation of ITIs	N/A	5	20	30,000
<b>Total</b>			<b>410</b>	<b>2,00,000</b>

\*Starting from third year

#### Outline of Schemes

##### 1. Employment Linked Incentive Scheme A: First Timers (Para 20)

- One month’s wage as subsidy (maximum ₹15,000)
- Applicable to all sectors
- First timers have a learning curve before they become fully productive; subsidy is to assist employees and employers in hiring of first timers.

- Applicable to all persons newly entering the workforce (EPFO) with wage/salary less than ₹1 lakh per month.
- Subsidy will be paid to the employee in three instalments
- Employee must undergo compulsory online Financial Literacy course before claiming the second instalment.
- Subsidy to be refunded by employer if the employment to the first timer ends within 12 months of recruitment.
- Expected to cover approximately one crore persons per annum.
- Scheme will be for 2 years

**2. Employment linked Incentive Scheme B: Job creation in manufacturing (Para 21)**

- Applicable for substantial hiring of first time employees in the manufacturing sector
- All employers which are corporate entities and those non-corporate entities with a three year track record of EPFO contribution will be eligible.
- Employer must hire at least the following number of previously non-EPFO enrolled workers:
  - 50 or
  - 25% of the baseline (previous year's number of EPFO employees) *[whichever is lower]*
- Incentive will be paid for four years partly to the employee and partly to the employer as follows:

Year	Incentive (as % of wage / salary, shared equally between employer & employee)
1	24
2	24
3	16
4	8

- Employer must maintain threshold level of enhanced employment throughout, failing which subsidy benefit will stop.

- Employee must be directly working in the entity paying salary/wage (i.e. in-sourced employee).
- Employees with a wage/ salary of up to ₹1 lakh per month will be eligible, subject to contribution to EPFO.
- For those with wages/salary greater than ₹25,000/month, incentive will be calculated at ₹25,000/month.
- Subsidy to be refunded by employer if the employment to first timer ends within 12 months of recruitment.
- This subsidy will be in addition to benefit under Part-A
- Scheme will be for 2 years

### **3. Employment Linked Incentive Scheme C: Support to employers (Para 22)**

- Applicable to an employer who:
  - Increases employment above the baseline (previous year's number of EPFO employees) by at least two employees (for those with less than 50 employees) or 5 employees (for those with 50 or more employees) and sustains the higher level, and
  - For employees whose salary does not exceed ₹1,00,000/month
  - New employees under this Part need not be new entrants to EPFO
- For two years Government will reimburse EPFO employer contribution [up to] ₹3,000/month to the Employer for the additional Employees hired in the previous year.
- If the employer creates more than 1000 jobs:
  - Reimbursement will be done quarterly for the previous quarter
  - Subsidy will continue for the 3<sup>rd</sup> and 4<sup>th</sup> year on the same scale as Employer benefit in Part-B
- Not applicable for those Employees covered under Part-B.
- This subsidy will be in addition to benefit under Part-A.
- Scheme will be for 2 years

### **4. Skilling Programme and Upgradation of Industrial Training Institutes (Para 24)**

- 1000 Industrial Training Institutes (ITIs) to be upgraded in hub and spoke arrangements in five years

- New Centrally Sponsored Scheme in collaboration with states and industry
- Focus on outcome and quality of skilling
- Course content and design aligned to needs of industry
- Total outlay of ₹60,000 crore over five years
  - Government of India—₹30,000 crore
  - State Governments—₹20,000 crore
  - Industry—₹10,000 crore (including CSR funding)
- 200 hubs and 800 spoke ITIs –all with industry collaboration
  - Re-design and review of existing courses
  - New courses
  - 1 to 2 year courses in all 1000 ITIs
  - Short term specialised courses in Hub ITIs
- Capacity augmentation of 5 national institutes for training of trainers
- 20 lakh students expected to benefit

#### **5. Internship in Top Companies (Para 51)**

- One crore youth to be skilled by India's top companies in five years.
- Twelve months Prime Minister's Internship with monthly allowance of ₹5,000
- Applicable to those who are not employed and not engaged in full time education.
- Youth aged between 21 and 24 will be eligible to apply.
- Cost sharing (per annum):
  - Government – ₹54,000 towards monthly allowance (plus ₹6,000 grant for incidentals)
  - Company – Rs 6,000 from CSR funds towards monthly allowance
  - Training cost to be borne by the Company from CSR funds.
  - Administrative costs to be borne by respective parties (for the Company, reasonable administrative expenses can be counted as CSR expenditure)
- Participation of companies is voluntary

- Applications through an online portal
- Company to select from a short list; short listing based on objective criteria with emphasis on those with lower employability
- Ineligible candidates (indicative list)
  - Candidate has IIT, IIM, IISER, CA, CMA etc as qualification
  - Any member of the family is assessed to Income Tax
  - Any member of the family is a government employee, etc.
- Company is expected to provide the person an actual working experience on a skill in which the company is directly involved.
- At least half the time should be in actual working experience/job environment, not in classroom.
- In case the Company cannot directly do so, it must tie-up with:
  - Companies in its forward and backward supply chain (e.g. suppliers or customers) or
  - Other Companies/Institutions in its Group or otherwise
- Will be co-ordinated with State Government initiatives wherever applicable.
- Phase 1 of the scheme will be for 2 years followed by Phase 2 for 3 years

*Note: Details of the schemes are subject to modification during the process of appraisal and approval.*