

Apprentice, Apprentices Act, 1961 & Apprenticeship training

Apprentice:

An apprentice is a person who has entered into a contract of apprenticeship with the employer for apprenticeship training under the Apprentices Act.

Apprentices Act, 1961:

Well developed apprenticeship system supported by legislative & administrative arrangements

It is obligatory on the part of employers both in Public and Private Sector establishments having manpower strength 40 and above including contractual workers to engage apprentices.

Apprenticeship training

Basic Training plus Practical (on the Job) Training

Objectives

The Apprentices Act, 1961 was enacted with the following objectives:

- **To regulate the programme of training of apprentices in the industry as per prescribed syllabi, period of training etc.**
- **To utilize the facilities available in industry for imparting practical training with a view to meeting the requirements of skilled manpower for the industry.**

Amendments to the Act

- The Apprentices Act was enacted in 1961 and implemented w.e.f. 1.3.1962 making it enforceable. Initially the Act envisaged training of trade apprentices.
- The Act was amended in 1973 to include training of graduate and diploma engineers as "graduate" & "technician" apprentices.
- The Act was further amended in 1986 to bring within its purview the training of the 10+2 vocational stream as "technician (vocational)" apprentices.
- Amended in Dec. 2014 to introduce Optional Trade^{\$\$\$} and many other major amendments

^{\$\$\$} Optional trades include the QPs developed by sector skill councils.

As per the act, Sec 2,(II) “Optional Trade” means any trade or occupation or subject field in engineering or non engineering or technology or any vocational course as may be determined by the employer for the purpose of this act.

Why it is introduced

- ❖ **The process of designating the trade takes a long time in practice.**
- ❖ **NSDA, CII and others proposed that an establishment should be allowed to start the New Trade without awaiting for the gazette notification.**
- ❖ **The same was endorsed by the Working group .**
- ❖ **Based on the above recommendation to allow the employers to undertake New courses an Optional trade was introduced by amending the Apprentices Act 1961.**

Stipend per month payable to apprentices

(Gazette Notification dated 22nd Sept 2014)

- **During the first year of training : 70% of minimum wage of semi-skilled workers notified by the respective State or Union territory**
- **During the second year of training : 80% of minimum wage of semi-skilled workers notified by the respective State or Union territory**
- **During the third and fourth year of training: 90% of minimum wage of semi-skilled workers notified by the respective State or Union territory**

National Apprenticeship Promotion Scheme (NAPS)

- Notified on 19th August 2016
- Major thrust on
 - Incentivizing Employer
 - Integration with other Skill Development Programs- Creating Pathways
- Routes for apprenticeship training
 1. ITI pass out
 2. Fresher Apprentices
 3. PMKVY/MES
 4. Dual Training Mode from ITI

Apprenticeship training

PMKVY
प्रमाणमंकी कौशल विकास योजना

340 Hrs



National Apprenticeships Promotion Scheme



12 Months

Advantages for Employers

- 1. Can Engage apprentices in a band of 2.5% to 10% of total strength of establishment (including contract workers)**
- 2. Reimbursement of Rs 1,500 or 25% of minimum wages (semi skilled) whichever is minimum per month per apprentice would be reimbursed for 1 year**
- 3. Submission of returns, other information and contract of apprenticeship through on-line portal and its time bound approval**
- 4. Unique Centralized portal payments. No paper work.**
- 5. Apprentices are not workers and exempted from PF, ESI and Other statutory requirements.**
- 6. No liability of employment after training.**

Advantages for Employers

- 7. Can Engage apprentices under both designated and Optional trades (QPs developed by TSC are all optional trades)**
- 8. Scope has been extended to non-engineering pass outs**
- 9. Employers can have a training program relevant to their requirements**
- 10. Apprentice can not participate in Unionize Activities**
- 11. Single approval for multiple plants incase the entity exists in 4 or more states**

Monitory Benefit from NAPS to Spinning Mills

Monthly Minimum wages to semi-skilled worker	<u>6136.00</u>
Monthly Stipend to Apprentice (70% of Semi-skilled)	4295.20
Less reimbursement of stipend by NAPS (Rs 1,500 or 25% of Stipend (1073.80))	<u>(1073.80)</u>
Net Stipend paid by Mill	<u>3221.40</u>

S.No	No of Spindles	Avg No of workers	No of Apprentices (max 10%) (A)	Amount in ₹ Per year		
				Stipend to be paid (Rs 4295.20 × 12 × A)	Stipend paid	Reimbursement (Rs 1073.80 × 12×A)
1	25,000	500	50	25,77,120	19,32,840	6,44,280
2	50,000	800	80	41,23,392	30,92,544	10,30,848
3	75,000	1,200	120	61,85,088	46,38,816	15,46,272
4	1,00,000	1,500	150	77,31,360	57,98,520	19,32,840

Cost saving from PMKVY/ State Schemes + NAPS

Basic training cost for apprentices would be recovered from PMKVY/state schemes

- Training duration 340 hours
- Reimbursement from schemes @ ₹ 44.40 per hour
- Reimbursement per trainee: $44.40 \times 340 = ₹ 15,096$

S.No	No of Spindles	Max permissible No of apprentices	Cost of Basic training (PMKVY/State Schemes) per apprentice	Reimbursement from		Net Cost saving (₹)
				Basic Training (₹)	NAPS (₹)	
1	25,000	50	15,096	7,54,800	6,44,280	13,99,080
2	50,000	80	15,096	12,07,680	10,30,848	22,38,528
3	75,000	120	15,096	18,11,520	15,46,272	33,57,792
4	1,00,000	150	15,096	22,64,400	19,32,840	41,97,240