

Legal Framework for Unorganised, Gig and Platform Workers under the Code on Social Security, 2020 and Mandatory Registration through Mobile Applications and/or Digital Platforms

(A Legal Commentary on the Code on Social Security, 2020 read with Rules 49 and 50)



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1. Introduction

At the outset, it deserves to be acknowledged that the enactment of the Code on Social Security, 2020 is a commendable and progressive legislative measure undertaken by the Government of India under the leadership of the Hon'ble Prime Minister Shri Narendra Modi, with the objective of extending the protective umbrella of social security to unorganized workers, gig workers and platform workers—categories defined under Sections 2(85), 2(35) and 2(61) respectively—who have historically remained outside the formal framework of labour welfare legislation. For the first time, these vast segments of the workforce have been accorded statutory recognition and assured access to social security benefits through a structured and comprehensive legislative mechanism.

The Code on Social Security, 2020 represents a watershed moment in Indian labour welfare jurisprudence. It marks a decisive shift from fragmented and employer-centric welfare schemes to a rights-based, inclusive and universal social security regime. Unorganized workers, gig workers and platform workers—who together constitute a substantial majority of India's workforce—have now been brought within a comprehensive statutory framework, thereby addressing a long-standing legislative vacuum.

Rules 49 and 50 of the Code on Social Security Rules operationalise the substantive provisions contained in Sections 113 and 114 of the Code by establishing a digital, Aadhaar-linked registration architecture and a statutory contribution mechanism for

gig and platform workers. These Rules lay down the procedural and institutional framework for identification, registration, contribution, and delivery of social security benefits.

Importantly, Rules 49 and 50 are not merely procedural in nature. They impose mandatory statutory obligations upon the Central Government, State Governments, Union Territories and aggregators, while simultaneously prescribing eligibility conditions and compliance requirements

for workers seeking to avail social security benefits. Properly construed, these Rules transform social security from a discretionary welfare measure into a regulated statutory entitlement, enforceable in law and amenable to judicial review.

2.1 Mandatory Registration

Rule 49(1) mandates that every unorganized worker who has completed sixteen years of age shall be registered on the designated portal of the Central Government under Section 113 of the Code. Registration is to be carried out on a self-declaration basis, supported by Aadhaar and such other documents as may be prescribed. The use of the expression "*shall be required to be registered*" makes the provision mandatory and non-discretionary.

2.2 Registration Mechanism and Government Responsibility

The Central Government is obligated to provide an online portal, mobile application or similar digital facility to enable self-registration. Simultaneously, the Rule places a statutory responsibility upon the appropriate Government (Central or State/UT) to ensure that eligible unorganized workers within its jurisdiction are actually registered. This dual responsibility prevents abdication of duty under the pretext of worker non-registration.

2.3 Universal Account Number and Digital Identity

Upon registration, every eligible worker who does not already possess a **Universal Account Number (UAN)** must be issued one or any other unique identification number. In addition, the worker is entitled to a **digital identity card**, bearing photograph and prescribed particulars, downloadable from the designated portal. This digital identity is foundational to portability and benefit delivery.

2.4 Registration vis-à-vis Entitlement to Benefits

Rule 49 carefully distinguishes registration from entitlement. While registration is a necessary condition, it does not automatically confer a right to benefits. Rule 49(1)(g) authorizes the appropriate Government to prescribe additional eligibility conditions for availing benefits under specific schemes. However, such conditions must necessarily conform to constitutional principles of reasonableness, non-arbitrariness and proportionality.

2.5 Mandatory Updation and Facilitation

Rule 49(1)(i) introduces a continuing obligation upon workers to periodically update particulars such as address, occupation, mobile number and skills. Failure to update may result in denial of benefits, thereby converting registration into an ongoing compliance requirement. Recognising digital exclusion, Rule 49(1)(j) permits registration and updation through Common Service Centres (CSCs), e-Seva Kendras, business correspondents of India Post and other notified agencies.

3. Registration of Gig and Platform Workers – Rule 49(2)

3.1 Mandatory Registration and Role of Aggregators

Rule 49(2) creates a distinct framework for **gig workers and platform workers**, recognizing the pivotal role of aggregators. Every gig or platform worker above sixteen years of age must be registered on a self-declaration basis with Aadhaar. Crucially, aggregators are placed under a statutory obligation { the Seventh Schedule (See Section 114(4))} to upload details of all existing

workers upon commencement of the Rules and to register every newly engaged worker thereafter.

3.2 For the purpose of registration

The Central Government shall provide a facility such as a mobile application or any other digital platform to enable eligible unorganized workers to register themselves on the designated portal of the Central Government or through a mobile application. This initiative of the Central Government is commendable and facilitates ease of access and inclusivity for unorganized workers. 3.3 Identity Card and Formal Recognition Through this mobile app, every registered gig or platform worker is entitled to a digital or physical identity card, downloadable from the portal and/or App. This provision symbolically and legally recognizes gig and platform workers as stakeholders within the formal social security system.

3.4 Eligibility Thresholds and “Days of Engagement”

Rule 49(2)(e) introduces minimum engagement thresholds for eligibility:

- Not less than 90 days with a single aggregator; or
- Not less than 120 days cumulatively across multiple aggregators in the preceding financial year.

The Explanation to the Rule adopts an expansive and worker-friendly interpretation. Any day on which income is earned constitutes one day of engagement, irrespective of the amount, and engagement with multiple aggregators on the same day is counted separately. This formulation acknowledges the fragmented and multi-platform nature of gig work.

3.5 Scope of Engagement and Data Sharing

The Rule expressly includes workers engaged directly or indirectly, including through associate companies, holding or subsidiary companies, LLPs or third-party arrangements, thereby preventing evasion of statutory obligations. Aggregators are also required to quarterly update worker data electronically, failing which workers may be rendered ineligible for benefits.

4. Rule 50 – Implementation of Schemes and Contribution Mechanism

4.1 Statutory Contribution by Aggregators

Under Section 114(4) of the Code on Social Security, 2020, aggregators are statutorily mandated to contribute to the Social Security Fund constituted for the benefit of **gig workers and platform workers**. The provision prescribes a dual-limb formula to ensure that the contribution remains proportionate, reasonable and linked to the economic capacity of the aggregator.

Contribution Rate

- The **Central Government is empowered to notify** the rate of contribution payable by aggregators.
- Such contribution shall not be less than one per cent (1%) and shall not exceed two per cent (2%) of the annual turnover of the aggregator.

- For the purpose of computation, annual turnover excludes taxes, levies and cess paid or payable to the Central Government.

Statutory Upper Cap on Contribution

- Notwithstanding the turnover-based percentage, the aggregate contribution payable by an aggregator shall not exceed five per cent (5%) of the amount paid or payable by the aggregator to gig workers and platform workers during the relevant financial year.
- This statutory ceiling acts as a safeguard to prevent disproportionate financial burden on aggregators and ensures parity between business scale and worker engagement.

4.2 Interest for Default

Failure to deposit contribution within the prescribed time attracts **interest at the rate of one per cent per month or part thereof**, imparting a quasi-fiscal character to the levy and discouraging non-compliance.

4.3 Provisional Assessment, Final Return and Refund

Aggregators are required to self-assess and deposit provisional contribution in Form XX by 30th June of the current year and to file a final return in Form XXI by 31st October after finalisation of audited accounts. Where contribution is calculated at five per cent of the amount paid or payable, it must include payments made to all workers, including those indirectly engaged. Rule 50(3)(c) further provides a statutory right to refund of excess contribution within ninety days, ensuring accountability. Hence, there shall be 2 statutory Return : Form XX (30th June) & Final Return in Form No. XXI (31st October).

4.4 Cessation of Eligibility

Under Rule 50(4), a registered gig or platform worker ceases to be eligible for benefits upon attaining the age of sixty years or upon failure to meet the minimum engagement threshold in the preceding financial year. Eligibility is thus dynamic and linked to continued participation in the gig economy.

5. Frequently Asked Questions (FAQs)

Q1. Is registration under Rule 49 optional for unorganised, gig or platform workers?

No. Registration is mandatory for all eligible unorganised workers, gig workers and platform workers who have completed sixteen years of age. The statutory language uses the expression "shall be required to be registered", leaving no discretion with authorities or aggregators.

Q2. Does registration itself guarantee social security benefits?

No. Registration is a necessary condition but not a sufficient one. The appropriate Government may prescribe additional eligibility conditions for availing benefits under specific social security schemes.

Q3. Can benefits be denied due to Aadhaar mismatch, portal failure or lack of digital access?

As a matter of law, no. Procedural or technical difficulties cannot defeat substantive entitlements under a welfare statute. Rule 49 expressly provides alternative facilitation through Common Service Centres, e-Seva Kendras and other notified agencies.

Q4. Are aggregators legally bound to register gig and platform workers?

Yes. Aggregators have a statutory obligation to upload details of all existing gig and platform workers and to register every newly engaged worker on the designated portal. This duty exists irrespective of the contractual description of the relationship.

Q5. How are “days of engagement” calculated for eligibility purposes?

Any calendar day on which a worker earns income from an aggregator counts as one day of engagement, irrespective of the amount earned. Engagement with multiple aggregators on the same day is counted separately for each aggregator.

Q6. Can aggregators avoid liability by engaging workers through subsidiaries or third parties?

No. Rule 49 expressly includes workers engaged directly or indirectly, including through associate companies, holding companies, subsidiaries, LLPs or third-party arrangements.

Q7. Can benefits be denied solely for non-updation of details by the worker?

While non-updation may affect eligibility, denial of benefits must be reasonable and proportionate. The Rule uses the expression “may not be eligible”, implying that authorities must follow principles of natural justice and provide an opportunity for compliance.

Q8. Is the contribution payable by aggregators voluntary or dependent on profits?

No. The contribution under Rule 50 is a statutory cess, payable irrespective of profitability and linked to the amount paid or payable to gig and platform workers or the notified percentage.

Q9. Is there any remedy if an aggregator pays excess contribution?

Yes. Rule 50 provides a statutory mechanism for refund of excess contribution, which must be processed electronically within ninety days of submission of the prescribed return.

Q10. When does a gig or platform worker cease to be eligible for benefits?

A registered gig or platform worker ceases to be eligible upon attaining sixty years of age or upon failure to meet the minimum engagement threshold of 90 days with a single aggregator or 120 cumulative days across aggregators in the preceding financial year.

6. Concluding Observations

Rules 49 and 50 establish a technology-driven and compliance-intensive social security architecture. While they significantly advance inclusion and formal recognition of unorganised, gig and platform workers, they also place substantial compliance burdens on Governments, workers and aggregators alike. The success of this framework will ultimately depend upon facilitative implementation, avoidance of digital exclusion, and purposive interpretation by courts, consistent with the constitutional vision of social justice and dignity of labour.

Footnotes for reference :

1. Section 2(35) : Gig-workers' definition
2. Section 2(60) : Platform-workers' definition
3. Section 2(85) : Unorganized-workers' definition
4. Section 109 Code on Social Security, 2020
5. Section 113, Code on Social Security, 2020.
6. Section 114, Code on Social Security, 2020
7. 114(4) of the Code on Social Security, 2020
8. Seventh Schedule of the Code on Social Security, 2020
9. Rule 49(1)(b), Code on Social Security Rules.
10. Rule 49(1)(c), Mobile App , Code on Social Security Rules.
11. Rule 49(1)(g), Code on Social Security Rules.
12. Rule 49(2)(e) read with Explanation, Code on Social Security Rules.
13. Rule 50(2), Code on Social Security Rules.
14. Rule 50(3)(c), Code on Social Security Rules.
15. Rule 50(4), Code on Social Security Rules.