

28th June 2023
Wednesday.

Chapter - 18. Law of Wages

Unit - I = Payment of wages, 1936.

- The main objective of this act is to eliminate all malpractices by laying down the time and mode of payment of wages as well as securing that the workers are paid at regular intervals, without any unauthorised deductions.
- In order to enlarge its scope & provide for more effective enforcement Act empowering the Government to enhance ceiling by notification in future.
- The Act extends to whole of India.

* Responsibility of payment of wages

Section 3 :- It specifies that employer shall be responsible for the payment to persons employed by him of all wages required to be paid under the act.

- In case of factories → manager should be responsible.
- In case of railway → person nominated by railway administrative shall be responsible.

- In case of persons who employed in work of contractor → a person designated by contractor shall be responsible.
- In case of industry → person responsible to the employer for the supervision & control of the industrial or other establishments.

* Fixation of wage period :-

Section 4 :- Every person responsible for the payment of wages shall fix wage-periods in respect of which such wages shall be payable.

No wage period shall exceed one month.

* Time payment of wages

Section 5 :-

- The wages of every person employed in any railway or factory or industry or any other establishments, where less than 1000 persons are employed, shall be paid before the expiry of seventh (7th) day.

- In any railway factory or id industry or any other establishment, where more than one thousand (1000) employees are employed, shall be paid before the expiry of tenth (10th) day.

Section 6 :- All wages shall be paid in current coin or currency notes or by cheque or by crediting the wages in bank account of the employees.

Appropriate government may specify the industry or other establishment, the employer shall pay to every person employed in such establishment, the wages only paid by cheque or by crediting the wages in his bank account.

* Deduction from the wages of an employee

Section 7 :- This section allows deductions from the wages of an employee on account of the following -

- 1) Fines,
- 2) Absence from duty,
- 3) Damage to or loss of goods expressly entrusted to employee.

4) housing accommodation & amenities provided by the employer,

5) Recovery of advances or overpayment of wages,

6) Recovery of loans made from any fund constituted for welfare of labour, according to the rules approved by state government & the interest due in respect thereof,

7) Subscriptions to & for repayment of advances from any provident fund,

8) Income tax,

9) Payments to cooperative societies approved by state government or to payment to a scheme of insurance maintained by Indian post offices,

10) Deduction made with written authorisation of the employee for payment of any premium on his life insurance policy or purchase of securities.

* Maintainence of registers and records

Section 13(A) :- This section provides that every employer shall maintain such registers & records giving such particulars of persons employed by him, the work performed by them, the wages

paid to them, the deductions made from their wages, receipts given by them and such other particulars in prescribed form.

- Every register & record required to be maintained shall be preserved for a period of three years after the date of last entry made therein.

* finer :-

Section 8 :- It deals with fines, it provides that;

1) No fine shall be imposed on any employed person with respect to such acts on his part, the employer with previous approval of state government may have specified by notice under sub-section (2).

2) A notice specifying such acts shall be exhibited in prescribed manner on premises in which employment carried on or case of railway at prescribed place or places.

3) No fine shall be imposed on any employed person until he has been given an opportunity of showing cause against the fine.

- 4) The total amount of fine which may be imposed on any employee in any wage-period shall not exceed an amount equal to 3% of wage payable to him.
- 5) If a person is under the age of fifteen years then no fine shall be imposed on him.
- 6) No fine imposed on any employee shall be recovered by installments or after the expiry of 90 days.
- 7) Every fine shall be deemed to have been imposed on the day of the act in respect of which it was imposed.
- 8) All fines and all realisations shall be recorded in register and to be kept by person responsible for payment of wages in such form as prescribed. All such realisations shall be applied only to such purposes beneficial to employees.

* Section 15 :- It deals with claims arising out of deductions from wages or delay in payment of wages & penalty for malicious claims.

It states that appropriate government may appoint -

- 1) Commissioner for workmen's compensation,
 - 2) Officer of Central Government or -
Regional Labour Commissioner or
Assistant Labour Commissioner
with 2 year experience,
 - 3) Any officer of State Government not
below rank of Assistant Labour Commissioner
with experience of 2 years,
 - 4) Presiding officer of any labour Court or
Tribunal, constituted or under Industrial
Disputes Act, 1947, related to investigation
& settlement of disputes,
 - 5) Any other officer with experience as
judge of civil court or judicial magistrate.
- No payment of compensation shall be made in
case of delayed wages if authority is specified
that the delay was due to -
 - Bona fide or bona fide dispute as to amount
payable to employee.
 - The occurrence of an emergency or existence
of exceptional circumstances.
 - The failure of employee to apply for or accept
payment.