

# Highlights of Code on Wages

## 4 WAGES ACTS SUBSUMED INTO

The Equal Remuneration Act, 1976

The Minimum Wages Act, 1948

The Payment of Bonus Act, 1965

The Payment of Wages Act, 1936



# Highlights of Code on Wages

## Brief History of the Code Bill

**March  
10  
2015**

Draft of Labour Code discussed in the first tripartite meeting

**March  
21  
2015**

Draft Labour Code placed in the public domain for 30 days

**April  
13  
2015**

Second tripartite meeting held

**Aug  
10  
2017**

Code on Wages Bill first introduced in Lok Sabha

**August  
2  
2019**

Bill passed by Rajya Sabha

**July  
30  
2019**

A new bill named The Code on Wages Bill, 2019, passed by Lok Sabha

**Dec  
18  
2018**

Standing committee submitted its report; bill lapsed with the dissolution of the 16th Lok Sabha

**Aug  
21  
2017**

Bill referred to a parliamentary committee

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# Highlights of Code on Wages



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## Why India Needs a Wage Code

**62%**

of the workforce is made up of casual workers who need a right to minimum wage

Present minimum wage system is complex with states fixing rates for 1,709 scheduled employments, and Centre for 45

**33%**

of wage workers were paid less than the indicative minimum wage in 2009-10, according to Labour Ministry

Data: Labour Ministry

## Key Provisions

### LABOUR CODE ON WAGES

**Uniform minimum wage** to be notified under the bill



**This will be** statutory; all states will have to follow



**All 500 m workers** will benefit; currently it is applicable to only **40% workers**

**Payment of wages will be** exclusively via digital mode

**Minimum wage no longer based on employment**

**It will be based on geography and skills**



# Highlights of Code on Wages

Payment of Wages Act 1936

Minimum Wages Act 1948

Payment of Bonus Act 1965

## APPLICABILITY

Applicable  
Sections/  
Rules

The Code on Wages 2019

## APPLICABILITY

**PWA:** Provisions of the Act are applicable to those employees drawing less than Rs 24,000.  
It applies to Factory, Railway, Motor/Air Transport Service , Dock, Mine, Plantation, Workshop, Construction Activities and Central/State Government Notified Establishments .

1(4) &  
2(ii)



All employees are protected without any wage limit including supervisor and managers.  
It applies to all Establishments including Factory.

### MWA :

- Provisions of the Act are applicable only to the SCHEDULED EMPLOYMENTS.
- To fix minimum wages in an employment which has more than 1000 workers to be first included in the SCHEDULE.

2(g)



3(1-A)



Applicable to all including organized and unorganized sector employees.

**PBA:** Provisions of the Act are applicable to EVERY FACTORY and establishment employed more than 20 ( in Kar-10) persons.

1(3)



The provisions of this Chapter shall apply to such establishment in which 20 or more persons are employed or were employed on any day during an accounting year.

**E.R.A:** An Act to Provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto

Applicable to all employees irrespective of Gender

## DEFINITIONS- WAGES **Payment of Wages Act 1936**

“wages” means all remuneration (whether by way of salary, allowances, or otherwise) expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and

**includes—**

- (a) any remuneration payable under any **award or settlement** between the parties or order of a Court;
- (b) any remuneration to which the person employed is entitled in respect of **overtime work** or holidays or any leave period;
- (c) any **additional remuneration** payable under the terms of employment (whether called a bonus or by any other name);
- (d) any sum which by reason of the termination of employment of the person employed is payable under any law, contract or instrument which provides for the payment of such sum, whether with or without deductions, but does not provide for the time within which the payment is to be made;
- (e) any sum to which the person employed is entitled under any scheme framed under any law for the time being in force,

**but does not include—**

- (1) any **bonus** (whether under a scheme of profit sharing or otherwise) which does not form part of the remuneration payable under the terms of employment or which is not payable under any award or settlement between the parties or order of a Court;
- (2) the value of any **house-accommodation**, or **of the supply of light, water**, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the appropriate Government
- (3) any **contribution** paid by the employer to any **pension or provident fund**, and the interest which may have accrued thereon;
- (4) any travelling allowance or the value of any travelling concession;
- (5) any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment; or
- (6) any **gratuity** payable on the termination of employment in cases other than those specified in sub-clause (d).

## **The Equal Remuneration Act-1976**

“Remuneration” means

the **basic wage** or salary, and any **additional emoluments** whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, were fulfilled;

## DEFINITIONS- WAGES : **Minimum Wages Act 1936**

"**wages**" means all remuneration, capable of being expressed in terms of money, which would, if the terms of the contract of employment, express or implied, were fulfilled, be payable to a person **employed in respect of his employment** or of work done in such employment and **includes house rent allowance** but does not include—

- (i) the value of—
  - (a) any house-accommodation, supply of light, water, medical attendance, or
  - (b) any other amenity or any service excluded by general or special order of the appropriate Government;
- (i) any **contribution** paid by the employer to any Pension Fund or **Provident Fund** or under any scheme of social insurance;
- (ii) any **travelling allowance** or the value of any travelling concession;
- (iii) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or
- (iv) any **gratuity** payable on discharge;

## **Payment of Bonus Act-196**

Salary or wage means

**All remuneration** (other than remuneration in respect of over-time work) capable of being expressed in terms of money, which would, if the terms of employment, expressed or implied, were fulfilled, be payable to an employee in respect of his employment or of work done in such employment and includes **dearness allowance** (that is to say, all cash payments, by whatever name called, paid to an employee, on account of a rise in the cost of living), but does not include—

- (i) any **other allowance** which the employee is for the time being entitled to;
- (ii) the **value of any house accommodation** or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of food grain or other articles;
- (iii) any **travelling concession**;
- (iv) any **bonus** (including incentive, production and attendance bonus);
- (v) any contribution paid or payable by the employer to any pension fund or **provident fund** or for the benefit of the employee under any law for the time being in force;
- (vi) any **retrenchment compensation** or any gratuity or other retirement benefit payable to the employee or any ex-gratia payment made to him;
- (vii) any **commission** payable to the employee;

"wages" means all remuneration whether by way of salaries, allowances or otherwise, expressed in terms of money or capable of being so expressed which would, if **the terms of employment**, express or implied, were **fulfilled**, be payable to a person employed in respect of his employment or of work done in such employment, and includes,—

- (i) **basic pay**; (ii) **dearness allowance**; and (iii) **retaining allowance, if any,**  
**but does not include**
- (a) any **bonus payable** under any law for the time being in force, which does not form part of the remuneration payable under the terms of employment;
- (b) the **value of any house-accommodation**, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the appropriate Government;
- (c) any **contribution** paid by the employer to any pension **or provident fund**, and the interest which may have accrued thereon;
- (d) any **conveyance allowance** or the value of any travelling concession; (e) any sum paid to the employed person to defray **special expenses entailed on him by the nature of his employment**;
- (f) **house rent allowance**;
- (g) **remuneration** payable under any **award or settlement** between the parties or order of a court or Tribunal;
- (h) any **overtime allowance**;
- (i) any **commission** payable to the employee;
- (j) any **gratuity** payable on the termination of employment;
- (k) any **retrenchment compensation** or other retirement benefit payable to the employee or any ex gratia payment made to him on the termination of employment:

Provided that, for calculating the wages under this clause, if payments made by the employer to the employee under clauses (a) to (i) **exceeds one-half**, or such other per cent. as may be notified by the Central Government, of the all remuneration calculated under this clause, the amount which exceeds such one-half, or the per cent. so notified, **shall be deemed as remuneration and shall be accordingly added in wages under this clause**:

Provided further that for the purpose of equal wages to all genders and for the purpose of payment of wages, the emoluments specified in clauses (d), (f), (g) and (h) shall be taken for computation of wage.

Explanation:—Where an employee is given in lieu of the whole or part of the wages payable to him, any remuneration in kind by his employer, the value of such remuneration in kind which does not exceed fifteen per cent. of the total wages payable to him, shall be deemed to form part of the wages of such employee;



# The Code on Wages 2019

## DEFINITIONS -WAGES

### ILLUSTRATIONS

Wage Components	CASE-1 (Rs.)	CASE-2 (Rs.)	S 2(y)
BASIC	6000.00	5,000.00	if payments made by the employer to the employee under clauses (a) to (i) <b>exceeds one-half</b> , of the all remuneration calculated under this clause, the amount which exceeds such one-half, <b>shall be deemed as remuneration and shall be accordingly added in wages under this clause:</b>
DA	2000.00	-	
PRODN BONUS	1500.00	1500.00	
HRA	2000.00	4000.00	
EPF CONTRIBUTION	1000.00	1000.00	
TRAVELLING ALLOWANCE	2000.00	2000.00	
HEALTH HZRDS ALLOWANCE	1500.00	1500.00	
OVER TIME ALLOWANCE	2000.00	2000.00	
COMMISSION	2000.00	2000.00	
TOTAL	20,000.00	20,000.00	

• **CASE 1:** Payments made by the employer to the employee under clauses (a) to (i) is Rs.12,000.00, which is more than Rs.10,000.00.  
 $12,000.00 - 10000.00 = 2,000.00$ , Wage:  $8,000.00 + 2,000.00 = 10,000.00$

• **CASE 2:** Payments made by the employer to the employee under clauses (a) to (i) is Rs.15,000.00, which is more than Rs.10,000.00.  
 $15,000.00 - 10000.00 = 5,000.00$ , Wage:  $5,000.00 + 5,000.00 = 10,000.00$

Payment of Wages Act- 1936	Minimum Wages Act- 1948	Payment of Bonus Act- 1965	Code on Wages-2019
<p>“employed person” includes the legal representative of a deceased employed person;</p> <p>Provisions of the Act are applicable to those employees drawing less than Rs 24,000.</p>	<p>"employee" means <b>any person</b> who is <b>employed</b> for hire or reward to do any work, skilled or unskilled, manual or clerical, in a <b>scheduled employment</b> in respect of which minimum rates of wages have been fixed; and includes an out-worker to whom any articles or materials are given out by another person to be made up, cleaned, washed, altered, ornamented, finished, repaired, adapted or otherwise processed for sale for the purposes of the trade or business of that other person where the process is to be carried out either in the home of the out-worker or in some other premises not being premises under the control and management of that other person; and also includes an employee declared to be an employee by the appropriate Government; but does not include any member of the Armed Forces of the Union .</p>	<p>“employee” means <b>any person</b> (other than an apprentice) employed on a salary or wage not exceeding Rs.<b>21,000 per mensem</b> in any industry to do any skilled or unskilled manual, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied;</p>	<p>"employee" means, <b>any person</b> (other than an apprentice engaged under the Apprentices Act, 1961), employed on wages by an establishment to do any <b>skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work</b> for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union;</p>

# The Code on Wages 2019

## DEFINITIONS - Employer

Payment of Wages Act-1936	Minimum Wages Act-1948	Payment of Bonus Act-1965	Code on Wages-2019
<p>"employer" includes the legal representative of a deceased employer;</p>	<p>"employer" means any person who employs, whether directly or through another person, or whether on behalf of himself or any other person, one or more employees in any scheduled employment in respect of which minimum rates of wages have been fixed under this Act, and includes, except in sub-section (3) of section 26,--</p> <p>(i) in a <b>factory</b> where there is carried on any scheduled employment in respect of which minimum rates of wages have been fixed under this Act, any person named under clause (f) of sub- section (1) of section 7 of the Factories Act, 1948 as <b>manager of the factory</b>;</p> <p>(ii) in <b>any scheduled employment</b> under the control of any Government in India in respect of which minimum rates of wages have been fixed under this Act, the person or authority appointed by such Government for the <b>supervision and control of employees</b> or where no person or authority is so appointed, the head of the department;</p> <p>(iii) in any scheduled employment under any <b>local authority</b> in respect of which minimum rates of wages have been fixed under this Act, the person appointed by such authority for the <b>supervision and control of employees</b> or where no person is so appointed, the chief executive officer of the local authority;</p> <p>(iv) in <b>any other case where</b> there is carried on any scheduled employment in respect of which minimum rates of wages have been fixed under this Act, any person responsible to the <b>owner for the supervision and control of the employees</b> or for the payment of wages;</p>	<p>employer includes-</p> <p>(i) in relation to an establishment which is a <b>factory</b>, the owner or occupier of the factory, including the agent of such owner or occupier, the legal representative of a deceased owner or occupier and where a person has been named as a <b>manager</b> of the factory under clause (f) of sub-section (1) of Section 7 of the Factories Act, 1948 (63 of 1948) the person so named; and</p> <p>(ii) in relation to <b>any other establishment</b>, the person, who, or the authority which, has the <b>ultimate control over the affairs</b> of the establishment and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, <b>managing director</b> or managing agent</p>	<p>"employer" means a person who employs, whether directly or through any person, or on his behalf or on behalf of any person, <b>one or more employees in his establishment</b> and where the <b>establishment is carried on by any department of the Central Government or the State Government</b>, the authority specified, by the <b>head of such department</b>, in this behalf or where no authority, is so specified the head of the department and in relation to an establishment carried on by a local authority, the <b>chief executive of that authority</b>, and includes,—</p> <p>(i) in relation to an establishment which is a <b>factory</b>, the occupier of the factory as defined in clause (n) of section 2 of the Factories Act, 1948 and, where a person has been named as a <b>manager of the factory</b> under clause (f) of sub-section (1) of section 7 of the said Act, the person so named;</p> <p>(ii) in relation to <b>any other establishment</b>, the person who, or the authority which, has <b>ultimate control over the affairs</b> of the establishment and where the said affairs is entrusted to a manager or managing director, such manager or <b>managing director</b>; (iii) <b>contractor</b>; and (iv) <b>legal representative of a deceased employer</b>;</p>
<p><b>Equal Remuneration Act-1976</b></p> <p>"employer" has the meaning assigned to it in clause (f) of Section 2 of the <b>Payment of Gratuity Act, 1972</b> (39 of 1972);</p>			

**The Code on Wages 2019**  
**DEFINITIONS - Establishments**

Payment of Wages Act-1936	Minimum Wages Act-1948	Payment of Bonus Act-1965	Code on Wages-2019
<p>“ Industrial or other establishment” means any</p> <p>(a) tramway service, or motor transport service engaged in carrying passengers or goods or both by road for hire or reward;</p> <p>(aa) air transport service other than such service belonging to, or exclusively employed in the military, naval or air forces of the Union or the Civil Aviation Department of the Government of India;]</p> <p>(b) dock, wharf or jetty;</p> <p>(c) inland vessel, mechanically propelled;](d) mine, quarry or oil-field;</p> <p>(e) plantation;</p> <p>(f) workshop or other establishment in which articles are produced, adapted or manufactured, with a view to their use, transport or sale;</p> <p>(g) establishment in which any work relating to the construction, development or maintenance of buildings, roads, bridges or canals, or relating to operations connected with navigation, irrigation or the supply of water or relating to the generation, transmission and distribution of electricity or any other form of power is being carried on;</p> <p>(h) any other establishment or class of establishments notified by the appropriate Government.</p>	<p>“Scheduled employment” means an employment specified in the Schedule, or any process or branch of work forming part of such employment;</p>	<p>Establishment in private sector means any establishment other than an establishment in public sector;</p> <p>Establishment in public sector means an establishment owned, controlled or managed by-</p> <p>(a) a Government company as defined in Section 617 of the Companies Act, 1956 (1 of 1956); (b) a corporation in which not less than forty per cent of its capital is held (whether singly or taken together) by-</p> <p>(i) the Government; or</p> <p>(ii) the Reserve Bank of India; or</p> <p>(iii) a corporation owned by the Government or the Reserve Bank of India;</p>	<p>“Establishment” means any place where any industry, trade, business, manufacture or occupation is carried on and includes Government establishment;</p> <p>"Government establishment" means any office or department of the Government or a local authority;</p>

**Payment of  
Wages Act-1936  
&  
Minimum  
Wages Act-1948  
&  
Payment of  
Bonus Act-1965  
  
NIL**

**Equal  
Remuneration  
Act-1976**  
“worker” means  
a worker in any  
establishment or  
employment in  
respect of which  
this Act has  
come into force;

### Code on Wages-2019

"**worker**" means any person (except an apprentice as defined under clause (aa) of section 2 of the Apprentices Act, 1961) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and includes—

- (i) working journalists as defined in clause (f) of section 2 of the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955; and
- (ii) sales promotion employees as defined in clause (d) of section 2 of the Sales Promotion Employees (Conditions of Service) Act, 1976, and for the purposes of any proceeding under this Code in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched or otherwise terminated in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute,

### but does not include any such person

- (a) who is subject to the Air Force Act, 1950, or the Army Act, 1950, or the Navy Act, 1957; or
- (b) who is employed in the police service or as an officer or other employee of a prison; or
- (c) who is employed mainly in a managerial or administrative capacity; or
- (d) who is employed in a supervisory capacity drawing wage of exceeding Rs.15,000.00 per month or an amount as may be notified by the Central Government from time to time.

### REMARK

**“WORKER” definition is used only three times in this CODE**

- **Definition of Contract Labour**
- **Definition of industrial Dispute**
- **Fixation of National Floor Wage**



**Payment of  
Wages Act-1936  
&  
Minimum  
Wages Act-1948  
&  
Payment of  
Bonus Act-1965**

-

**Code on Wages-2019**

**“Contractor”, in relation to an establishment, means a person, who**

- (i) undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through contract labour; or
- (ii) supplies contract labour for any work of the establishment as mere human resource and includes a sub-contractor;

**“Contract labour” means**

a **worker** who shall be deemed to be employed in or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer and includes inter-State migrant worker but does not include a worker (other than part-time employee) who

- (i) is regularly employed by the contractor for any activity of his establishment and his employment is governed by mutually accepted standards of the conditions of employment (including engagement on permanent basis), and
- (ii) gets periodical increment in the pay, social security coverage and other welfare benefits in accordance with the law for the time being in force in such employment;

**The Code on Wages 2019**  
**DEFINITIONS – Accounting Year**

<b>Payment of Wages Act-1936</b> <b>Minimum Wages Act-1948</b>  <b>NIL</b>	<b>Payment of Bonus Act-1965</b>  <b>Accounting Year means</b> (i) in relation to a corporation, the year ending on the day on which the books and accounts of the corporation are to be closed and balanced; (ii) in relation to a company, the period in respect of which any profit and loss account of the company laid before it in annual general meeting is made up, whether that period is a year or not; (iii) in any other case:- (a) the year commencing on the 1st day of April; or (b) if the accounts of an establishment maintained by the employer thereof are closed and balanced on any day other than the 31st day of March, then, at the option of the employer, the year ending on the day on which its accounts are so closed and balanced: Provided that an option once exercised by the employer under paragraph (b) of this sub-clause shall not again be exercised except with the previous permission in writing of the prescribed authority and upon such conditions as that authority may think fit;	<b>Code on Wages-2019</b>  (a) "accounting year" means the year commencing on the 1st day of April ;
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Payment of Wages Act-1936 & Minimum Wages Act-1948 & Payment of Bonus Act-1965	Equal Remuneration of 1976	Code on Wages-2019
NIL	<p><b>“same work or work of a similar nature” means</b> work in respect of which the <b>skill, effort and responsibility required are the same</b>, when performed under similar working conditions, <b>by a man or a woman</b> and the differences, if any, between the skill, effort and responsibility required of a man and those required of a woman are not of practical importance in relation to the terms and conditions of employment;</p>	<p><b>"same work or work of a similar nature" means</b> work in respect of which the <b>skill, effort, experience and responsibility required are the same</b>, when performed under similar working conditions <b>by employees</b> and the difference if any, between the skill, effort, experience and responsibility required for employees of any gender, are not of practical importance in relation to the terms and conditions of employment;</p>
	<p><b>Sec-4</b></p> <p>Duty of employer to pay equal remuneration to men and women workers for same work or work of a similar nature.</p>	<p><b>Sec 3(2)(i)</b></p> <p>No employer shall, reduce the rate of wages of any employee.</p>

## The Code on Wages 2019 :CHAPTER-2 MINIMUM WAGES

Minimum Wages Act-1948	Code On Wages-2019
<p style="text-align: center;"><b>S-3(3)</b></p> <p>In fixing or revising minimum rates of wages under this section,</p> <p>(a) different minimum rates of wages may be fixed for–</p> <p>(i) different scheduled employments;</p> <p>(ii) different classes of work in the same scheduled employment;</p> <p>(iii) adults, adolescents, children and apprentices;</p> <p>(iv) different localities;</p>	<p style="text-align: center;"><b>S-6(6)</b></p> <p>For the purpose of <b>fixation of minimum rate of wages</b> under this section, the appropriate Government,</p> <p>(a) shall primarily take into account the skill of workers required for working under the categories of <b>unskilled, skilled, semi-skilled and highly-skilled</b> or <b>geographical area</b> or both; and</p> <p>(b) may, in addition to such minimum rate of wages for certain category of workers, take into account their <b>arduousness of work like temperature or humidity</b> normally difficult to bear, hazardous occupations or processes or underground work as may be prescribed by that Government; and</p> <p>(c) the norms of such fixation of minimum rate of wages shall be such as may be prescribed</p>
<p style="text-align: center;"><b>S-3(1)(b)</b></p> <p>review at such <b>intervals as it may think fit</b>, such intervals not exceeding five years,</p>	<p style="text-align: center;"><b>S-8(4)</b></p> <p>The appropriate Government shall review or revise minimum rates of wages ordinarily at an interval <b>not exceeding five years</b>.</p>
<p style="text-align: center;">NIL</p>	<p style="text-align: center;"><b>S-9 Fixation of Floor Wages by Central Government</b></p> <p>(1) The Central Government shall <b>fix floor wage taking into account</b> minimum <b>living standards of a worker</b> in such manner as may be prescribed: Provided that different floor wage may be fixed for different geographical areas.</p> <p>(2) The <b>minimum rates of wages fixed by the appropriate Government</b> under section 6 <b>shall not be less than the floor wage</b> and <b>if the minimum rates of wages fixed by the appropriate Government earlier is more than the floor wage</b>, then, the appropriate Government <b>shall not reduce such minimum rates of wages fixed by it earlier</b>.</p>

**The Code on Wages 2019**  
**CHAPTER-2 MINIMUM WAGES**

**P.W.A  
1936**

**Code On Wages-2019**

**NIL**

**Fixing hours of work for normal working day**

- (1) Where the minimum rates of wages have been fixed under this Code, the appropriate Government may
- (a) **fix the number of hours of work** which shall constitute a normal working day inclusive of one or more specified intervals;
  - (b) provide for a **day of rest in every period of seven days** which shall be allowed to all employees or to any specified class of employees and for the payment of remuneration in respect of such days of rest;
  - (c) provide **for payment for work on a day of rest at a rate not less than the overtime rate.**
- (2) The provisions of sub-section (1) shall, in relation to the following classes of employees apply, only to such extent and subject to such conditions as may be prescribed, namely:—
- (a) employees **engaged in any emergency** which could not have been foreseen or prevented;
  - (b) employees engaged in work of the nature of preparatory or **complementary work** which must necessarily be carried on outside the limits laid down for the general working in the employment concerned;
  - (c) employees whose employment is **essentially intermittent**;
  - (d) employees engaged in any work **which for technical reasons has to be completed before the duty is over**; and
  - (e) employees engaged in a work which could not be carried on except at times dependent on the irregular action of natural forces



**P.W.A  
1948**

### **S-6 Wages to be paid in current coin or currency notes.**

All wages shall be paid in current **coin or currency notes or in both:**

Provided that the employer may, after obtaining the **written authorisation** of the employed person, **pay him the wages either by cheque or by crediting the wages in his bank account.**

### **S-4 Fixation of wage-periods.**

- (1) Every person responsible for the payment of wages under section 3 shall fix periods (in this Act referred to as wage-period) in respect of which such wages shall be payable.
- (2) No wage-period shall exceed **one month**.

**Code On Wages-2019**

### **S-15 Mode of Payment of Wages.**

All wages shall be paid in current coin or currency notes or by cheque or **by crediting the wages in the bank account of the employee or by the electronic mode:**

Provided that the appropriate Government may, by notification, specify the industrial or other establishment, the employer of which **shall pay to every person employed in such industrial or other establishment, the wages only by cheque or by crediting the wages in his bank account.**

### **S-16 Fixation of wage period.**

The employer shall fix the wage period for employees either as

**daily or  
weekly or  
fortnightly or  
monthly**

subject to the condition that no wage period in respect of any employee shall be more than a month: Provided that different wage periods may be fixed for different establishments

**P.W.A  
1948**

**S-5 Time of payment of wages**

- (1) The wages of every person employed upon or in
  - (a) any **railway, factory or industrial or other establishment** upon or in which **less than one thousand persons are employed**, shall be paid **before the expiry of the seventh day**,
  - (b) any other railway, factory or 'industrial or other establishment shall be paid before the expiry of the **tenth day**, after the last day of the wage-period in respect of which the wages are payable:
- (2) Where the employment of any person is **terminated** by or on behalf of the employer, the wages, earned by him shall be paid **before the expiry of the second working day** from the day on which his employment is terminated:

Provided that where the employment of any person in an establishment is terminated **due to the closure of the establishment** for any reason other than a weekly or other recognised holiday, the wages earned by him shall be paid **before the expiry of the second day from the day** on which his employment is so terminated.

**Code On Wages-2019**

**S-17 Time limit for payment of wages**

- (1) The employer shall pay or cause to be paid wages to the employees, engaged on
  - (i) **daily basis, at the end of the shift;**
  - (ii) **weekly basis, on the last working day of the week, that is to say, before the weekly holiday;**
  - (iii) **fortnightly basis, before the end of the second day after the end of the fortnight;**
  - (iv) **monthly basis, before the expiry of the seventh day of the succeeding month.**
- (2) Where an employee has been—
  - (i) **removed or dismissed from service;** or
  - (ii) **retrenched or has resigned from service**, or became unemployed due to closure of the establishment, the wages payable to him shall be paid **within two working days of his removal, dismissal, retrenchment or, as the case may be, his resignation.**

**The Code on Wages 2019**  
**CHAPTER-3 PAYMENT OF WAGES**

**P.W.A 1948**

**Deductions which may be made from wages**  
**S-7(2) (h)**

Deductions required to be made by order of a Court or other authority competent to make such order;

**S-7(3)**

The total amount of deductions which may be made under sub-section (2) in any wage-period from the wages of any employed person **shall not exceed**

- (i) in cases where such deductions are wholly or partly made for payments to **co-operative societies** under clause (j) of sub-section (2), **seventy- five per cent**, of such wages, and
- (ii) in any other case, **fifty per cent, of such wages**;

**S-8(6)**

No fine imposed on any employed person **shall be recovered from him by instalments** or after the **expiry of sixty days from the day on which it was imposed**.

**Code On Wages-2019**

**Deductions which may be made from wages**  
**S-18(2) (i)**

Deductions for subscription to, and for repayment of **advances from any social security fund or scheme constituted by law including provident fund or pension fund or health insurance scheme** or fund known by any other name;

**S-18(3)**

The total amount of deductions which may be made under sub-section (2) in any wage period from the wages of an employee shall not **exceed fifty per cent**. of such wages.

**S-19(6)**

No fine imposed on any employee shall be recovered from him by instalments or after the expiry of **ninety days** from the day on which it was imposed.

**P.B.A -1965**

**S-8 Eligibility for Bonus.**

Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

**NIL**

**Code On Wages-2019**

**S-26 Eligibility for Bonus**

- (1) There shall be paid to every employee, drawing wages **not exceeding such amount per mensem, as determined by notification, by the appropriate Government**, by his employer, who has put in at least thirty days work in an accounting year, **an annual minimum bonus calculated at the rate of eight and one-third per cent. of the wages earned by the employee** or one hundred rupees, whichever is higher whether or not the employer has any allocable surplus during the previous accounting year.
- (2) For the purpose of calculation of the bonus **where the wages of the employee exceeds such amount per mensem**, as determined by notification by the appropriate Government, the bonus payable to such employee under sub-sections (1) and (3) shall be calculated as if his wage were such amount, so determined by the appropriate Government or the minimum wage fixed by the appropriate Government, whichever is higher.

**S-26**

Any demand for bonus in **excess of the bonus** referred to in sub-section (1), **either on the basis of production or productivity in an accounting year** for which the bonus is payable **shall be determined by an agreement or settlement between the employer and the employees**, subject to the condition that the total bonus including the annual minimum bonus referred to in sub-section (1) shall not exceed twenty per cent. of the wages earned by the employee in the accounting year.

**P.B.A -1965**

**S-9**

**Disqualification for Bonus.**

Notwithstanding anything contained in this Act, an employee shall be disqualified from receiving bonus under this Act, if he is dismissed from service for –

- (a) fraud; or
- (b) riotous or violent behaviour while on the premises of the establishment; or
- (c) theft, misappropriation or sabotage of any property of the establishment

**Code On Wages-2019**

**S-29**

**Disqualification for bonus.**

Notwithstanding anything contained in this Code, an employee shall be disqualified from receiving bonus under this Code, if he is dismissed from service for

- (a) fraud; or
- (b) riotous or violent behaviour while on the premises of the establishment; or
- © theft, misappropriation or sabotage of any property of the establishment; or

(d) conviction for sexual harassment



**The Code on Wages 2019**  
**CHAPTER-4 PAYMENT OF BONUS**

**P.B.A -1965**

**S(4)**

**Allocable surplus means :-**

- (a) in relation to an employer, being a company other than a Banking Company which has not made the arrangements prescribed under the Income-tax Act for the declaration and payment within India of the dividends payable out of its profits in accordance with the provisions of section 194 of that Act, sixty seven per cent of the available surplus in an accounting year;
- (b) in any other case, sixty per cent of such available surplus

**Illustration:**

- Available Surplus is Rs.50,00,000.00
- Allocable Surplus is 60% of Rs. 50,00,000.00 is Rs.30,00,000.00, which is taken into consideration for calculation of Bonus.

**Code On Wages-2019**

**S-31(1)**

**Payment of bonus out of allocable surplus.**

- (1) The bonus shall be paid out of the allocable surplus which shall be an amount equal to sixty per cent. in case of a banking company and **sixty-seven per cent. in case of other establishment**, of the available surplus and the available surplus shall be the amount calculated in accordance with section 33.

**Illustration:**

- Available Surplus is Rs.50,00,000.00
- Allocable Surplus is 67% of Rs. 50,00,000.00 is Rs.30,00,000.00, which is taken into consideration for calculation of Bonus Rs.33,50,000.00 which is taken into consideration for calculation of Bonus.
- So workers will get more percentage of Bonus of additional 3,50,000.00

**The Code on Wages 2019**  
**CHAPTER-4 PAYMENT OF BONUS**

**P.B.A -1965**

**S 19**

**Time limit for payment of bonus.**- All amounts payable to an employee by way of bonus under this Act shall be paid in cash by his employer-

- (a) where there is a dispute regarding payment of bonus pending before any authority under Section 22, within a month from the date on which the award becomes enforceable or the settlement comes into operation, in respect of such dispute;
- (b) in any other case, within a period of eight months from the close of the accounting year:

**Code On Wages-2019**

**S 39**

**Time limit for payment of bonus**

- (1) All amounts payable to an employee by way of bonus under this Code shall be paid by crediting it in the bank account of the employee by his employer within a period **of eight months** from the close of the accounting year:
- (2) Notwithstanding anything contained in sub-section (1), where there is a dispute regarding payment of bonus pending before any authority, such bonus shall be paid, within a period of one month from the date on which the award becomes enforceable or the settlement comes into operation, in respect of such dispute:  
Provided that if, there is a dispute for payment at the higher rate, **the employer shall pay eight and one-third per cent. of the wages earned by the employee as per the provisions of this Code within a period of eight months** from the close of the accounting year.

## P.W.A 1936

## S-3

**Responsibility for payment of wages.**

(1) Every employer shall be responsible for the payment of all wages required to be paid under this Act to persons employed by him and in case of persons employed,

- (a) In **factories**, if a person has been named as the **manager** of the factory under clause (f) of sub-section (1) of section 7 of the Factories Act, 1948 (63 of 1948);
- (b) In **industrial or other establishments**, if there is a person responsible to the employer for the **supervision and control of the industrial or other establishment**;

## Code On Wages-2019

## S-43

**Responsibility for payment of various dues.**

(1) **Every employer** shall pay all amounts required to be paid under this Code to every employee employed by him:

Provided that where **such employer fails to make such payment in accordance with this Code**, then, the company or firm or association or any other person **who is the proprietor of the establishment**, in which the employee is employed, shall be responsible for such payment.

**The Code on Wages 2019**  
**CHAPTER-6 PAYMENT OF DUES, CLAIMS AND AUDIT**

P.W.A -1936	M.W.A-1948	P.B.A-1965	E.R.A-1976	Code On Wages-2019
<p><b>Claim Authority S-15</b></p> <p>(a) Any Commissioner for <b>Workmen's Compensation</b>; or</p> <p>(b) Any officer of the State Government <b>not below the rank of Assistant Labour Commissioner with at least two years' experience</b>; or</p> <p>(c) <b>A presiding officer of any Labour Court</b> or Industrial Tribunal.</p> <p>Decide the claim within a period of 3 months</p>	<p><b>Claim Authority S-20</b></p> <p>(1)Any Commissioner for <b>Workmen's Compensation</b> or any officer of the State Government <b>not below the rank of Labour Commissioner</b> or any other officer with experience as a <b>Judge of a Civil Court</b> or as a stipendiary</p> <p>NIL</p>	<p><b>Recovery of bonus due from an employer.- S-21</b></p> <p>Where any money is due to an employee by way of bonus from his employer under a settlement or an award or agreement, if the appropriate <b>Government (DLC) it shall issue a certificate</b> for that amount to the Collector who shall proceed to recover the same in the same manner as an arrear of land revenue:</p> <p>NIL</p>	<p><b>Claim Authority S-7</b></p> <p>The appropriate Government may, by notification, appoint such officers, <b>not below the rank of a Labour Officer</b>, as it thinks fit to be the authorities for the purpose of hearing and deciding.</p> <p>NIL</p>	<p><b>Claims under Code and procedure there of. S-45(1)</b></p> <p>The appropriate Government may, by notification, appoint one or more authorities, <b>not below the rank of a Gazetted Officer</b>, to hear and determine the claims which arises under the provisions of this Code.</p> <p>Decide the claim within a period of 3 months</p>

**The Code on Wages 2019**  
**CHAPTER-6 PAYMENT OF DUES, CLAIMS AND AUDIT**

P.W.A -1936	M.W.A-1948	P.B.A-1965	E.R.A-1976	Code On Wages-2019
<p><b>CLAIM FILING BEFORE THE AUTHORITY S-15(2)</b></p> <ul style="list-style-type: none"> <li>•an <b>employed person</b>, or,</li> <li>•any <b>legal practitioner</b> or</li> <li>•any official of a <b>registered trade union</b> authorised in writing to act on his behalf, or</li> <li>• any <b>Inspector</b> under <b>this Act</b>, or</li> <li>•any other person acting with the permission of the authority appointed under sub-section (1).</li> </ul> <p><b>Within 12 Months</b></p>	<p><b>CLAIM FILING BEFORE THE AUTHORITY S-20(2)</b></p> <ul style="list-style-type: none"> <li>•the <b>employee</b> himself, or</li> <li>•any <b>legal practitioner</b> or</li> <li>•any official of a <b>registered trade union</b> authorized in writing to act on his behalf, or</li> <li>• <b>any Inspector</b>, or</li> <li>•any person acting with the permission of the Authority appointed under sub-section (1).</li> </ul> <p><b>Within 6 Months</b></p>	<p><b>CLAIM FILING BEFORE THE AUTHORITY S-21</b></p> <ul style="list-style-type: none"> <li>• <b>employee</b> himself or</li> <li>• any other person authorized by him in writing in this behalf, or</li> <li>• in the case of the death of the employee, his assignee or heirs.</li> </ul> <p><b>Within 1 Year</b></p>	<p><b>CLAIM FILING BEFORE THE AUTHORITY S-7</b></p> <ul style="list-style-type: none"> <li>•<b>WORKER</b></li> </ul> <p><b>NIL</b></p>	<p><b>CLAIM FILING BEFORE THE AUTHORITY S-45 (4)</b></p> <p>Any application before the authority for claim referred to in sub-section (1) may be filed by,—</p> <ol style="list-style-type: none"> <li>the <b>employee</b> <b>concerned</b>; or</li> <li>any <b>Trade Union</b> <b>registered</b> under the Trade Unions Act, 1926 of which the employee is a member; or</li> <li>the <b>Inspector-cum-Facilitator</b></li> </ol> <p><b>Within a period of 3 Years</b></p>



**The Code on Wages 2019**  
**CHAPTER-6 PAYMENT OF DUES, CLAIMS AND AUDIT**

P.W.A -1936	M.W.A-1948	P.B.A-1965	E.R.A-1976	Code On Wages-2019
RECOVERY AUTHORITY S-15(5)	RECOVERY AUTHORITY S-20(5)	RECOVERY AUTHORITY S-21	RECOVERY AUTHORITY S-7(8)	RECOVERY AUTHORITY S-45(3)
DISTRICT COLLECTOR	J.M.F.C	DISTRICT COLLECTOR	S-33 (C) OF ID ACT	DISTRICT COLLECTOR
APPEALLET AUTHORITY S-17	APPEALLET AUTHORITY	APPEALLET AUTHORITY	APPEALLET AUTHORITY S-7(6)	APPEALLET AUTHORITY S-49(2)
DISTRICT COURT	-	-	ALC	Holding the post <b>at least one rank higher than the authority</b> referred.
Disposal of the Case: No period mentioned	Disposal of the Case: No period mentioned	Disposal of the Case: No period mentioned	Disposal of the Case: No period mentioned	Disposal of the Case: Decide within a period of 3 months
Appellant has to deposit ordered amount before filing Appeal	NIL	NIL	NIL	NIL

P.W.A -1936	M.W.A-1948	P.B.A-1965 E.R.A-1976	Code On Wages-2019
<p><b>Maintenance of registers and records.</b></p> <p>(1) Every employer shall maintain such registers and records giving such particulars of <b>persons employed by him</b>, the <b>work performed</b> by them, the <b>wages paid</b> to them, the <b>deductions made</b> from their wages, the <b>receipts given</b> by them and such other particulars and in such form as may be prescribed.</p> <p>(2) Every register and record required to be maintained under this section shall, for the purposes of this Act, be <b>preserved for a period of three years after the date of the last entry made therein.</b></p>	<p><b>Maintenance of registers and records.-</b></p> <p>(1) Every employer shall maintain such registers and records giving such particulars of <b>persons employed by him</b>, the <b>work performed</b> by them, the <b>wages paid</b> to them, the <b>deductions made</b> from their wages, the <b>receipts given</b> by them and such other particulars and in such form as may be prescribed.</p> <p>(2) Every employer shall keep exhibited, in such manner as may be prescribed, in the factory, workshop or place where the employees in the scheduled employment may be employed, or in the case of out- workers, in such factory, workshop or place as may be used for giving out-work to them, notices in the prescribed form containing prescribed particulars. The appropriate Government may, by rules made under this Act, provide for the <b>issue of wage books or wage slips</b> to employees employed in any scheduled employment in respect of which minimum rates of wages have been fixed and prescribe the manner in which entries shall be made and authenticated in such wage books or wage slips by the employer or his agent.</p>	<p>Every employer shall prepare and maintain such registers, records and other documents in such form and in such manner as may be prescribed.</p> <p style="text-align: center;">&amp;</p> <p>Every employer shall maintain such registers and other documents in relation to the workers employed by him as may be prescribed.</p>	<p><b><u>Records, returns and notices.</u></b></p> <p>(1) Every employer of an establishment to which this Code applies shall maintain a register containing the details with regard to <b>persons employed, muster roll, wages</b> and such other details in such manner as may be prescribed.</p> <p>(2) Every employer shall display a notice on the notice board at a prominent place of the establishment containing <b>the abstract of this Code, category-wise wage rates of employees, wage period, day or date and time of payment of wages, and the name and address of the Inspector-cum-Facilitator</b> having jurisdiction.</p> <p>(3) Every employer shall issue <b>wage slips</b> to the employees in such form and manner as may be prescribed.</p> <p>(4) The provisions of <b><u>sub-sections (1) to (3)</u></b> <b><u>shall not apply</u></b> in respect of the employer to the extent <b>he employs not more than five persons for agriculture or domestic purpose:</b></p>

**Code On Wages-2019**

**The Inspector-cum-Facilitator**

**S-51(2)**

The appropriate Government may, by notification, lay down an inspection scheme which may also provide for **generation of a web-based inspection and calling of information relating to the inspection under this Code electronically.**

**S-51(3)**

Without prejudice to the provisions of sub-section (2), the appropriate Government may, by notification, confer such jurisdiction of **randomized selection of inspection** for the purposes of this Code to the Inspector-cum-Facilitator as may be specified in such notification.

**S-51(5)**

The Inspector-cum-Facilitator may

- (a) advice to employers and workers relating to compliance with the provisions of this Code;
- (b) inspect the establishments as assigned to him by the appropriate Government,  
subject to the instructions or guidelines issued by the appropriate Government from time to time.

**The Code on Wages 2019**  
**CHAPTER-8 OFFENCES AND PANALTY**

P.W.A -1936	M.W.A-1948	P.B.A-1965	E.R.A-1976	Code On Wages-2019
<p><b>S-21(3)</b></p> <p>No Court shall take cognizance of a contravention of section 4 or of section 6 or of a contravention of any rules made under section 26 except on a complaint made by or with the sanction of an <b>Inspector</b> under this Act.</p>	<p><b>S-22(B)</b></p> <p>Under clause (a) of section 22 unless an application in respect of the facts constituting such offence has been presented under section 20 and has been granted wholly or in part, and the <b>appropriate Government or an officer</b></p>	<p><b>S-30</b></p> <p>No court shall take cognizance of any offence punishable under this Act, save on complaint made by or under the authority of appropriate Government, <b>not below the rank of a Labour Commissioner</b> in the case of an officer of the State Government) specially authorised in this behalf by that Government.</p>	<p><b>S-11</b></p> <p>Where an offence under this Act has been committed by a company, <b>every person</b> who, at the time the offence was committed, was in charge of, and was responsible to, the company, for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:</p>	<p><b>S-52 (1) (1)</b></p> <p>No court shall take cognizance of any offence punishable under this Code, save on a <b>complaint made by or under the authority of the appropriate Government</b> or an officer authorised in this behalf, <b>or by an employee or a registered Trade Union registered under the Trade Unions Act, 1926</b> or an Inspector-cum-Facilitator.</p>

**The Code on Wages 2019**  
**CHAPTER-8 OFFENCES AND PANALTY**

<b>P.W.A -1936, M.W.A-1948, P.B.A-1965 &amp; E.R.A-1976</b>	<b>Code On Wages-2019</b>
<b>NIL</b>	<p><b>Power of officers of appropriate Government to impose penalty in certain cases.</b></p> <p><b>S-53(1)</b></p> <p>Notwithstanding anything contained in section 52, for the purpose of imposing penalty under clauses (a) and (c) of sub-section (1) and sub-section (2) of section 54 and sub-section (7) of section 56, the appropriate Government may appoint <b>any officer not below the rank of Under Secretary</b> to the Government of India or an officer of equivalent rank in the State Government, as the case may be, <b>for holding enquiry in such manner</b>, as may be prescribed by the Central Government.</p> <p><b>S-53(2)</b></p> <p>While holding the enquiry, the officer referred to in sub-section (1) shall have the power to summon and enforce attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in the opinion of such officer, may be useful for or relevant to the subject matter of the enquiry and if, on such enquiry, he is satisfied that the person has committed any offence under the provisions referred to in sub-section (1), he may impose such penalty as he thinks fit in accordance with such provisions.</p>

# The Code on Wages 2019

## CHAPTER-8 OFFENCES AND PANALTY

### Code On Wages-2019

P.W.A -1936	P.B.A-1965	
<p><b>S-20</b> Shall be punishable with fine which shall not be less than 1,500.00 rupees but which may extend to 7,500.00 rupees.</p>	<p><b>S-28</b> Punishable with imprisonment for a term which may extend to six months, or with fine which may extend to 1,000.00 rupees, or with both.</p>	<p>(1) Any employer who—            (a) pays to any employee less than the amount due to such employee under the provisions of this Code shall be punishable with fine which may extend to 50,000.00 rupees;            (b) having been convicted of an offence under clause (a) is again found guilty of similar offence under this clause, within five years from the date of the commission of the first or subsequent offence, he shall, on the second and the subsequent commission of the offence, be punishable with imprisonment for a term which may extend to three months or with fine which may extend to 1 lakh rupees, or with both;            (c) contravenes any other provision of this Code or any rule made or order made or issued there under shall be punishable with fine which may extend to 20,000.00 rupees;            (d) having been convicted of an offence under clause (c) is again found guilty of similar offence under this clause, within five years from the date of the commission of the first or subsequent offence, he shall, on the second and the subsequent commission of the offence under this clause, be punishable with imprisonment for a term which may extend to one month or with fine which may extend to 40,000.00 rupees, or with both.</p>
<p><b>M.W.A-1948</b></p>	<p><b>E.R.A-1976</b></p>	
<p><b>S-22</b> Shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to 500.00 rupees, or with both.</p>	<p><b>S-10</b> Punishable with simple imprisonment for a term which may extend to one month or with fine which may extend to 10,000.00 rupees or with both.</p>	<p>(2) Notwithstanding anything contained in sub-section (1), for the offences of non-maintenance or improper maintenance of records in the establishment, the employer shall be punishable with fine which may extend to 10,000.00 rupees.</p> <p>(3) Notwithstanding anything contained in clause (c) of sub-section (1) or sub-section (2), the Inspector-cum-Facilitator shall, before initiation of prosecution proceeding for the offences under the said clause or sub-section, give an opportunity to the employer to comply with the provisions of this Code by way of a written direction, which shall lay down a time period for such compliance, and, if the employer complies with the direction within such period, the Inspector-cum-Facilitator shall not initiate such prosecution proceeding and, no such opportunity shall be accorded to an employer, if the violation of the same nature of the provisions under this Code is repeated within a period of five years from the date on which such first violation was committed and in such case the prosecution shall be initiated in accordance with the provisions of this Code.</p>

Code On Wages-2019  
**COMPOSITION OF OFFENCES**

**S-56**

- (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence punishable under this Code, not being an offence punishable with imprisonment only, or with imprisonment and also with fine, may, on an application of the accused person, either before or after the institution of any prosecution, be compounded by a Gazetted Officer, as the appropriate Government may, by notification, specify, for **a sum of fifty per cent. of the maximum fine provided for such offence, in the manner as may be prescribed.**
- (2) Nothing contained in sub-section (1) shall apply to an offence committed by a person for the second time or thereafter within a period of five years from the date.

**S-56**

- (5) here any offence is compounded before the institution of any prosecution, no prosecution shall be instituted in relation to such offence, against the offender in relation to whom the offence is so compounded
- (7) Any person who fails to comply with an order made by the officer referred to in sub-section (1), shall be punishable with a sum equivalent to twenty per cent. of the maximum fine provided for the offence, in addition to such fine.

**Code On Wages-2019**  
**MISCELLANEOUS**

**S-58**  
**BURDEN OF PROOF**

- Where a claim has been filed on account of **non-payment of remuneration** or **bonus** or **less payment of wages** or **bonus** or on account of making deductions not authorised by this Code from the wages of an employee, the **burden to** prove that the said dues have been paid shall be on the **employer**.

**S-67**  
**RULES MAKING POWER**

- **APPROPRIATE GOVT. ON 29 MATTERS**
- **CENTRAL GOVT ON 9 MATTERS**



**Code On Wages-2019**  
**CENTRAL RULES**

**R-3**  
**BURDEN OF PROOF**

- Where a claim has been filed on account of **non-payment of remuneration** or **bonus** or **less payment of wages** or **bonus** or on account of making deductions not authorised by this Code from the wages of an employee, the **burden to** prove that the said dues have been paid shall be on the **employer**.

**S-67**  
**RULES MAKING POWER**

- **APPROPRIATE GOVT. ON 29 MATTERS**
- **CENTRAL GOVT ON 9 MATTERS**

**Code On Wages-2019**  
**MISCELLANEOUS**

**R-3**

**Manner of calculating the minimum rate of wages**

The minimum rate of wages shall be fixed on the day basis keeping in view the following criteria , namely:-

- (I) the standard working class family which includes a spouse and two children apart from the earning worker; an equivalent of **three adult consumption units**;
- (II) A net intake of **2700 calories per day per consumption** unit;
- (III) 66 meters cloth per year per standard working class family;
- (IV) Housing rent expenditure to constitute **10 per cent of food and clothing expenditure**;
- (V) Fuel, electricity and other miscellaneous items of expenditure to constitute 20 percent of minimum wage;  
and
- (VI) Expenditure for children education, medical requirement, recreation and expenditure on contingencies

## FORM-I

**Register of Wages, Overtime, Fine, Deduction for damage and Loss**

Name of the Establishment:

Name of the Employer:

Name of the Owner:

PAN/TAN of the Employer:

Labour Identification Number (LIN):

1	2	3	4	5	6	7	8	9	10
Sr. No. in Employee Register	Name of the employee	Designation / Department	Duration of Payment of Wages (Monthly/Fortnightly/Weekly/Daily/Piece rated)	Wage Period From To	Total no. of days worked during the period	Total overtime (hoursworked or production in case of piece workers)	Rates of wages		
							Basic	DA	Allowances
11	12	13	14	15	16	17	18	19	
Overtime earning	Nature of acts and omissions for which fine imposed with date	Amount of fine imposed	Damage or loss caused to the employer by neglect or default of the employee	Amount of deduction from wages	Total amount of wages paid	Date of Payment	Attendance		
							Date	Signature	

**FORM III**

(See rule 50)

**Appeal under Section 49(1) of the Code on Wages, 2019  
Before The Appellate Authority under the Code on Wages, 2019**

A.B.C Address.....APPELLANT Vs. C.D.E.

Address..... RESPONDENT DETAILS OF APPEAL:

1. Particulars of the order against which the appeal is made : Number and date : The authority who has passed the impugned order:  
Amount awarded: Compensation awarded , if any :
2. Facts of the case : (Give here a concise statement of facts in a chronological order, each paragraph containing as nearly as possible a separate issue or fact).
3. Grounds for appeal :
4. Matters not previously filed or pending with any other Court or any Appellate Authority: The appellant further declares that he had not previously filed any appeal, writ petition or suit regarding the matter in respect of which this appeal has been made, before any Court or any other Authority or Appellate Authority nor any such appeal, writ petition or suit is pending before any of them.
5. Reliefs sought : In view of the facts mentioned above the appellant prays for the following relief(s) :— [Specify below the relief(s) sought]
6. List of enclosures: 1. 2. 3. 4. .... Date : Place : Signature of the appellant. For office use -----  
----- Date of filing or Date of receipt by post Registration No. Authorized Signatory

**FORM IV**  
**[See rule 51(3)]**  
**EMPLOYEE REGISTER**

Name of the Establishment :

Name of the Owner :

Labour Identification Number (LIN):

Name of the Employer:

PAN/TAN of the Employer:

1	2	3	4	5	6	7	8	9	10	11	12	13
Sl. No.	Employee Code	Name	Surname	Gender	Father's / Spouse Name	Date of Birth	Nationality	Education Level	Date of Joining	Designation	Category (HS/S/S S/U S)*	Type of Employment
14	15	16	17	18	19	20	21	22	23			
Mobile No	UAN	PAN	ESIC IP No	AADHAAR	Bank A/c Number	Bank	Branch (IFSC)	Present Address	Permanent Address			
24	25	26	27	28	29	30						
Service Book No.	Date of Exit	Reason for Exit	Mark of Identification	Photo	Specimen Signature/Thumb Impression	Remarks						

**FORM V**  
**[See rule 52]****WAGE SLIP** Date of issue: Name of the Establishment..... Address..... Period.....

1. Name of employee :
2. Father's /Spouse name :
3. Designation :
4. UAN:
5. Bank Account No.:
6. Wage period:
7. Rate of wages payable:           a.) Basic           b.)D.A.           c.) other allowances
8. Total attendance/unit of work done:
9. Overtime wages:
10. Gross wages payable :
11. Total deductions :               a.) PF               b). ESI               c.) Others
12. Net wages paid:

**Employer / Pay-in-charge signature**

**Code on Wages-2019**

SECTION-4

**Chapter – I  
Preliminary**

Where there is any dispute as to whether a work is of same or similar nature for the purposes of section 3, the dispute shall be decided by such authority as may be notified by the appropriate Government.

SECTION-28

**Chapter – III**

**(Payment of Wages) not to apply to Government establishments.**

The provisions of this Chapter shall not apply to the Government establishments unless the appropriate Government, by notification, applies such provisions to the Government establishments specified in the said notification.

SECTION-  
31(3)

**Chapter – IV**

**Payment of bonus out of allocable surplus.**

Where there is any dispute regarding the quantum of bonus, the authority notified by the appropriate Government having jurisdiction may call upon the employer to produce the balance sheet before it, but the authority shall not disclose any information contained in the balance sheet unless agreed to by the employer.

SECTION-  
44(1)(b)

**Chapter – V**

**Payment of various undisbursed dues in case of death of employee.**

where no such nomination has been made or where for any reasons such amounts cannot be paid to the person so nominated, be deposited with the such authority, as may be prescribed, who shall deal with the amounts so deposited in the manner as may be prescribed.

**The Code on Wages 2019**  
**HIGH LIGHTS OF THE CODE**

1	CODE on wages has received the assent of the President on 8.8.2019. The Act has not been enforced so far GOVT has yet to notify the date of applicability.
2	The CODE expand the overage of workers in all industries in the unorganized sector as the earlier Acts covered only 30% of the total workforce.
3	While the previous four legislations had a total of 139 Sections , the new CODE has 69 Sections under 9 Chapters.
4	The CODE will have the same definition of the term WORKER , but a person employed in a supervisory capacity drawing up to Rs 15,000.00 will also be considered as worker.
5	The new CODE dispensed with the necessity of having minimum number (1,000) of workers and the inclusion of such employment to the schedule.
6	The Central Govt will have the power to fix the FLOOR WAGE. Once its fixed State Govts cannot fix any minimum wage less than the FLOOR WAGE.
7	Section 67 of the CODE authorized the framing of Rules relating to as many as 38 provisions. As a result the delegated pieces of legislations (Rules) will be bigger than the CODE; this is no way to condense prior pieces of legislations.
8	CODE has created the INSPECTOR CUM FACILITATOR who will act as per the inspection scheme framed by the GOVT. INSPECTOR CUM FACILITATOR advise the employers and the workers to comply with the provisions of the CODE and may carryout inspections as may be assigned by the GOVT.
9	As for the CLAIM mechanism, Section 45 stipulates that they will e heard and determined by an Authority who is not below the rank of GAZETTED OFFICER.
10	Any dispute regarding bonus will continue to go before the Industrial Tribunal. The new CODE contemplates the TWO MEMBER Tribunal.



**The Code on Wages 2019**  
**HIGH LIGHTS OF THE CODE**

11	New provision has been introduced (S 52) where the Officer not below the rank of Under Secretary to the GOVT will be notified with power to impose penalty in place of Judicial Magistrate.
12	Apart from providing for a compounding of offences (S 56) the CODE also exempts employers from penal provisions if they were able to prove that they had used due diligence in enforcing the execution of the CODE and it was the other person who had committed the offence without his knowledge, consent or connivance.
13	All employees including supervisors, managers can now seek protection against illegal deductions and or delay in wages against employer.
14	There is no definition of PRINCIPAL EMPLOYER.
15	<p>CONTRACT LABOUR definition excludes the person from the Definition who is regularly employed by the Contractor for any activity of his establishment and his employment is governed by the mutually accepted condition and gets regular increment, social security coverage and other welfare benefits.</p> <p>The meaning of the definition would be that only those persons would be deemed as contract labour who are hired in connection with the work of the establishment of Principal Employer.</p>
16	For purpose of the BONUS , now employer will be responsible in respect of bonus for contract labour also which is not till now as per the PBA 1965.
17	The definition Same work or Work of same nature is now made applicable to all employees instead of Man Vs Woman.
18	The wage definition provides that amount of such allowances exceeds 50% of all remuneration, then such exceeded amount paid under different allowances will be deemed as part of WAGE.
19	For purposes of equal wages to all genders 1) CONVEYANCE ALLOWANCE, 2) HRA, 3) OT and 4) REMUNEATION payable under any award or settlement shall be taken for computation of wage.
20	Legislative protection to all employees including managaers, administrative.

**21 Minimum wages will be linked only to factors such as Skills and Geographical location. :Central Rules:**

RATES OF MINIMUM WAGES Total 681 types	Metropolitan Cities	Non-Metropolitan Cities	Rural
Highly Skilled (111 types)	-	-	-
Skilled (320 types)	-	-	-
Semi Skilled (127 types)	-	-	-
Un Skilled (123 types)	-	-	-

**22 Minimum wages will be extended to all sectors and the concept of scheduled employment is gone.**

**23 Minimum wages will be revised every five years.**

**24 Methodology of fixing minimum wages is rationalised.**

**25 Even in case of Resignation, his wages will be paid within 2 days.**

**26 Disqualification of bonus has added fourth factor Viz., Conviction for sexual harassment.**

**27 The time limit for filing claims under the CODE has now been prescribed as of 3 years.**

**28 Emphasis on ensuring compliance and not on penalizing employer. Right to rectify.**

**29 Compounding of first offence by paying 50% of the maximum fine provided for such offence.**

**30 Burden of Proof: In case of claims relation to non payment of remuneration or bonus or unauthorized deductions, the burden of proof would be on the employer to prove that the dues have been paid.**