

MINIMUM WAGES ACT, 1948

CHECK LIST

<p>Object of the Act To provide for fixing minimum rates of wages in certain employments</p>	<p style="text-align: center;">Fixation of Minimum Rates of Wages</p> <ul style="list-style-type: none"> • The appropriate government to fix minimum rates of wages. The employees employed in para 1 or B of Schedule either at 2 or either part of notification u/s 27. • To make review at such intervals not exceeding five years the minimum rates or so fixed and revised the minimum rates. <p style="text-align: center;">Government can also fix Minimum Wages for</p> <ul style="list-style-type: none"> • Time work • Piece work at piece rate • Piece work for the purpose of securing to such employees on a time work basis • Overtime work done by employees for piece work or time rate workers. Sec. 3 		
<p>Minimum Rates of Wages Such as Basic rates of wages etc. Variable DA and Value of other concessions etc. Sec. 4</p>	<p style="text-align: center;">Procedure for fixing and revising Minimum Rates of Wages</p> <p>Appointing Committee issue of Notification etc. Sec. 5</p>	<p style="text-align: center;">Composition of Committee</p> <p>Representation of employer and employee in schedule employer in equal number and independent persons not exceeding 1/3rd or its total number one such person to be appointed by the Chairman. Sec. 9</p>	<p style="text-align: center;">Payment of Minimum Rates of Wages</p> <p>Employer to pay to every employee engaged in schedule employment at a rate not less than minimum rates of wages as fixed by Notification by not making deduction other than prescribed. Sec.12</p>
<p style="text-align: center;">Fixing Hours for Normal Working</p> <ul style="list-style-type: none"> • Shall constitute a normal working day inclusive of one or more specified intervals. • To provide for a day of rest in every period of seven days with remuneration. • To provide for payment for work on a day of rest at a rate not less than the overtime rate.. Sec. 13 	<p style="text-align: center;">Overtime</p> <p>To be fixed by the hour, by the day or by such a longer wage-period works on any day in excess of the number of hours constituting normal working day. Payment for every hour or for part of an hour so worked in excess at the overtime rate double of the ordinary rate of (1½ times or for agriculture labour) Sec. 5</p>	<p style="text-align: center;">Wages of workers who works for less than normal working days</p> <p>Save as otherwise hereinafter provided, be entitled to receive wages in respect of work done by him on that day as if he had worked for a full normal working day. Sec.15</p>	
<p style="text-align: center;">Wages for two class of work</p> <p>Where an employee does two or more classes of work to each of which a different minimum rate of wages is applicable, wages at not less than the minimum rate in respect of each such class. Sec. 16</p>	<p style="text-align: center;">Maintenance of registers and records</p> <ul style="list-style-type: none"> • Register of Fines – Form I Rule 21(4) • Annual Returns – Form III Rule 21 (4-A) • Register for Overtime – Form IV Rule 25 • Register of Wages–Form X, Wages slip–Form XI, Muster Roll–Form V Rule 26 • Representation of register – for three year Rule 26-A Sec. 18 		
<p style="text-align: center;">Minimum time rate wages for piece work</p> <p>Not less than minimum rates wages as fixed . Sec. 17</p>	<p style="text-align: center;">Claims by employees</p> <ul style="list-style-type: none"> • To be filed by before authority constituted under the Act within 6 months. • Compensation upto 10 times on under or non-payment of wages Sec. 16 		

PENALITIES	Offence	Punishment
Sec. 20	For paying less than minimum rates of wages	Imprisonment upto 6 months or with fine upto Rs.500/-
	For contravention of any provisions pertaining to fixing hours for normal working day etc.	Imprisonment upto 6 months or with fine upto Rs.500/-

SALES PROMOTION EMPLOYEES (CONDITIONS OF SERVICE) ACT, 1976 & THE RULES

CHECKLIST

Object of the Act

To regulate certain conditions of service of sales promotion employees in certain establishments.

Applicability of the Act

Whole of India with effect from 6.3.1976

Applicability of other Acts

- Workmen's Compensation Act, 1923
- Industrial Disputes Act, 1947
- Minimum Wages Act, 1948
- Maternity Benefit Act, 1961
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972

Maintenance of register

- A register of sales promotion employees in Form B.
- Service Books for every employee in Form C
- A register of service books in Form D
- Leave account of each employee in Form E.

Sec. 7 Rule 23

Wages for weekly day of rest

Entitled to wages on weekly days of rest as if he was on duty.

Rule 7

Affixing of holidays to leave

Premising or suffixing of any leave not permissible

Rule 11

Quarantine leave

Upto 30 days on the recommendations of authorised medical attendant or Public Health Officer.

Rule 16

• Leave

- Earned leave and cash compensation on earned leave not availed of.
- On full wages for not less than 1/11th of the period spent on duty.
- Leave on medical Certificate
 - On one-half of the wages for not less than 1/18th of the period of service.
- Cashable on voluntary relinquishment or termination other than by way of punishment.

Sec.4

Number of holidays in a year 10 in calendar year

Rule 4

Compensatory holidays

Within 30 days of the day when he was required to work.

Rule 5

Application for leave

When other than casual leave, not less than one month before commencement of leave except for urgent or unforeseen circumstances.

Rule 9

Holidays intervening during the period of leave

Except casual leave granted or day of weekly rest, other holidays shall be part of leave.

Rule 12

Extraordinary leave

At the discretion of the employer

Rule 17

Maximum limit upto which earned leave

- Can be accumulated 180 days of which the employee can avail himself 90 days at a time.
- Encashment of leave 120 days.

Sec.14

Issue of Appointment Letter in Form A

- Within three months from the commencement of the Act and in other case on appointment.

Sec.5 Rule 22

Wages for holidays

To be entitled for wages on all holidays as if he was on duty.

Rule 6

Recording of reason for refusal or postponement of leave.

Rule 10

Medical leave

On production of medical certificate.

Rule 15

Casual leave

15 days in a calendar year.

Rule 15

PENALTY

On contravention of provisions relating to 'Leave' Issue of Appointment Letter or Maintenance of Registers fine upto Rs.1000

Sec. 9

TRADE UNIONS ACT, 1926

CHECKLIST

Object of the Act

To provide for the registration of Trade Union and in certain respects to define the law relating to registered Trade Unions

Registration of trade Union

- Any **7** or more members of a trade union may, by subscribing their names to the rules of the trade union and its compliance.
- There should be at least **10%**, or **100** of the work-men, whichever is less, engaged or employed in the establishment or industry with which it is connected.
- It has on the date of making application not less than **7** persons as its members, who are workmen engaged or employed in the establishment or industry with which it is connected.

Registration of trade Union

Prescribed form with following details.

- Names, occupations and address of the members' place of work.
- Address of its head office; and
- Names, ages, addresses and occupations of its office bearers.

Sec. 5

Minimum requirements for membership of trade union

Not less than **10%**, or **100** of the workmen, whichever is less, subject to a minimum of **7**, engaged or employed in an establishments etc.

Sec. 9A

Cancellation of registration

- If the certificate has been obtained by fraud or mistake or it has ceased to exist or has wilfully contravened any provision of this Act.
- If it ceases to have the requisite number of members.

Sec. 10

Criminal conspiracy in trade disputes

No office bearer or member of a registered trade union shall be liable to punishment under sub section (2) of conspiracy u/s 120B of IPC in respect of any agreement made between the members for the purpose of furthering any such object of the Trade Union.

Sec. 17

Disqualification of office bearers of Trade Union

If one has not attained the age of **18** years.
Conviction for an offence involving moral turpitude.
Not applicable when **5** years have elapsed.

Sec. 21-A

Returns

Annually to the Registrar, on or before such date as may be prescribed, a general statement, audited in the prescribed manner, of all receipts and expenditure of every registered Trade Union during the year ending on the **31st December**.

Sec. 28

Penalties	Offence	Punishment
U/s 31	<ul style="list-style-type: none"> • For making false entry in or any omission in general statement required for sending returns. • For making false entry in the form. 	<ul style="list-style-type: none"> • Fine upto Rs.500. On continuing default, additional fault, Rs.5 for each week (not exceeding Rs.50). • Fine upto Rs.500.
U/s 32	<ul style="list-style-type: none"> • Supplying false information regarding Trade Union 	<ul style="list-style-type: none"> • Fine upto Rs.200.

PAYMENT OF BONUS ACT, 1965 & THE RULES

CHECKLIST

Applicability of Act

Every factory where in **10** or more persons are employed with the aid of power or

An establishment in which **20** or more persons are employed without the aid of power on any day during an accounting year

Establishment

Establishment includes Departments, undertakings and branches, etc.

Computation of available surplus

Income tax and direct taxes as payable.
Depreciation as per section 32 of Income Tax Act.

Development rebate, investment or development allowance.

Sec.5

Components of Bonus

Salary or wages includes dearness allowance but no other allowances e.g. overtime, house rent, incentive or commission.

Sec.2(21)

Separate establishment

If profit and loss accounts are prepared and maintained in respect of any such department or undertaking or branch, then such department or undertaking or branch is treated as a separate establishment.

Sec.3

Disqualification & Deduction of Bonus

On dismissal of an employee for

- Fraud; or
- riotous or violent behaviour while on the premises of the establishment;
- or**
- theft, misappropriation or sabotage of any property of the establishment
- or**
- Misconduct of causing financial loss to the Employer to the extent that bonus can be deducted for that year.

Secs. 9 & 18.

Computation of gross profit

For banking company, as per First Schedule.

Others, as per Second Schedule

Sec.4

Eligibility of Bonus

An employee will be entitled only when he has worked for **30** working days in that year.

Sec. 8

Payment of Minimum Bonus

8.33% of the salary or Rs.100 (on completion of 5 years after 1st Accounting year even if there is no profit)

Sec.10

Eligible Employees

Employees drawing wages upto Rs.3500 per month or less.

For calculation purposes Rs.2500 per month maximum will be taken even if an employee is drawing upto Rs.3500 per month.

Sec.12

Note: The proposal to enhance the existing ceiling of Rs.3500 is under active consideration by the Govt.

Time Limit for Payment of Bonus

Within 8 months from the close of accounting year.

Sec. 19

Set-off and Set-on

As per Schedule IV.

Sec. 15

Maintenance of Registers and Records etc.

- A register showing the computation of the **allocable surplus** referred to in clause (4) of section 2, in form A.
- A register showing the **set-on and set-off** of the allocable surplus, under section 15, in form B
- A register showing the details of **the amount of bonus due** to each of the employees, the deductions under section 17 and 18 and the amount actually disbursed, in form C.

Act not applicable to certain employees of LIC, General Insurance, Dock Yards, Red Cross, Universities & Educational Institutions, Chambers of Commerce, Social Welfare Institutions, Building Contractors, etc. etc. **Sec.32.**

PENALTY

For contravention of any provision of the Act or the Rule

Upto 6 months or with fine upto Rs.1000.

Sec.28

PAYMENT OF GRATUITY ACT, 1972 & THE RULES

CHECKLIST

Sec. 1

Applicability

Every factory, mine, oil field, plantation, port, railways, company, shop, establishment or educational institutions employing 10 or more employees

Sec. 2(s)

Wages for Calculation

@ 15 days' wages for every completed year as if the month comprises of 26 days at the last drawn wages.

Sec. 1

Calculation Piece-rated employee

@ 15 days wages for every completed year on an average of 3 months' wages

Calculation Seasonal employee

@ 7 days' wages for every completed year of service.

Sec. 2(e)

Employee

All employees irrespective of status or salary

Entitlement On completion of five years' service except in case of death or disablement

Qualifying period

On rendering of 5 years' service, either termination, resignation or retirement.

Rule 4

Display of Notice

On conspicuous place at the main entrance in English language or the language understood by majority of employees of the factory, etc.

Sec. 4(3)

Maximum Ceiling

Rs.3,50,000

Rule 9

Mode of payment

Cash or, if so desired, by Bank Draft or Cheque

Rule 9

Penalties

- Imprisonment for 6 months or fine upto Rs.10,000 for avoiding to make payment by making false statement or representation.
- Imprisonment not less than 3 months and upto one year with fine on default in complying with the provisions of Act or Rules.

Sec.6 Rule 6

Nomination

To be obtained by employer after expiry of one year's service, in Form 'F'

Sec.8 Rule 8

Recovery of Gratuity

To apply within 30 days in Form I when not paid within 30 days

Sec. 4(6)

Forfeiture of Gratuity

- On termination of an employee for moral turpitude or riotous or disorderly behaviour.
- Wholly or partially for wilfully causing loss, destruction of property etc.

Sec. 13

Protection of Gratuity

Can't be attached in execution of any decree