

## FORM X (Notice Rule 23)

### Abstract of the Minimum Wages Act, and the Rules made there under

#### I. Whom the Act affects

- (a) The Act applies to persons engaged on scheduled employments on specified class of work in respect of which minimum wages have been fixed.
- (b) No employee can give up by contract or agreement his rights in so far it purports to reduce the minimum rates of wages fixed under the Act.

#### II. Definitions of Wages

- 1) "wages" means all remuneration, payable to an employed person on the fulfillment of his Contract of employment. It includes:
  - (i) the value of any house- accommodation, supply of light, water, medical attendance, or any other amenity or any service excluded by general or special order of the appropriate Government;
  - (ii) Any contribution paid by the employer to any Pension Fund or Provident Fund or Under any scheme of social insurance;
  - (iii) Any traveling allowance or the value of any traveling concession;
  - (iv) Any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or
  - (v) Any gratuity payable on discharge;
- 2) The minimum rates of wages may consist of:
  - i) A basic rate of wages and a special allowance called the cost of living allowance
  - ii) A basic rate of wage with or without a cost of living allowance and the cash value of any concessions, like supplies of essential commodities at concession rates
  - iii) An all-inclusive rate comprising of basic rate, cost of living allowance and cash value of concession, if any.
- 3) The minimum wages payable to employees of scheduled employments notified under Section 5 read with Section 3 or as revised from time to time under Section 10 read with section 3 may be:
  - a) A minimum time rate,
  - b) A minimum piece rate,
  - c) A guaranteed time rate,
  - d) An overtime rateDiffering with (1) different scheduled employments, 2) different classes of work, 3) different localities, 4) different wage period, 5) different age group.

#### III. Computation and conditions of Payment

The employer shall pay to every employee engaged in scheduled employment under him wages at a rate not less than the minimum rate of wages fixed for that class of employee.

The minimum wages payable under this Act shall be paid in cash unless the Government authorizes payment thereof either wholly or partly in kind.

Wage periods shall be for the payment of wages at intervals not exceeding one month.

Wage shall be paid on working day within 7 days of the end of the wage periods or within 10 days if 1000 or more persons are employed.

The wages of a person discharged shall be paid not later than the second working days after his discharge. If an employee is employed on any day for a period less than the normal working day he shall be entitled to receive wages for a full normal working day provided his failure to work is not caused by his unwillingness to work but by the omission of the employer to provide him with work for that period.

Where an employee does two or more classes of work for which a different minimum rate of wages is applicable, the employer shall pay to such employee in respect of the time occupied in each such class of work wages as not less than minimum rate in force in respect of each such class. Where an employee is employed on piecework for which minimum time rate and not a minimum piece rate has been fixed, the employer shall pay to such employee wages not less than the minimum time rate.

#### **IV. Hours of Work and Holidays**

The number of hours that shall constitute a normal working day shall be

- a) In the case of an adult 9 hrs, b) In the case of a child 4 ½ hrs
- The working day of an adult worker inclusive of the intervals of rest shall Not exceed 12 hours on any day.

“The employer shall allow a day of rest with wages to the employees every week. Ordinarily Sunday will be weekly day of rest but any other day of the week may be fixed as such rest day. No employee shall be required to work on a day fixed as rest day, unless he is allowed a substituted rest day (see rule 24)”.

When a worker works in an employment for more than 9 hours on any day or more than 48 hours in any week, he shall in respect of overtime worked be entitled to wages in scheduled employment other than agriculture at double the ordinary rate of wages.

#### **V. Fines and deductions.**

No deductions shall be made from wages except those authorized by or under the rules. Deductions from the Wages shall be one or more of the following kinds, namely:

- i) Fine: - The act or omission in respect of which the fine is proposed to be imposed shall be explained in person and also in writing to an employed person and he shall be given an opportunity to offer any explanation in the presence of another person. The amount of the said fine shall also be intimated to him. It shall be, the State Government may specify such. It shall be utilized in accordance with the directions of the State Government.
- ii) Deductions for absence from duty
- iii) Deductions or damages to or loss of goods entrusted to the employee for custody, or for loss of money for which he is required to account, where such damages or loss is directly attributable to his neglect or default, the damages or loss in respect of which the deduction is proposed to be made shall be explained in person and also in writing to the employed person, and he shall be given an opportunity to offer any explanation in the presence of another person. The amount of the said deduction shall also be intimated to him. It shall be such as may be specified by the State Government.
- iv) Deductions for house accommodation supplied by the employer
- v) Deductions for such amenities and services supplied by the employer as the State Government may by general or special order authorize. These will not include the supply of tools and protective required for the purpose of employment.
- vi) Deductions for recovery of advances or for adjustment of over payment of wages such advances shall not exceed an amount equal to wages for two calendar months of the employed person and the monthly installment of deduction shall not exceed 1/4<sup>th</sup> of the wages earned in that month.
- vii) Deductions of Income- tax payable by the employed person,
- viii) Deductions required to be made by order of a court or other component authority
- ix) Deductions for payment to Co-operative Societies or a scheme of Insurance approved by the State Government.

#### **VI. Maintenance of Registers and Records**

Every employer shall maintain a register of wages specifying the following particulars for each period in respect of each employed person:

- a) The minimum rates of wages payable.
- b) The number of days in which overtime was worked
- c) The gross wages
- d) All deductions made from wages
- e) The wages actually paid and the date of payment

Every employer shall issue wage slips containing prescribed particulars to every person employed.

Every employer shall get the signature or the thumb impression of every person employed on the wage- books and wage slips.

The employer or his agent shall properly authenticate entries in the Wages Books and Wage slips.

A muster roll shall be maintained by every employer and kept in the form prescribed.

Every employer shall keep exhibited at such places selected by the Inspector notices in English and in language understood by majority of the workers of the following particulars in a clean and legible form:

- a) Minimum rate of wages
- b) Extract form the Act and the rules made there under
- c) Name and address of the Inspector

## **VII. Inspections**

An Inspector can enter in any premises and can exercises powers of inspection (including examination of documents and taking of evidence) as he may deem necessary for carrying out the purposes of the act

## **VIII.**

Where an employee is paid less than the minimum rates of wages fixed for his class of work or less than the amount due to him under the provisions of this Act, he can make an application in the prescribed form within 6 months to the authority appointed for the purpose. An application delayed beyond this period may be admitted if the authority is satisfied that the applicant had sufficient causes for not making the application within such period.

Any legal practitioner, official of a registered Trade Union, Inspector under the Act or other person acting with the permission of the authority can make the complaints on behalf of the employed person.

A single application may be presented by or on behalf of any number of persons belonging to the same factory; the payment of wages has been delayed.

A complaint regarding less payment of notified wages under Section 22 of the Act can be made to the Court only with the sanction of the authority within 01 month of the grant of such sanction.

A complaint under Section 22 of the Act can be made to the Court only or with the sanction of an Inspector within 06 months of the date on which the offences are alleged to have been committed.

## **IX. Action by the Authority**

The authority may direct the payment by which the minimum wages payable exceeds the amount actually paid together with the payment of compensation not exceeding 10 times the amount of such excess. The authority may direct payment of compensation in cases where the excess is paid before the disposal of the application.

If a malicious or vexatious complaint is made, the authority may impose a penalty not exceeding Rs. 50/- on the applicant and order that it be paid to the employer. Every direction of the Authority shall be final.

## **X. Penalty for the offence under the Act**

Any employer who pays to any employee less than the amount due to him under the provisions of this Act or infringes any order or rules in respect of normal working day, weekly holiday, shall be punishable with imprisonment of either description for a term which may extend to 06 months or with fine which may extend to Rs. 500/- or both.

Any employer who fails to maintain a register or record required to be maintained under Section 18, shall be punishable with fine, which may extend to Rs. 500/-.

**XI. Minimum rates of wages fixed**

| <b>S. N.</b> | <b>Categories of Employees</b> | <b>Minimum Wages</b> |
|--------------|--------------------------------|----------------------|
| <b>1</b>     | <b>High Skilled</b>            |                      |
| <b>2</b>     | <b>Skilled</b>                 |                      |
| <b>3</b>     | <b>Semi Skilled</b>            |                      |
| <b>4</b>     | <b>Un Skilled</b>              |                      |

**XII. Name(s) and Address of the Inspector(s)**

| <b>S. N.</b> | <b>Name</b> | <b>Address</b> |
|--------------|-------------|----------------|
| <b>1</b>     |             |                |
| <b>2</b>     |             |                |
| <b>3</b>     |             |                |