

Payment of Wages Act 1936

Assent = 23 April 1936 (came into force 1937)
Applicable = whole of India, J&K was added in 1970
Employer wages Employee

- * problem
- * Un timely payment
- * Penalty
- * Non Uniformity
- * payment of Wages Act 1936

Solution:

1. timely & Uniformity in payment of wages
2. Deduction to be allowed as specified

Objectives -

- * The payment of Wages Act 1936, is a central legislation enacted to regulate the payment of wages
- * to workers employed in certain ^{specified} industry
- * to ensure a speedy and effective remedy to them
- * Against illegal deduction & Unjustified delay caused in paying wages

Ministry of Labour & Employment → Govt Review through

with 5 year Annually
According to Consumer expenditure level / Cost of living

Applicable to

- Every Factory
- Railway Administration
- Industrial or other Establishments include
 - * Tramway service or Motor transport services
 - * Air transport service, other than
 - Army
 - Navy
 - Air force

→ Inland Vessels

→ Mines

→ plantation → Manufactured

→ Workshop → produced

→ Adaption

→ Building → Construction
→ Development

→ State supply

→ Electricity → generation
→ transmission
→ Distribution

Meaning of wages :-

All Remuneration whether by way of salary
. Allowances

Wages in case of termination of employment
Since the expiry of 2nd working day from
the day on which employment is terminated
in case of closure of establishment. For any
reason other than a weekly or recognized
holiday a wage must be paid before expiry
of 2nd day from the day on which employment
is terminated.

Exemption:

A state govt. may be given general or
special order, exempt the person responsible
for payment of wages from the payment of wage
from the operation of above provision in certain
cases.

Wages to be paid on a working day
except under sub section 2. All payment
of wages must be made on a working day.

Wages Not include

- Bonus or Additional Pensionation
- House Rent Allowance
- perks like light, water, Medical
- Attendance or other services
- PF contribution By employer
- leave travel Concession
- gratuity
- Reimbursement of expenses

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Deductions

1. Deduction Made from wages.
(fine, Absence from Duty, Insurance premium section 7.)
- fine (Max 3% of wages) section 8
- Deductions for Absence from Duty (section 9.)
- Deductions for Damage or loss (section 10)
- Deductions for services rendered (section 11)
- Deductions for Recovery of Advances (section 12)
- Deductions for Recovery of Loans (section 12 A)
- Deductions for payment to Co-operative Society & Thrift Schemes (section 13)
- Maintenance of Registers and Records (section 13 A)
- Inspectors (section 14)
- Facilities to be Afforded to Inspector (section 14 A)
- Claims Arising out of Deduction, Delay in payment of wages (section 15)
- Single Application for different claims (section 16)
- Appeal (section 17.)

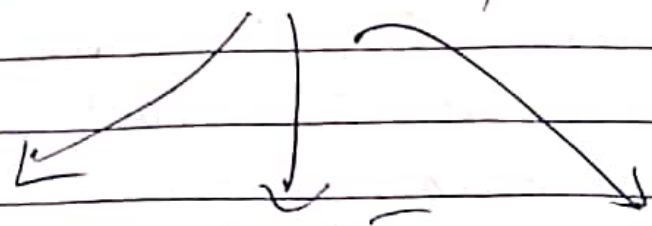
Mode of payment of wages

Wages must be paid

In currency coin or currency notes or both

After writing Authorization of employed person pay him wages either by cheque or by crediting the wage in his Bank Account.

Act: - three parts



part I
law and
of wages
the employer

part II
etc specify the
heads under
which deduction
can be made
from wages

part III
provides a Machine
for specific claims
Arising out of delay
payments, deduction
from wages, Appeals,
etc.

The Act contains
26 sections.

- Page No. _____
- ③ Factory: - Section 2 (i-b) done
 - ④ Industrial and other establishment Section 2 (ii)
 - ⑤ Wage section 2 (iv)

Responsibility for payment of wages: section 3.

- (A) Every employer shall be responsible.
- (B) In Factory, Manager of Factory is responsible. (As per factory Act)
- (C) In Industrial or other establishment a person responsible to the employer for supervision and control of industrial or other establishment.
- (d) In Railway: A person ^(Appointed) Nominated By Railway Administrator for that particular Area concerned.
- (E) In case of Contractor: A person ~~employed~~ Appointed By contractor who is directly Under his charge.
- (F) In Any other case a person Appointed By employer.

Fixation of wage periods (Section 4)

(A) Every person responsible for the payment of wages Under section 3 shall fix periods in respect of which such wages shall be payable.

1) No wage period shall exceed one month.

Fixation of wage period (Section 4)

Max wage period - 1 Month