

ABSTRACT OF THE PAYMENT OF WAGES – 1936 AND THE RULES MADE THEREUNDER

1. The Act applies to the Payment of wages to persons in a factory receiving less than 10000 a month.
2. No employed person can give up by contract or agreement, his rights under the Act.

DEFINITION OF WAGES

3. "Wages" means all remuneration payable to an employed person on the fulfillment of his contract of employment.
It includes bonus and sum payable for want of a proper notice of discharge.
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 - (a) The value of house accommodation, supply of light, water, medical attendance or other amenity or of any service excluded by the Governor General in council or the Local Government.
 - (b) Employers contribution to a pension or provident fund :
 - (c) Travelling allowance or concession or other special expenses entitled by the employment
 - (d) Any gratuity payable on discharge.

RESPONSIBILITY FOR AND METHOD OF PAYMENT

The manager of the factory is responsible for the payment under the Act of wages to persons employed under him, and any contractor employing persons is responsible for payment to the persons he employs.

4. Wages period shall be fixed for the payment of wages at interval not exceeding one month.
5. Wages shall be paid on working day within 7 days of the end of the wages period (or within 10 days if 1000 or more persons are employed) The wages of the person discharged shall be paid not later than the second working day after his discharging.
6. Payments in kind are prohibited.

FINES AND DEDUCTIONS

7. No deductions shall be made from wages except those authorized under the Act (See paragraphs 9-15 below)
8. (1) Fines can be imposed only for such acts and commission as the employer may with the previous approval of the Chief inspector of Factories, specify by a notice displayed at or near the main entrance of the factory and and after giving employed person an opportunity for

(2) Fines :-

- (a) Shall not exceed three naya paisa in the rupee.
- (b) Shall not be recovered by installments, or later than sixty days of the date of imposition;
- (c) Shall be recorded in a register and applies to such purpose beneficial to the employed persons as are approved by the Chief inspector of Factory.
- (d) shall not be imposed on a child.

10. (a) Deductions for absence from duty can be made only on account of the absence of the employed persons at times when he should be working, and such deductions must not exceed an amount which is in the same proportion to his wages for the wage-period, as the time was absent in that period is to the total he should have been at work.

b) If ten or more employed person, acting in concern, absent themselves without reasonable cause and without due notice, the deduction for absence can include wages for eight days in lieu of notice, but.-

(1) no deduction for breaking a contract can be made from a person under 15 or a woman.

(2) there must be a provision in writing which forms part of the contract of employment. Requiring that a specific period of notice of intention to cease work not exceeding 15 days or the period of notice which the employer has to give to discharge a worker, must be given to the employer and that wages may be deducted in lieu of such notice ;

(3) the above provision must be displayed at or near the main entrance of the factory;

(4) no deduction of this nature can be made until a notice that this deduction is to be made has been pasted at or near the main entrance of the factory, no deduction must exceed the wages, of the employed person for the period by which the notice he gives of leaving employment, is less than than the notice he should give under his contract.

11. Deduction can be made for damage to or loss of goods expressly entrusted to reemployed person or for loss of money to which he is required to account where such damage or loss due to his neglect or default.

Such deductions cannot exceed the amount of the damage or loss caused and can be made only after giving the employed person an opportunity for explanation .

12. Deduction can be made, equivalent to the value thereof for house accommodation amenities or services (other than tools and raw materials) supplied by the employer, provided those are accepted by the employed person as a part of the terms of his employment and have in the case of amenities and service been authorized by order of Central Government.

13) (a) Deduction can be made for the recovery of advances, or adjustment of over-payment of wages.

b) Advance made before the employment began can only be recovered from the first payment of wages for a complete wage-period but no recovery can be made of advances given for travelling expenses before employment began.

(c) Advances of unearned wages can be made at the employer's discretion during employment.

14. Deductions can be made for subscription to end for payment of advance from any recognized provident fund.

15. Deduction can be made for payment to co-operative societies approved by the Local Government or the postal insurance, subject to any conditions imposed by the Local Government.

INSPECTION

16. Any inspector can enter in any premises, and can exercise power of inspection (including examination of documents and taking of evidence) as he may deem necessary for carrying out the purpose of the Act.

COMPLAINTS OF DEDUCTIONS OR DELAYS

17. (1) Where irregular deduction are made from wages, or delays in payment take place, an employed person can make an application in the prescribed form within 6 months to the Authority appointed by the Local Government for the purpose. An application delayed beyond this period may be rejected unless sufficient cause for the delay is shown.

(2) 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 complaint on behalf of an employed person.

(3) 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.

ACTION BY THE AUTHORITY

18. The authority may award compensation to the employed person in addition to ordering the payment of delayed wages or the refund of illegal deductions.

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 will be paid to the employer.

APPEAL AGAINST THE AUTHORITY

19. An appeal in the prescribed form against a direction made by the authority may be preferred, within 30 days to the District Court.

(a) by the paymaster if the total amount directed to be paid exceeds Rs. 300.

(b) by an employed person; if the total amount of wages withheld from him or his co-workers, exceeds Rs. 50.

(c) by a person directed to pay a penalty for malicious or vexatious application.

PUNISHMENT FOR BREACHES OF THE ACT

20. Any one delaying the payment of wages beyond the due date, or making any unauthorized deductions from wages is liable to a fine upto Rs. 500. But only if prosecuted with the sanction of the authority of the appellate Court.

21. The Employer who –

(1) does not fix a wage-period, or

(2) makes payment in kind, or

(3) fails to display at or near the main entrance of the factory this Abstract in English and in the languages of the majority of the Employed person, or

(4) breaks certain rules made under the Act.

5) is liable to a fine not exceeding Rs. 200

A complaint to this effect can be made only by the inspector or with his sanction.