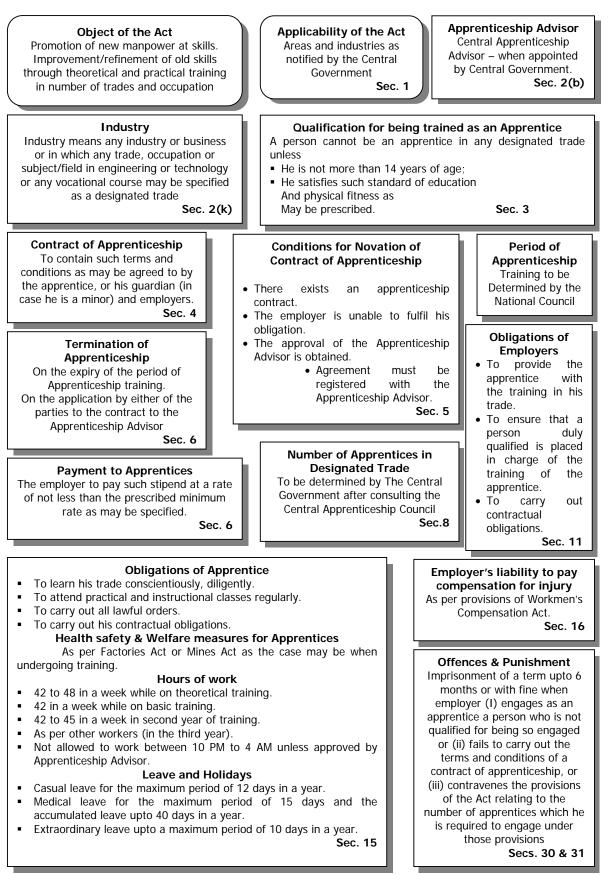
## A BRIEF CHECK LIST OF LABOUR LAWS

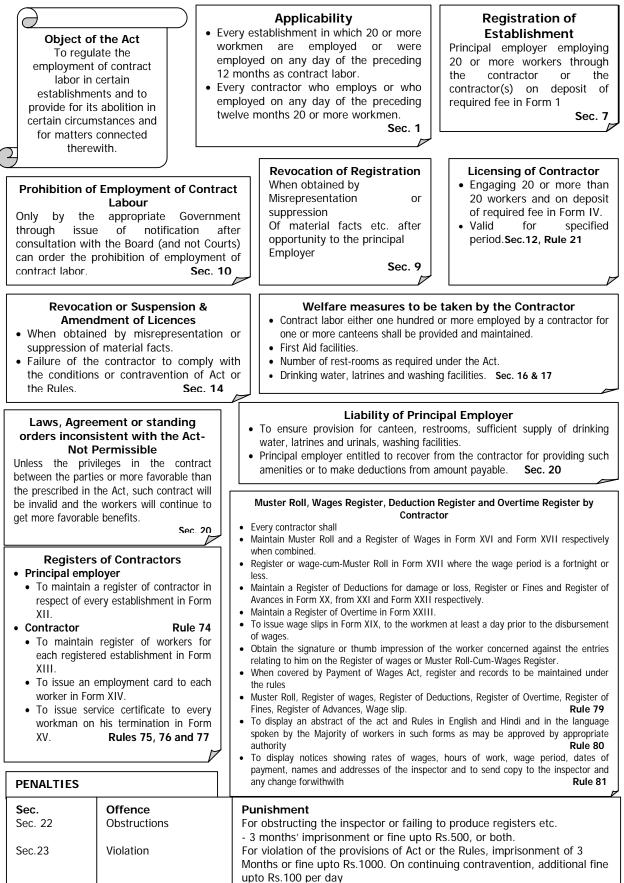
The labour laws

## **APPRENTICES ACT, 1961**

### CHECKLIST



# **CONTRACT LABOUR** (REGULARATION & ABOLITION) **ACT, 1970 & THE RULES** CHECKLIST



## EMPLOYEES' PROVIDENT FUNDS & MISC. PROVISIONS ACT, 1952 & THE SCHEMES

### CHECKLIST

#### Eligibility

Any person who is employed for work of an establishment or employed through contractor in or in connection with the work of an establishment.

#### Payment of Contribution

- The employer shall pay the contribution payable to the EPF, DLI and Employees' Pension Fund in respect of the member of the Employees' Pension Fund employed by him directly by or through a contractor.
- It shall be the responsibility of the principal employer to pay the contributions payable to the EPF, DLI and Employees' Pension Fund by himself in respect of the employees directly employed by him and also in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor.

#### **Clarification about Contribution**

After revision in wage ceiling from Rs.5000 to **Rs.6500** w.e.f. 1.6.2001 per month, the government will continue to contribute **1.16%** upto the actual wage of maximum Rs.6500 per month towards Employees' Pension Scheme. The employer's share in the Pension Scheme will be Rs.541 w.e.f. 1.6.2001. Under Employees' Deposit-Linked

Insurance Scheme the contribution @ **0.50%** is required to be paid upto a maximum limit of Rs.6500.

The employer also will pay administrative charges @ **0.01%** on maximum limit of Rs.6500 whereas an exempted establishment will pay inspection charges @ **0.005%** on the total wages paid.

#### Notes:

The above clarification is given by taking wages upto a maximum of Rs.6500 towards wage (basic+DA).

Since an excluded employee i.e. drawing wages more than Rs.6500 can also become member of the Fund and the Schemes on joint request and if, for instance, such an employee is getting Rs.10, 000 per month, his share towards provident fund contribution will be Rs.1200 e.g. 12% and employer's share towards provident fund contribution will be Rs.659 and Rs.541 towards Employees' Pension Fund.

#### Applicability

- Every establishment which is factory engaged in any industry specified in Schedule 1 and in which 20 or more persons are employed.
- Any other establishment employing 20 or more persons which Central Government may, by notification, specify in this behalf.
- Any establishment employing even less than 20 persons can be covered voluntarily u/s 1(4) of the Act.

#### Benefits

Employees covered enjoy a benefit of Social Security in the form of an unattachable and unwithdrawable (except in severely restricted circumstances like buying house, marriage/education, etc.) financial nest egg to which employees and employers contribute equally throughout the covered persons' employment.

This sum is payable normally on retirement or death. Other Benefits include Employees' Pension Scheme and Employees' Deposit Linked Insurance Scheme.

### **Rates of Contribution**

SCHEME EMPLOYEE'S		EMPLOYER'S	CENTRAL GOVT'S
Provident Fund Scheme	12%	Amount > 8.33% (in case where contribution is 12% of 10%) 10% (in case of certain Establishments as per details given earlier)	NIL
Insurance Scheme	NIL	0.5	NIL
Pension Scheme	NIL	8.33% (Diverted out of Provident Fund	1.16%

#### Damages

• Less than 2 months

- ....@ 17% per annum
- Two months and above but less than upto four months ....@22% per annum
- Four months and above but less than upto six months ....@ 27% per annum
- Six months and above

#### **Penal Provision**

Liable to be arrested without warrants being a cognizable offence.

Defaults by employer in paying contributions or inspection/administrative

charges attract imprisonment upto 3 years and fines upto Rs.10, 000 (S.14).

For any retrospective application, all dues have to be paid by employer with

damages upto 100% of arrears.

## **EMPLOYEES' STATE INSURANCE**

ACT, 1948 & the SCHEME CHECK LIST

				$\frown$				
Applicability of the Act & <u>Scheme</u> Is extended in area- wise to factories using power and employing 10 or more persons and to non-power using manufacturing units and establish- ments employing 20 or more person upto	Coverage <u>Of employees</u> Drawing wages Upto Rs.10000/- per month Engaged either directly or thru' contractor	Rate of Contribution <u>of</u> <u>the wages</u> Employers' 4.75% Employees' 1.75%		THE ESI SCHEME TODAY         No. of implemented Centres       677         No. of Employers covered       2.38 lacs         No. of Insured Persons       85 lacs         No. of Beneficiaries       330 lacs         No. of Regional Offices/SRO's       26         No. of ESI Hospitals/Annexes       183         No. of ESI Dispensaries       1453         No. of Panel Clinics       2950				
Rs.7500/- per month w.e.f. 1.4.2004. It has also been extend- ed upon shops, hotels, restaurants, roads motor transport undertakings, equip- ment maintenance staff in the hospitals.	ent of cont ontribution nare) is to b nk through n quadruplic	tribution Benefits To the employees under the Addition of the emp		the employees under the Act , sickness, extended sickness ertain diseases, enhanced s, dependents maternity, funeral expenses, rehabilitation ce, medical benefit to insured				
WAGES FOR ESI CONTRIBUTIONS Registers/files to be maintained by the employers		Contribution <u>period</u>		Contribution period				
<ul> <li>allowance</li> <li>Overtime wages (but not to be taken into accour for determining the taken into accour to be taken into accourt for determining the taken into account taken into account the taken into account taken into accou</li></ul>	<ul> <li>wages</li> <li>contribution paid by kthe employer to any pension/provident fund or under ESI Act.</li> <li>Sum paid to defray special expenses entailed by the nature of employment – Daily allowance paid for</li> </ul>			1st April to 30thIf the prince insurance entrinsurance entrin				
<ul><li>coverage of an employee</li><li>Payment for day of rest</li><li>Production incentive</li></ul>		the period spent on tour. • Gratuity payable on			Penalties			
<ul> <li>Bonus other that statutory bonus</li> <li>Night shift allowance</li> <li>Heat, Gas &amp; Dust allowance</li> <li>Payment for unsubstitute holidays</li> <li>Meal/food allowance</li> <li>Suspension allowance</li> <li>Lay off compensation</li> <li>Children education allowance (not bein reimbursement for actuation tuition fee)</li> </ul>	<ul> <li>retrenchment compensation</li> <li>Benefits paid u ESI Scheme.</li> <li>Encashment of le</li> <li>Payment of Ina does not form pa terms of employr</li> <li>Washing allowa livery</li> <li>Conveyance towards reimb</li> </ul>	<ul> <li>Pay in lieu of notice of retrenchment compensation</li> <li>Benefits paid under the ESI Scheme.</li> <li>Encashment of leave</li> <li>Payment of Inam which does not form part of the terms of employment.</li> <li>Washing allowance for livery</li> <li>Conveyance Amount</li> </ul>		There is a prescribed for different for the solution of the so				

## FACTORIES ACT, 1948

### CHECK LIST

#### -)

Applicability of the Act

Any premises whereon 10 or more persons with the aid of power or 20 or more workers are/were without aid of power working on any dyad preceding 12 months, wherein Manufacturing process is being carried on.

#### Employer to ensure health of workers pertaining to

- Cleanliness Disposal of wastes and effluents
- Ventilation and temperature dust and fume
- Overcrowding Artificial humidification Lighting

Drinking water Spittons.
 Secs. 11 to 20

#### Registration & Renewal of Factories

To be granted by Chief Inspector of Factories on submission of prescribed form, fee and plan. Secs. 6

#### **Safety Measures**

- Facing of machinery
- Work on near machinery in motion.

Weekly hours not more than 48.

Overlapping shifts prohibited.

Daily hours, not more than 9 hours.

Spreadover not more than 101/2 hours.

- Employment prohibition of young persons on dangerous machines.
- Striking gear and devices for cutting off power.
- Self-acting machines.Casing of new machinery.
- Casing of new machinery. Prohibition of employment of
  - women and children near
  - cotton-openers.
    - Hoists and lifts.
      - s. Facilities for sitting

clothing

Washing facilities

• First-aid appliances – one first aid box not less than one for every 150 workers.

Welfare Measures

• Facilities for storing and drying

- Canteens when there are 250 or more workers.
- Shelters, rest rooms and lunch rooms when there are 150 or more workers.
- Creches when there are 30 or more women workers.
- Welfare office when there are 500 or more workers.

#### **Employment of Young Persons**

Working Hours, Spread Over & Overtime of Adults

• Prohibition of employment of young children e.g. 14 years.

Intervals for rest at least 1/2 hour on working for 5 hours.

Extra wages for overtime double than normal rate of wages.

Restrictions on employment of women before 6AM and beyond 7 PM.

- Non-adult workers to carry tokens e.g. certificate of fitnekss.
- Working hours for children not more than 4  $\frac{1}{2}$  hrs. And not permitted to work during night shift.

Secs. 51, 54 to 56, 59 & 60

Secs. 51, 54 to 56, 59 & 60

A worker having worked for 240 days @ one day for every 20 days and for a child one day for working of 15 days. Accumulation of leave for 30 days. Secs. 79

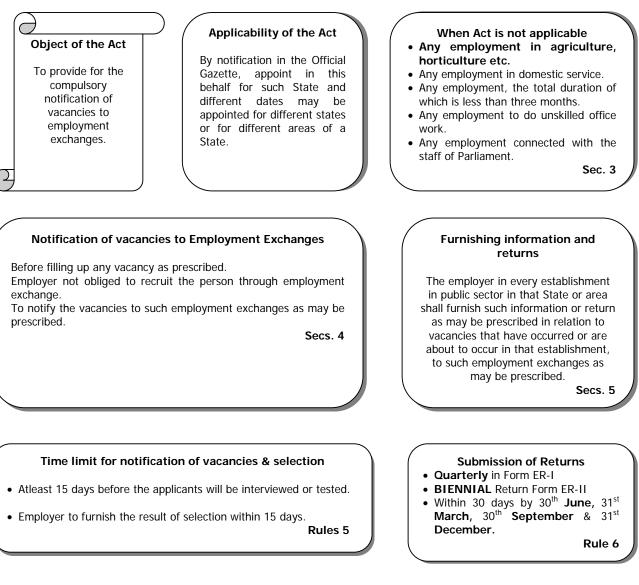
**Annual Leave with Wages** 

OFFENCE	PENALTIES Sec.92 to		
For contravention of the Provisions of the Act or Rules	Imprisonment upto 2 years or fine upto Rs.1,00,000 or both		
On Continuation of contravention	Rs.1000 per day		
• On contravention of Chapter IV pertaining to safety or	<ul> <li>Not less than Rs.25000 in case of death.</li> </ul>		
dangerous operations.	<ul> <li>Not less than Rs.5000 in case of serious injuries.</li> </ul>		
Subsequent contravention of some provisions	<ul> <li>Imprisonment upto 3 years or fine not less than Rs.10, 000 which may extend to Rs.2, 00,000.</li> </ul>		
Obstructing Inspectors	<ul> <li>Imprisonment upto 6 months or fine upto Rs.10, 000 or both.</li> </ul>		
Wrongful disclosing result pertaining to results of analysis.	<ul> <li>Imprisonment upto 6 months or fine upto Rs.10, 000 or both.</li> </ul>		
• For contravention of the provisions of Sec.41B, 41C and 41H pertaining to compulsory disclosure of information by occupier, specific responsibility of occupier or right of workers to work imminent danger.	<ul> <li>Imprisonment upto 7 years with fine upto Rs.2, 00,000 and on continuation fine @ Rs.5, 000 per day.</li> <li>Imprisonment of 10 years when contravention continues for one year.</li> </ul>		

## **EMPLOYMENT EXCHANGES**

## (COMPULSORY NOTIFICATION OF VACANCIES) ACT, 1959 & THE RULES

### CHECK LIST



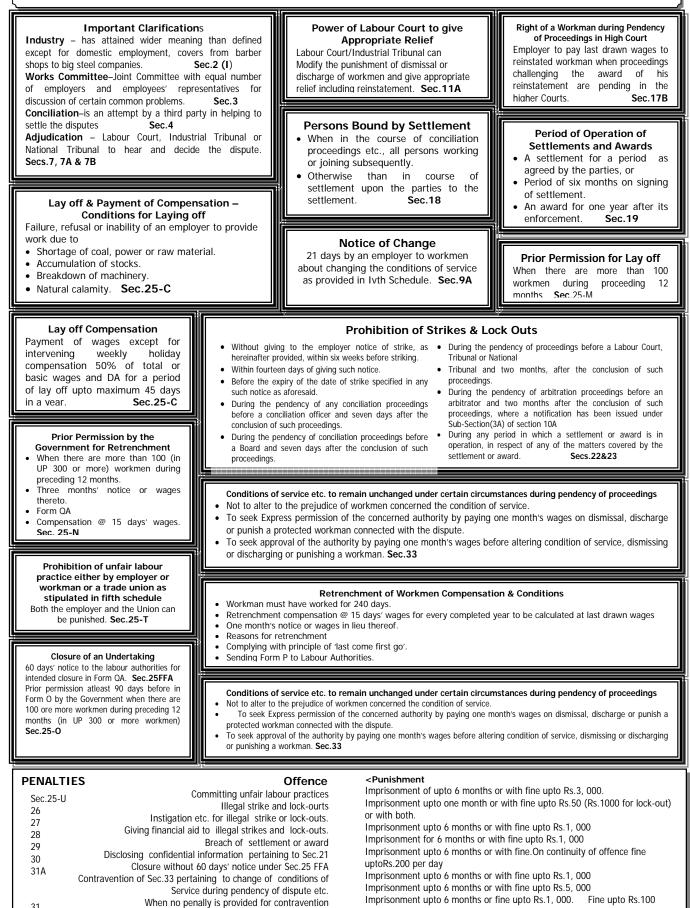
PENALTIES

- An employer contravening the provisions of Sec.4 (1) or (2).
- Fine upto Rs.500 for first offence and for every subsequent offence fine Rs.1000.
- If any person
  - Required to furnish any information or return -
    - Refuses or neglects to furnish such information or return, or
    - Furnishes or causes to be furnished any information or return which he knows to be false, or
    - Refuses to answer, or gives a false answer to any question necessary for obtaining any information required to be furnished under section 5; or
- Impedes the right of access to relevant records or documents or the right of entry conferred by section 6; he shall be punishable for the first offence with fine upto Rs.250 and for every subsequent offence with fine upto Rs.250.
   Rules 7

### **INDUSTRIAL DISPUTES ACT, 1947**

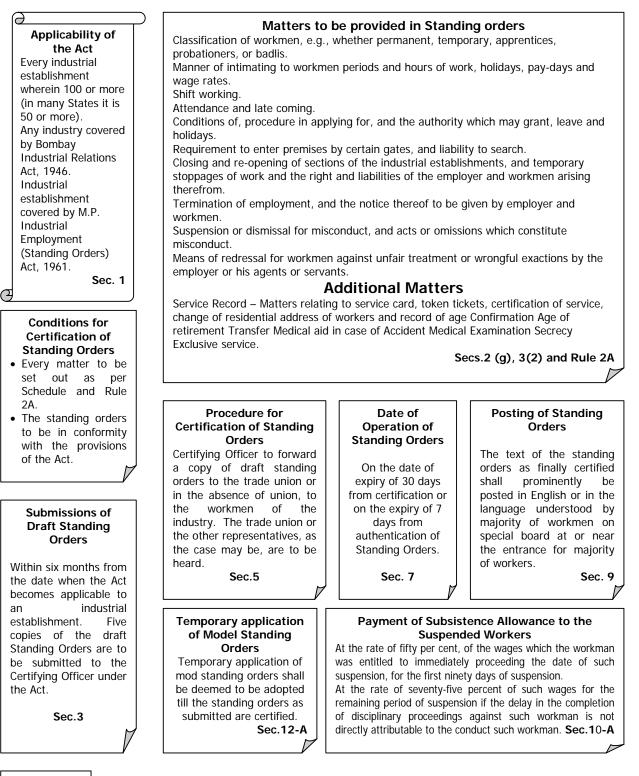
#### **Object of the Act**

Provisions for investigation and settlement of industrial disputes and for certain other purposes.



### (STANDING ORDERS) ACT, 1946 & THE RULES

### CHECK-LIST



#### PENALTIES

- Failure of employer to submit draft Standing Orders fine of Rs.5000 and Rs.200 for every day on continuation of offence.
- Fine of Rs.100 on contravention and on continuation of offence Rs.25 for every day.

#### CHECK LIST

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Object of the Act

To protect the dignity of motherhood and the dignity of a new person's birth by providing for the full and healthy maintenance of the woman and her child at this important time when she is not working.

## MATERNITY BENEFIT ACT, 1961

#### Coverage of the Act

Upon all women employees either employed directly or through contractor except domestic women employees employed in mines, factories, plantations and also in other establishments if the State Government so decides. Therefore, if the State Government decides to apply this Act to women employees in shops and commercial establishments, they also will get the benefit of this Act. Bihar, Punjab Haryana, West Bengal, U.P., Orissa and Andhra have done so.

#### **Cash Benefits**

- · Leave with average pay for six weeks before the delivery.
- Leave with average pay for six weeks after the delivery.
- A medical bonus of Rs.25 if the employer does not provide free medical care to the woman.
- An additional leave with pay up to one month if the woman shows proof of illness due to the pregnancy, delivery, miscarriage, or premature birth.
- In case of miscarriage, six weeks leave with average pay from the date of miscarriage. Non Cash Benefits/Privilege
- Light work for ten weeks (six weeks plus one month) before the date of her expected delivery, if she asks for it.
- Two nursing breaks in the course of her daily work until the child is 15 months old.
- No discharge or dismissal while she is on maternity leave.
- No change to her disadvantage in any of the conditions of her employment while on maternity leave.
- Pregnant women discharged or dismissed may still claim maternity benefit from the employer.

Exception: Women dismissed for gross misconduct lose their right under the Act for Maternity Benefit

#### Leave for Miscarriage & Tubectomy Operation

- Leave with wages at the rate of maternity benefit, for a period of six weeks immediately following the day of her miscarriage or her medical termination of pregnancy.
- Entitled to leave with wages at the rate of maternity benefit for a period of two weeks immediately following the day of her tubectomy operation.

## Leave for illness arising out of pregnancy etc. etc.

A woman suffering from illness arising our of pregnancy, delivery, premature birth of child (Miscarriage, medical termination of pregnancy or tubectomy operation) be entitled, in addition to the period of absence allowed to her leave with wages at the rate of maternity benefit for a maximum period of one month. Sec. 10

#### Conditions for eligibility of benefits

Women indulging temporary of unmarried are eligible for maternity benefit when she is expecting a child and has worked for her employer for at least 80 days in the 12 months immediately proceeding the date of her expected delivery

#### Conditions for eligibility of benefits

- Ten weeks before the date of her expected delivery, she may ask the employer to give her light work for a month. At that time she should produce a certificate that she is pregnant.
- She should give written notice to the employer about seven weeks before the date of her delivery that she will be absent for six weeks before and after her delivery. She should also name the person to whom payment will be made in case she can not take it herself.
- She should take the payment for the first six weeks before she goes on leave.
- She will get payment for the six weeks after child-birth within 48 hours of giving proof that she has had a child.
- She will be entitled to two nursing breaks of fifteen minutes each in the course of her daily work till her child is fifteen months old.
- Her employer cannot discharge her or change her conditions of service while she is on maternity leave

Sec. 5.

#### Prohibition of dismissal during absence of pregnancy

- Discharge or dismissal of a woman employed during or on account of such absence or to give notice or discharge or dismissal on such a day that the notice will expire during such absence or to very her disadvantage.
- Discharge or dismissal during or on account of such absence or to give notice of discharge or dismissal on such a day that the notice will expire during such absence, or to vary to her disadvantage any of the conditions of her service.
- At the time during her pregnancy, if the woman but for such discharge or dismissal would have been entitled to maternity benefit or medical bonus, etc.
- Not barred in case of dismissal for cross misconduct.

#### Failure to Display Extract of Act Imprisonment may extend to one year or

extend to one year or fine.

#### Forfeiture of maternity benefit

Sec.

If permitted by her employer to absent herself under the provisions of section 6 for any period during such authorized absence, she shall forfeit her claim to the maternity benefit for such period.

For discharging or dismissing such a woman during or on account of her absence from work, the employer shall be punishable with imprisonment which shall not be less than 3 months, but it will extend to one year and will find, but not exceeding Rs.5, 000. Sec. 18

## MINIMUM WAGES ACT, 1948

### CHECK LIST

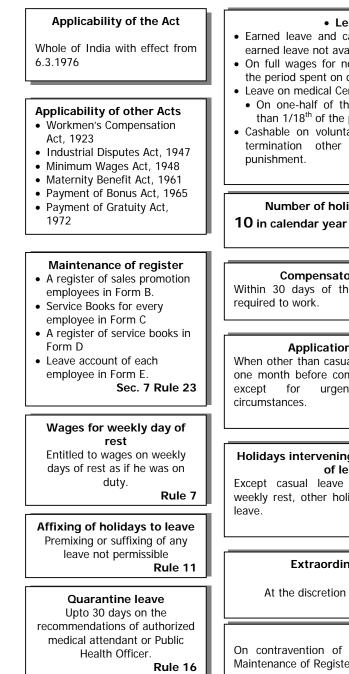
Object of the Act To provide for fixing minimum rates of wages in certain employments Minimum Rates of Wages Such as Basic rates of wages etc. Variable DA	employ • To mal fixed an • Time w such en	ppropriate government red in para 1 or B of Sch ke review at such inter- nd revised the minimum <b>Government</b> vork • Piece work at p	nedule either at 2 o vals not exceeding n rates. can also fix Mini niece rate • Piece	rates of reither pa five years <b>mum Wa</b> work for t	wages. The employees rt of notification u/s 27. the minimum rates or so
and Value of other concessions etc. Sec. 4 Fixing Hours for Normal Working • Shall constitute a normal working day inclusive of one or more specified intervals. • To provide for a day of rest in every period of	revising Appointin Notificatio Overtime To be fixe day or by period we excess of	ed by the hour, by the v such a longer wage- orks on any day in the number of hours	Compositic Committe Representation employer and ee in schedule emp equal number independent per exceeding 1/3 <sup>rd</sup> total number o person to be a by the Chairman.	ee of mployee bloyer in and sons not or its ne such ppointed	Payment of Minimum Rates of Wages Employer to pay to every employee engated 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
<ul> <li>seven days with remuneration.</li> <li>To provide for payment for work on a day of rest at a rate not less than the overtime rate</li> <li>Sec. 13</li> </ul>	Payment part of a excess a double of	g normal working day. for every hour or for n hour so worked in t the overtime rate the ordinary rate of es or for agriculture <b>Sec. 5</b>	Save as otherwi receive wages in	workers who works for less than norma working days therwise hereinafter provided, be entitled t ges in respect of work done by him on that da d worked for a full normal working day. Sec.1	
Wages for two class of workWhere 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.Maintenance of registers and records• 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• Representation of register – for three year Rule 26-ASe			Muster Roll-Form V Rule 26		
Minimum time rate wages for piece work Not less than minimum rates wages as fixed .Claims by employees• 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 contraventic		For contravention o pertaining to fixing	any provisions Imprisonment upto 6 months of		upto Rs.500/- ment upto 6 months or

## 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.



#### Leave

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

Sec.4

#### Number of holidays in a year

Rule 4

**Compensatory holidays** Within 30 days of the day when he was Rule 5

#### Application for leave

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

Rule 9

#### Holidays intervening during the period of leave

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

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** 

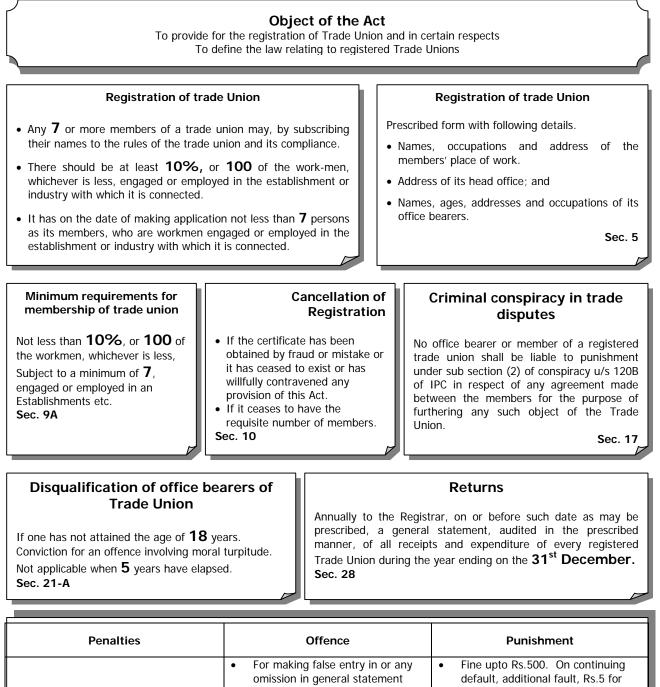
15 days in a calendar year. Rule 15

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



U/s 31	omission in general statement required for sending returns.	default, additional fault, Rs.5 for each week (not exceeding Rs.50).		
	• For making false entry in the form.	• Fine upto Rs.500.		
U/s 32	Supplying false information regarding Trade Union	• Fine upto Rs.200.		

## PAYMENT OF BONUS ACT, 1965 & THE RULES

### CHECKLIST

#### Applicability of Act

Every factory where in  $\boldsymbol{10}$  or more persons are employed with the aid of power or

An establishment in which  ${\bf 20}$  or more persons are employed without the aid of power on any day during an accounting year

#### Computation of available surplus

Income taxes 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. over-time, house rent, incentive or commission. Sec.2 (21)

#### **Disqualification & Deduction of Bonus**

On dismissal of an employee for

- Fraud; or
- riotous or violent behavior 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.

#### **Eligibility of Bonus**

An employee will be entitled only when he has worked for **30** working days in that year. Sec. 8

Time Limit for

Payment of Bonus

Within 8 months from the close of

Sec. 19

accounting y ear.

Payment of Minimum Bonus 8.33% of the salary or Rs.100 (on completion of 5 years after 1<sup>st</sup> Accounting year even if there is no profit) Sec.10

> 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.

Sec.26, Rule 4

Act not applicable to certain employees of LIC, General Insurance, DockYards, 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

#### Establishment

Establishment includes Departments, undertakings and branches, etc.

#### 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

## Computation of gross profit

For banking company, as per First Schedule.

> Others, as per Second Schedule Sec.4

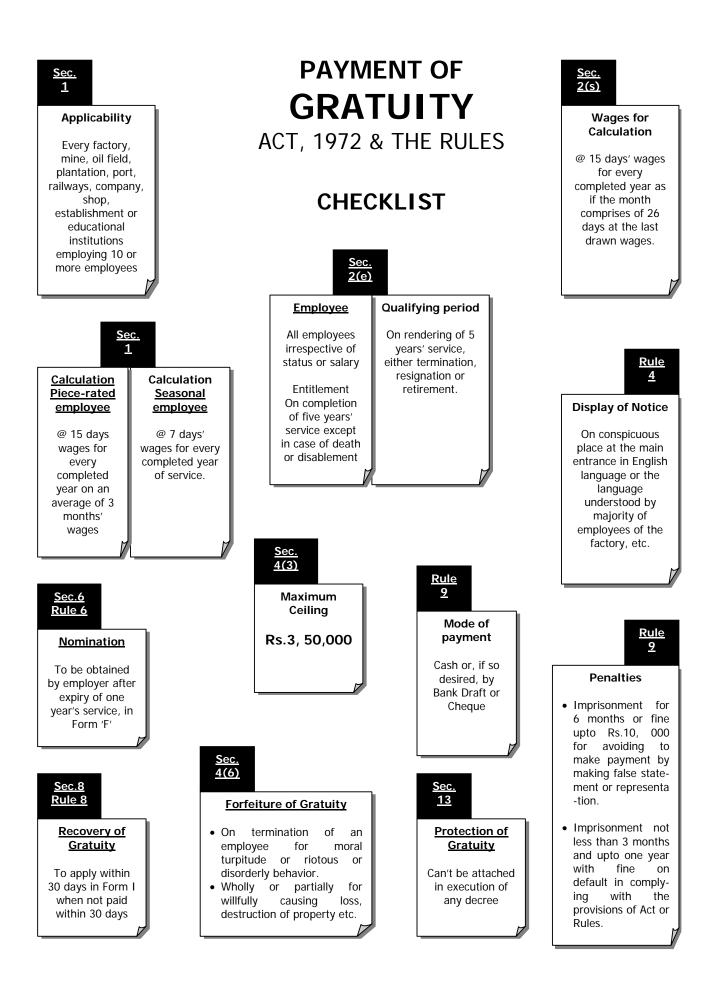
#### Eligible Employees

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.



## **PAYMENT OF WAGES ACT, 1936**

### CHECKLIST

#### Applicability of Act

- Factory industrial Establishment
- Tramway service or motor transport service engaged in carrying passengers or good or both by road for hire or reward.
   Air transport service Dock, Wharf or Jetty
   Inland vessel, mechanically propelled
- Mine, quarry or oil-field Plantation
- Workshop or other establishment
   otc

#### Coverage of Employees

Drawing average wage upto Rs.6500 pm as amended w.e.f. 6.9.05.

#### Fines as prescribed by

•Not to imposed unless the employer is given an opportunity to show cause ®To record in the register

Sec.8

#### Deductions for service rendered

When accommodation amenity or service has been accepted by the employee. Sec.11

#### Object of the Act

To regulate the payment of wages of certain classes of employed persons

#### Time of payment of wages

The wages of every person employed is paid.

When less than 1000 persons are employed shall be paid before the expiry of the 7<sup>th</sup> day of the following month.

When more than 1000 workers, before the expiry of the 10<sup>th</sup> day of the following month. Sec. 5

#### Deduction made from wages

Deductions such as, fine, deduction for amenities and services supplied by the employer, advances paid, over payment of wages, loan, granted for house-building or other purposes, income tax payable, in pursuance of the order of the Court, PF contributions, cooperative societies, premium for Life Insurance, contribution to any fund constituted by employer or a trade union, recovery of losses, ESI contributions etc.etc. Sec. 7

#### Deduction for absence from duties for unauthorized absence

Wages to be paid in

current coins or currency

notes

•All wages shall be paid in

current coins or currency

notes or in both.

Account Sec. 6

•After obtaining the

authorization, either by

Cheque or by crediting the

wages in employees banks

Absence for whole or any part of the day – If ten or more persons absent without reasonable cause, deduction of wages upto 8 days.

Sec. 9

#### Deduction for damage or loss

For default or negligence of an employee resulting into loss. Show cause notice has to be given to the employee. **Sec.10** 

On contravention of S.5 (except sub-sec.4), S.7, S.8 (except Ss.8), S.9, S.10 (except Ss.2) and Secs.11 to 13.	Fine not less than Rs.1000, which may extend to Rs.5000. On subsequent conviction fine not less than Rs.5000, may extend to Rs.10, 000. On contravention S.4, S.5 (4), S6, S.8 (8), S.10 (2) or S.25 fine not less than Rs.1000. – may extend to Rs.5000. On subsequent On conviction fine not less.
<ul> <li>For failing to maintain registers or records; or</li> <li>Willfully refusing or without lawful excuse neglecting to furnish information or return; or</li> <li>Willfully furnishing or causing to be furnished any information or return which he knows to be false or</li> <li>Refusing to answer or willfully giving a false answer to any question necessary for obtaining any information required to be furnished under this Act.</li> </ul>	<ul> <li>Fine which shall not be less than Rs.1000 but may extend to Rs.5000 – On record conviction fine not less than Rs.5000, may extend to Rs.10, 000.</li> <li>For second or subsequent conviction, fine not less than Rs.5000 but may extend to Rs.10,000</li> </ul>
<ul> <li>Willfully obstructing an Inspector in the discharge of his duties under this Act; or</li> <li>Refusing or willfully neglecting to afford an Inspector any reasonable facility for making any entry, inspection etc.</li> <li>Willfully refusing to produce on the demand of an inspector any register or other document kept in pursuance of this Act; or preventing any person for appearance etc.</li> </ul>	Fine not less than Rs.1000 extendable Upto Rs.5000 – On subsequent conviction fine not less than Rs.5000 – may extent to Rs.10,000
<ul> <li>On conviction for any offence and again guilty of Contravention of same provision.</li> <li>Failing or neglecting to pay wages to any employee</li> </ul>	<ul> <li>Imprisonment not less than one month extendable upto six months and fine not less than Rs.2000 extendable upto Rs.15000.</li> <li>Additional fine upto Rs.100 for each day.</li> </ul>

## WORKMEN'S COMPENSATION ACT, 1923

### CHECKLIST



Coverage of Workmen All workers irrespective of their status or salaries either directly or through contractor or a person recruited to work abroad. Sec.1 (3)

#### Amount of compensation

- Where death of a workman results from the injury • An amount equal to fifty per cent of the monthly wages of the deceased workman multiplied by the relevant factor on an
- amount of eighty thousand rupees, whichever is more. • Where permanent total disablement results from the injury.
- An amount equal to sixty per cent of the monthly wages of the injured workman multiplied by the relevant factor or an amount of ninety thousand rupees, whichever is more

#### Procedure for calculation Higher the age – Lower the compensation

- Relevant factor specified in second column of Schedule IV giving slabs depending upon the age of the concerned workman.
- Example: In case of death.
  - Wages Rs. 3000 PM Age 23 years
  - Factor as schedule IV Rs.19.95
  - Amount of compensation Rs.329935
  - In case of total disablement Rs.395910.

Sec. 4

Sec. 10

#### Wages

When the monthly wages are more than Rs.4000 per month it will be deemed Rs.4000. Sec.4 Exh.b

Accident As soon as Practicable

Notice

#### Report of accident Rule 11 Form EE

Report of fatal Accident and Serious Injury within 7 days to the Commissioner (not application when ESI Act applies).

Sec.10B

#### Employer's liability to pay compensation to a workman

On death or personal injury resulting into total or partial disablement or occupational disease caused to a workman arising out of and during the course of employment.

Sec.3

#### When an employee is not liable for compensation

- In respect of any injury which does result in the total or partial disablement of the workman for a period exceeding three days.
- In respect of any injury, not resulting in death or permanent total disablement caused by an accident which is directly attributable to-
- The workman having been at the time thereof under the influence of drink or drugs, or
- Willful disobedience of the workman to an order expressly given, or to a rule expressly framed, for the purpose of securing the safety of workmen, or
- Willful removal or disregard by the workman of any safety guard or other device which he knew to have been provided for the purpose of securing the safety of workman.

Sec.3 (a) & (b)

#### Bar upon contracting out

Any workman relinquishing his right for personal injury not permissible.

Sec.14

PENALTY

- · In case of default by employer Deposit of Compensation
- 50% of the compensation amount + interest to be paid to the workman or his dependents as the case may be.
  - Within one month with the Compensation Commissioner

Sec.4A