

minimum wage: Bill to fix minimum wage for unorganised sector introduced in Lok Sabha

NEW DELHI: The Code on Wages [Bill](#) that seeks to fix a national [minimum wage](#) for all categories of over 40 crore [unorganised sector](#) workers and provide a fixed timeline for their payment -- in some cases only through electronic means or cheque -- was introduced in the [Lok Sabha](#) today.

The Code provides for the government to determine the minimum wages every five years using factors like skills required for the job, arduousness of work, geographical location of work place and other aspects.

Such wages are to be fixed on recommendation of panels comprising an equal number of representatives of employers and employees, and independent persons, according to the Code on Wages, 2017, Bill.

Under this, the government will fix the number of hours of work that would include a day of rest every seven days. The payment for work on a day of rest will not be less than overtime rate.

Introducing the Bill, Labour Minister Bandaru Dattatreya said 'The Code on Wages' Bill will consolidate and amend the laws relating to wages and bonus.

The Bill seeks to amalgamate four laws -- the Payment of Wages Act 1936, the Minimum Wages Act 1948, the Payment of Bonus Act 1965 and the Equal Remuneration Act 1976.

"It is for simplification, rationalisation and making it less cumbersome. No way workers' right is being infringed... It is going to bring in a historical change in the wages for workers and universal minimum wages will be implemented for the first time in India," Dattatreya said.

The Bill will help generate employment and attract entrepreneurs, he said, adding that there are 44 labour laws which are being clubbed in four codes and the Bill introduced today deals with the code on wages.

"40 crore unorganised sector workers can avail of the universal minimum wage. The Bill has a very large perspective. As far as workers' right is concerned, it is in no way exploitation of workers," Dattatreya said.

As N K Premachandran (RSP) opposed the introduction of the Bill in such a short notice, the government sought to assuage the concerns, saying the Bill is being only introduced and discussion will take place later.

The Code stipulates that the wages are to be paid in coin or currency notes or by cheque or through digital or electronic mode or by crediting the wages in the bank account of the employee and the government may specify industrial or other establishment where the salary will be paid only through cheque or digital mode.

Daily wages have to be paid at the end of the shift while the weekly ones on the last working day of the week. Workers engaged in fortnightly employment will get wages before the end of the second day after the end of the working period.

For the monthly earner, the payment will have to be made before the expiry of the seventh day of the succeeding month.

Where an employee is removed or dismissed from service as also when he or she resigns, the wages payable shall be paid within two working days.

The Code provides employers with authority to make deductions from the wages only in case of fines imposed, absence from duty, damage or loss of goods expressly entrusted with the employee custody, housing accommodation and amenities and services.

A bonus at the rate of 8.3 per cent of wage earned or Rs 100, whichever is higher, will be paid.

Any employer paying to any employee less than the amount due in wages or bonus or any other dues will be punishable with a fine of up to Rs 50,000, the Code said.

Repeat offence within five years will be punishable with imprisonment of 3 months or fine of up to Rs 1 lakh, or with both.

The central government under the Code will fix the national minimum wage as also for different states or areas.

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