

# **EXECUTIVE PROGRAMME**

## **UPDATE FOR INDUSTRIAL, LABOUR AND GENERAL LAWS**

**(Relevant for students appearing in December, 2015 Examination)**

### **MODULE 2 - PAPER 7**

*Disclaimer-*

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## **LABOUR LAWS (EXEMPTION FROM FURNISHING RETURNS AND MAINTAINING REGISTERS BY CERTAIN ESTABLISHMENTS) AMENDMENT ACT, 2014**

The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment Act, 2014 passed by the Rajya Sabha on November 26, 2014; the Lok Sabha on November 28, 2014 and received the assent of the President on the 9th December, 2014 amended the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988.

The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment Act, 2014 provides for the simplification of procedure for furnishing returns and maintaining registers in relation to establishments employing a small number of persons under certain labour laws. Now this Act may be called the **Labour Laws (Simplification of Procedure for Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988**. The Amendment Act now includes 7 more Labour Acts under the purview of the Principal Act. Also, the coverage of Principal Act has been expanded from the establishments employing upto 19 workers to 40 workers. The Amendment Act also gives an option to maintain the registers electronically and to file the returns electronically which leads to ease of compliance as well as better enforcement of the labour laws.

### **Definitions**

Section 2 of the Act defines various terms used in the Act, the definitions are given here under:

#### ***Employer***

Employer, in relation to a Scheduled Act, and in relation to any other Scheduled Act, means the person who is required to furnish returns or maintain registers under that Act {Section 2 (a)}.

#### ***Establishment***

Establishment has the meaning assigned to it in a Scheduled Act, and includes – (i) an “industrial or other establishment” as defined in Sec. 2 of the Payment of Wages Act, 1936 ; (ii) a “factory” as defined in Sec. 2 of the Factories Act, 1948 ;(iii) a factory, workshop or place where employees are employed or work is given out to workers, in any scheduled

employment to which the minimum wages Act, 1948 , applies. (iv) a “plantation” as defined in Sec. 2 of the Plantations Labour Act, 1951; and (v) a “newspaper establishment” as defined in Sec. 2 of the Working Journalists and other Newspaper Employees (conditions of Service) and Miscellaneous Provisions Act, 1955{Section 2 (b)}.

### **Form**

Form means a Form specified in the Second Schedule {Section 2 (c)}.

Following forms are specified in the second schedule. They are as under:

- Form I -Annual Return(*To be furnished to the Inspector or the authority specified for this purpose under the respective Scheduled Act before the 30th April of the following year*)
- Form II -Register of persons employed-cum-employment card
- Form III- Muster roll-cum-wage register

### **Scheduled Act**

Scheduled Act means an Act specified in the first Schedule and is in force on commencement of this Act in the territories to which such Act extends generally, and includes the rules made thereunder{Section 2 (d)}.

Following are the sixteen Acts specified in the first schedule. They are as under:

1. The Payment of Wages Act, 1936
2. The Weekly Holidays Act, 1942
3. The Minimum Wages Act, 1948
4. The Factories Act, 1948
5. The Plantations Labour Act, 1951
6. The Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955
7. The Motor Transport Workers Act, 1961
8. The Payment of Bonus Act, 1965 (
9. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966
10. The Contract Labour (Regulation and Abolition) Act, 1970
11. The Sales Promotion Employees (Conditions of Service) Act, 1976
12. The Equal Remuneration Act, 1976

13. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

14. The Dock Workers (Safety, Health and Welfare) Act, 1986

15. The Child Labour (Prohibition and Regulation) Act, 1986

16. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

### ***Small Establishment***

Small establishment means an establishment in which not less than ten and not more than **forty** persons are employed or were employed on any day of the preceding twelve months{Section 2 (e)}.

### ***Very Small Establishment***

Very small establishment means an establishment in which not more than nine persons are employed or were employed on any day of the preceding twelve months.{Section 2 (f)}.

### **Exemption from furnishing or maintaining of returns and registers required under certain labour laws.**

Section 4(1) of the Act provides that notwithstanding anything contained in a Scheduled Act, on and from the commencement of the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment Act, 2014, it shall not be necessary for an employer in relation to any small establishment or very small establishment to which a Scheduled Act applies, to furnish the returns or to maintain the registers required to be furnished or maintained under that Scheduled Act.

It may be noted that such employer—

**(a)** furnishes, in lieu of such returns, annual return in Form I; and

**(b)** maintains at the work spot, in lieu of such registers,—

(i) registers in Form II and Form III, in the case of small establishments, and

(ii) a register in Form III, in the case of very small establishments,;

Every such employer shall continue to issue wage slips in the Form prescribed in the Minimum Wages (Central) Rules, 1950 made under sections 18 and 30 of the Minimum Wages Act, 1948 and slips relating to measurement of the amount of work done by piece-rated workers required to be issued under the Payment of Wages (Mines) Rules, 1956 made under sections 13A and 26 of the Payment of Wages Act, 1936; and file returns relating to accidents under sections 88 and 88A of the Factories Act, 1948 and sections 32A and 32B of the Plantations Labour Act, 1951.

### **Furnishing or maintaining of returns and registers in electronic form**

As per Section 4 (2) of the Act, the annual return in Form I and the registers in Forms II and III and wage slips, wage books and other records, as provided in sub-section (1), may be maintained by an employer either in physical form or on a computer, computer floppy, diskette or other electronic media.

It may be noted that in case of computer, computer floppy, diskette or other electronic form, a printout of such returns, registers, books and records or a portion thereof is made available to the Inspector on demand.

Under section 4(3) the employer or the person responsible to furnish the annual return in Form I may furnish it to the Inspector or any other authority prescribed under the Scheduled Acts either in physical form or through electronic mail if the Inspector or the authority has the facility to receive such electronic mail.

### **Penalty**

As per section 6 of the Act , any employer who fails to comply with the provisions of the Act shall, on conviction, be punishable, in the case of the first conviction, with fine which may extend to rupees five thousand ; and in the case of any second or subsequent conviction, with imprisonment for a period which shall not be less than one month but which may extend to six months or with fine which shall not be less than rupees ten thousand but may extend to rupees twenty-five thousand, or with both.

### **Test Your Knowledge**

***Which establishment covered under the Labour Laws (Simplification of Procedure for Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988?***

***Answer:*** *The Labour Laws (Simplification of Procedure for Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 applies to –*

- (i) Small Establishment - The Establishment in which not less than 10 and not more than 40 persons are employed or were employed on any day in preceding 12 months.
- (ii) Very Small Establishment - The Establishment in which not more than 09 person are employed or were employed on any day in preceding 12 months.

### **Test Your Knowledge**

***Which returns are to be submitted by the Employer of Small Establishment and Very Small Establishment?***

***Answer:*** *In both the Establishments, Annual Return in Form I is required to be submitted.*

### **Test Your Knowledge**

***Which Registers are required to be maintained at the work spot by the employer of a Small Establishment?***

***Answer:*** The Registers required to be maintained at the work spot by the employer of a Small Establishment are as under –

Form II and Form III.

### **Test Your Knowledge**

***Which Register is required to be maintained at the work spot by the employer of a Very Small Establishment?***

***Answer:*** The Register required to be maintained at the work spot by the employer of a Small Establishment is as under – Form III

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## THE APPRENTICES (AMENDMENT) ACT, 2014

The Apprentices Act 1961 was enacted with the objective of regulating the programme of training of apprentices in the industry by utilising the facilities available therein for imparting on-the-job training. The Act was amended in 1973 and 1986 to include training of graduates, technicians and technician (vocational) apprentices respectively under its purview. It was further amended in 1997 and 2007 to amend various sections of the Act as regards definition of “establishment”, “worker”, number of apprentices for a designated trade and reservation for candidates belonging to Other Backward Classes, etc. Comparing the size and rate of growth of economy of India, the performance of Apprenticeship Training Scheme is not satisfactory and a large number of training facilities available in the industry are going unutilised depriving unemployed youth to avail the benefits of the Apprenticeship Training Scheme. Employers are of the opinion that provisions of the Act are too rigid to encourage them to engage apprentices and provision relating to penalty creates fear amongst them of prosecution and they have suggested to modify the Apprentices Act suitably. In order to make the apprenticeship more responsive to youth and industry, the Apprentices Act, 1961 has been amended and brought into effect from 22<sup>nd</sup> December, 2014. These amendments have been made with the objective of expanding the apprenticeship opportunities for youth. Non engineering graduates and diploma holders have been made eligible for apprenticeship. A portal is being setup to make all approvals transparent and time bound. Apprenticeship can be taken up in new occupations also.

### **The amendments are as under:**

#### **Definitions**

Section 2 of the Act defines various terms used in the Act, some of the amended definitions are given here under:

#### ***Appropriate Government***

Appropriate Government means –

(1) in relation to –

(a) the Central Apprenticeship Council, or

(aa) the Regional Boards, or

(aaa) the practical training of graduate or technician apprentices or of technician (vocational) apprentices, or;

(b) any establishment of any railway, major port, mine or oilfield, or

(bb) any establishment which is operating business or trade from different locations situated in four or more States, or

(c) any establishment owned, controlled or managed by –

(i) the Central Government or a department of Central Government,

(ii) a company in which not less than fifty-one per cent of the share capital is held by the Central Government on partly by that Government and partly by one or more State Governments,

(iii) a corporation (including a co-operative society) established by or under a Central Act which is owned, controlled or managed by the Central Govt; the Central Government

(2) in relation to –

(a) a State Apprenticeship Council, or

(b) any establishment other than an establishment specified in sub-clause (1) of this clause, the State Govt; { Section 2(d)}.

### ***Designated Trade***

Designated trade means any trade or occupation or any subject field in engineering or non-engineering or technology or any vocational course which the Central Government, after consultation with the Central Apprenticeship Council, may, by notification in the Official Gazette, specify as a designated trade for the purposes of this Act {Section 2(e)}.

### ***Graduate or Technician Apprentice***

graduate or technician apprentice means an apprentice who holds, or is undergoing training in order that he may hold a degree or diploma in engineering or non-engineering or technology or equivalent qualification granted by any institution recognised by the Government and undergoes apprenticeship training in any designated trade{Section 2(j)}.

### ***Industry***

Industry means any industry or business in which any trade, occupation or subject field in engineering or non-engineering or technology or any vocational course may be specified as a designated trade or optional trade or both{Section 2(k)}.

### ***Optional Trade***

Optional trade means any trade or occupation or any subject field in engineering or non-engineering or technology or any vocational course as may be determined by the employer for the purposes of this Act{Section 2(l)}.

### ***Portal-site***

Portal-site means a website of the Central Government for exchange of information under this Act {Section 2(III)}.

### ***Technician (Vocational) Apprentice***

Technician (vocational) apprentice means an apprentice who holds or is undergoing training in order that he may hold a certificate in vocational course involving two years of study after the completion of the secondary stage of school education recognised by the All-India Council and undergoes apprenticeship training in designated trade{Section 2(pp)}.

### ***Trade Apprentice***

Trade Apprentice means an apprentice who undergoes apprenticeship training in any designated trade {Section 2(q)}.

### ***Worker***

Worker means any person working in the premises of the employer, who is employed for wages in any kind of work either directly or through any agency including a contractor and who gets his wages directly or indirectly from the employer but shall not include an apprentice referred to in clause (aa) {Section 2(r)}.

### **Qualifications for being engaged as an apprentice**

Section 3 provides that a person shall not be qualified for being engaged as an apprentice to undergo apprenticeship training in any designated trade, unless he-

- (a) is not less than fourteen years of age, and for designated trades related to hazardous industries, not less than eighteen years of age; and
- (b) satisfies such standards of education and physical fitness as may be prescribed: Provided that different standards may be prescribed in relation to apprenticeship training in different designated trades and for different categories of apprentices.

### **Contract of apprenticeship**

Section 4 of the Act deals with Contract of apprenticeship. Section 4 states that -

(1) No person shall be engaged as an apprentice to undergo apprenticeship training in a designated trade unless such person or, if he is minor, his guardian has entered into a contract of apprenticeship with the employer.

(2) The apprenticeship training shall be deemed to have commenced on the date on which the contract of apprenticeship has been entered into under sub-section (1).

(3) Every contract of apprenticeship may contain such terms and conditions as may be agreed to by the parties to the contract: Provided that no such term or condition shall be inconsistent with any provision of this Act or any rule made thereunder.

(4) Every contract of apprenticeship entered into under sub-section (1) shall be sent by the employer within thirty days to the Apprenticeship Adviser until a portal-site is developed by the Central Government, and thereafter the details of contract of apprenticeship shall be entered on the portal-site within seven days, for verification and registration.

(4A) In the case of objection in the contract of apprenticeship, the Apprenticeship Adviser shall convey the objection to the employer within fifteen days from the date of its receipt.

(4B) The Apprenticeship Adviser shall register the contract of apprenticeship within thirty days from the date of its receipt.

As per section 4(6) where the Central Government, after consulting the Central Apprenticeship Council, makes any rule varying the terms and conditions of apprenticeship training of any category of apprentices undergoing such training, then, the terms and conditions of every contract of apprenticeship relating to that category of apprentices and subsisting immediately before the making of such rule shall be deemed to have been modified accordingly.

### **Regulation of optional trade**

Section 5A provides that the qualification, period of apprenticeship training, holding of test, grant of certificate and other conditions relating to the apprentices in optional trade shall be such as may be prescribed.

### **Engagement of apprentices from other States**

Under section 5B the employer may engage apprentices from other States for the purpose of providing apprenticeship training to the apprentices.

### **Period of apprenticeship training**

As per section 6 the period of apprenticeship training, which shall be specified in the contract of apprenticeship, shall be as follows-

(a) In the case of trade apprentices who, having undergone institutional training in a school or other institution recognised by the National Council, have passed the trade tests or examinations conducted by that Council or by an institution recognised by that Council, the period of apprenticeship training shall be such as may be prescribed.

(aa) in the case of trade apprentices who, having undergone institutional training in a school or other institution affiliated to or recognised by a Board or State Council of Technical Education or any other authority or courses approved under any scheme which the Central Government may, by notification in the Official Gazette specify in this behalf, have passed the trade tests or examinations conducted by that Board or State Council or authority or by any other agency authorised by the Central Government, the period of apprenticeship training shall be such as may be prescribed;

(b) in the case of other trade apprentices, the period of apprenticeship training shall be such as may be prescribed;

(c) in the case of graduate or technician apprentices, technician (vocational) apprentices and the period of apprenticeship training shall be such as may be prescribed.

## **Number of apprentices for a designated trade and optional trade**

Section 8 empowers the Central Government to prescribe the number of apprentices to be engaged by the employer for designated trade and optional trade. Several employers may join together either themselves or through an agency, approved by the Apprenticeship Adviser, according to the guidelines issued from time to time by the Central Government in this behalf, for the purpose of providing apprenticeship training to the apprentices under them.

## **Practical and basic training of apprentices**

Section 9 deals with practical and basic training of apprentices. Section 9 states that:

- Every employer shall make suitable arrangements in his workplace for imparting a course of practical training to every apprentice engaged by him.
- The Central Apprenticeship Adviser or any other person not below the rank of an Assistant Apprenticeship Adviser authorised by the State Apprenticeship Adviser in writing in this behalf shall be given all reasonable facilities for access to each such apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme: Provided that the State Apprenticeship Adviser or any other person not below the rank of an Apprenticeship Adviser authorised by the State Apprenticeship Adviser in writing in this behalf] shall also be given such facilities in respect of apprentices undergoing training in establishments in relation to which the appropriate Government is the State Government.
- Such of the trade apprentices who have not undergone institutional training in a school or other institution recognised by the National Council or any other institution affiliated to or recognised by a Board or State Council of Technical Education or any other authority which the Central Government may, by notification in the Official Gazette, specify in this behalf, shall, before admission in the workplace for practical training, undergo a course of basic training and the course of basic training shall be given to the trade apprentices in any institute having adequate facilities.
- In the case of an apprentice other than a graduate or technician apprentice or technician (vocational) apprentice, the syllabus of and the equipment to be utilised for, practical training including basic training in any designated trade shall be such as may be approved by the Central Government in consultation with the Central Apprenticeship Council.
- In the case of graduate or technician apprentices or technician (vocational) apprentices, the programme of apprenticeship training and the facilities required for such training in any designated trade shall be such as may be approved by the Central Government in consultation with the Central Apprenticeship Council.

- Recurring costs (including the cost of stipends) incurred by an employer in connection with basic training, imparted to trade apprentices other than those referred to in clauses (a) and (aa) of Section 6 shall be borne-
  - (i) If such employer employs two hundred and fifty workers or more, by the employer;
  - (ii) If such employer employs less than two hundred and fifty workers, by the employer and the Government in equal shares up to such limit as may be laid down by the Central Government and beyond that limit, by the employer alone;
- Recurring costs (including the cost of stipends), if any, incurred by an employer in connection with practical training, including basic training, imparted to trade apprentices referred to in clauses (a) and (aa) of Section 6 shall, in every case, be borne by the employer.
- Recurring costs (excluding the cost of stipends) incurred by an employer in connection with the practical training imparted to graduate or technician apprentice (vocational) shall be borne by the employer and the cost of stipends shall be borne by the Central Government and the employer in equal shares up to such limit as may be laid down by the Central Government and beyond that limit, by the employer alone except apprentices who hold degree or diploma in non-engineering.

### **Hours of work, overtime, leave and holidays**

Section 15 of the Act deals with hours of work, overtime, leave and holidays. Section 15 provides that:

(1) The weekly and daily hours of work of an apprentice while undergoing practical training in a workplace shall be as determined by the employer subject to the compliance with the training duration, if prescribed.

(2) No apprentice shall be required or allowed to work overtime except with the approval of the Apprenticeship Adviser who shall not grant such approval unless he is satisfied that such overtime is in the interest of the training of the apprentice or in the public interest.

(3) An apprentice shall be entitled to such leave and holidays as are observed in the establishment in which he is undergoing training.

### **Records and returns**

Section 19 of the Act provides that every employer shall maintain records of the progress of training of each apprentice undergoing apprenticeship training in his establishment in such form as may be prescribed.

Until a portal-site is developed by the Central Government, every employer shall furnish such information and return in such form as may be prescribed, to such authorities at such intervals as may be prescribed.

Every employer shall also give trade-wise requirement and engagement of apprentices in respect of apprenticeship training on portal-site developed by the Central Government in this regard.

### **Holding of test and grant of certificate and conclusion of training**

Section 21(1) provides that every trade apprentice who has completed the period of training may appear for a test to be conducted by the National Council or any other agency authorised by the Central Government to determine his proficiency in the designated trade in which he has undergone apprenticeship training.

Every trade apprentice who passes the test referred to in sub-section (1) shall be granted a certificate of proficiency in the trade by the National Council or by the other agency authorised by the Central Government.

The progress in apprenticeship training of every graduate or technician apprentice shall be assessed by the employer from time to time. Every graduate or technician apprentice or technician (vocational) apprentice who completes his apprenticeship training to the satisfaction of the concerned Regional Board, shall be granted a certificate of proficiency by that Board.

### **Offer and acceptance of employment**

As per section 22(1) of the Act every employer shall formulate its own policy for recruiting any apprentice who has completed the period of apprenticeship training in his establishment.

Section 22(2) states that notwithstanding anything in sub-section (1), where there is a condition in a contract of apprenticeship that the apprentice shall, after the successful completion of the apprenticeship training, serve the employer, the employer shall, on such completion, be bound to offer suitable employment to the apprentice, and the apprentice shall be bound to serve the employer in that capacity for such period and on such remuneration as may be specified in the contract. Provided that where such period of remuneration is not, in the opinion of the Apprenticeship Adviser, reasonable, he may revise such period or remuneration so as to make it reasonable, and the period or remuneration so revised shall be deemed to the period of remuneration agreed to between the apprentice and the employer.

### **Offences and penalties**

Section 30 deals with offences and penalties. Section 30 provides that-

(1) If any employer contravenes the provisions of the Act relating to the number of apprentices which he is required to engage under those provisions, he shall be given a month's notice in writing, by an officer duly authorised in this behalf by the appropriate Government, for explaining the reasons for such contravention.

(1A) In case the employer fails to reply the notice within the period specified under subsection (1), or the authorised officer, after giving him an opportunity of being heard, is not satisfied with the reasons given by the employer, he shall be punishable with fine of five hundred rupees per shortfall of apprenticeship month for first three months and thereafter one thousand rupees per month till such number of seats are filled up.

(2) If any employer or any other person-

(a) required to furnish any information or return- (i) refuses or neglects to furnish such information or return, or (ii) furnishes or causes to be furnished any information or return which is false and which is either knows or believes to be false or does not believe to be true, or (iii) refuses to answer, or give a false answer to any question necessary for obtaining any information required to be furnished by him, or

(b) refuses or willfully neglects to afford the Central or the State Apprenticeship Adviser or such other person, not below the rank of an Assistant Apprenticeship Adviser, as may be authorised by the central or the State Apprenticeship Adviser in writing in this behalf any reasonable facility for making any entry, inspection, examination or inquiry authorised by or under this Act, or

(c) requires an apprentice to work overtime without the approval of the Apprenticeship Adviser, or

(d) employs an apprentice on any work which is not connected with his training, or

(e) makes payment to an apprentice on the basis of piece-work, or

(f) requires an apprentice to take part in any output bonus or incentive scheme.

(g) engages as an apprentice a person who is not qualified for being so engaged, or

(h) fails to carry out the terms and conditions of a contract of apprenticeship

he shall be punishable with fine of one thousand rupees for every occurrence.

(2A) The provisions of this section shall not apply to any establishment or industry which is under the Board for Industrial and Financial Reconstruction established under the Sick Industrial Companies (Special Provisions) Act, 1985.

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### **EMPLOYEES' PROVIDENT FUNDS (AMENDMENT) SCHEME, 2014**

In exercise of the powers conferred by section 5 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Central Government vide notification G.S.R.610 (E) dated 22<sup>nd</sup> August, 2014 amended the Employees' Provident Funds Scheme, 1952 wef 01<sup>st</sup> September, 2014.

**The amendments are as follows:**

- The statutory wage ceiling under the Employees' Provident Funds Scheme has been increased from Rs. 6,500/- to Rs. 15,000/- per month.
- Employees drawing pay exceeding fifteen thousand rupees per month treated as excluded employees.

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### **EMPLOYEES' DEPOSIT-LINKED INSURANCE (AMENDMENT) SCHEME, 2014**

In exercise of the powers conferred by section 6C read with sub-section (1) of section 7 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Central Government vide Notification G.S.R. 610 (E) dated 22<sup>nd</sup> August, 2014 amended the Employees' Deposit-Linked Insurance Scheme, 1976 wef 01<sup>st</sup> September, 2014.

**The amendments are as follows:**

- The wage ceiling under the Employees' Deposit-Linked Insurance Scheme has been increased from Rs. 6,500/- to Rs. 15,000/- per month.
- The insurance benefit under the Scheme increased by 20% in addition to the existing admissible benefits.

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## EMPLOYEES' PENSION (AMENDMENT) SCHEME, 2014

In exercise of powers conferred by section 6A read with sub-section (1) of section 7 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Central Government vide Notifications G.S.R. 593(E) dated 19<sup>th</sup> August, 2014 and G.S.R 609(E), dated 19<sup>th</sup> August, 2014 amended the Employees' Pension Scheme, 1995 wef 1<sup>st</sup> September, 2014.

### **The amendments are as follows:**

- The wage ceiling under the Employees' Pension Scheme, 1995 has been increased from Rs. 6,500/- to Rs. 15,000/- per month.
  
- The minimum pension is fixed at Rs. 1,000/- per month for the members of the Employees' Pension Scheme or their nominee/ widow, etc. for the financial year 2014-15.
  
- The pensionable salary shall be the average monthly pay drawn in any manner including piece rate basis during contributory period of service in the span of sixty months preceding the date of exit from the membership of the Pension Fund and the pensionable salary shall be determined on pro-rata basis for the pensionable service up to the 1<sup>st</sup> day of September, 2014, subject to a maximum of six thousand and five hundred rupees per month and for the period thereafter at the maximum of fifteen thousand rupees per month.
  
- If a member was not in receipt of full pay during the period of sixty months preceding the day he ceased to be the member of the Pension Fund, the average of previous sixty months full pay drawn by him during the period for which contribution to the pension fund was recovered, shall be taken into account as pensionable salary, for calculating pension.
  
- If during the said span of sixty months there are non contributory periods of service including cases where the member has drawn salary for a part of the month, the total wages during the sixty months span shall be divided by the actual number of days for which salary has been drawn and the amount so derived shall be multiplied by 30 to work out the average monthly pay.

- The maximum pensionable salary shall be limited to fifteen thousand rupees per month.
- The existing members as on the 1<sup>st</sup> day of September, 2014, who at the option of the employer and employee, had been contributing on salary exceeding six thousand and five hundred rupees per month, may on a fresh option to be exercised jointly by the employer and employee continue to contribute on salary exceeding fifteen thousand rupees per month:
- The aforesaid members have to contribute at the rate of 1.16 per cent on salary exceeding fifteen thousand rupees as an additional contribution from and out of the contributions payable by the employees for each month under the provisions of the Act or the rules made thereunder:
- The fresh option shall be exercised by the member within a period of six months from the 1<sup>st</sup> day of September, 2014.
- The period specified above may, on sufficient cause being shown by the member, be extended by the Regional Provident Fund Commissioner for a further period not exceeding six months.
- If no option is exercised by the member within a period of six months from the 1<sup>st</sup> day of September, 2014 (including the extended period), it shall be deemed that the member has not opted for contribution over wage ceiling and the contributions to the Pension Fund made over the wage ceiling in respect of the member shall be diverted to the Provident Fund account of the member along with interest as declared under the Employees' Provident Fund Scheme from time to time.
- The members' monthly pension shall be determined on a pro-rata basis for the pensionable service up to the 1<sup>st</sup> day of September, 2014 at the maximum pensionable salary of six thousand and five hundred rupees per month and for the period thereafter at the maximum pensionable salary of fifteen thousand rupees per month.

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

The Payment of Wages Act, 1936, is an Act to regulate the payment of wages of certain classes of employed persons, whereas it is expedient to regulate the payment of wages to certain classes of employed persons. It ensure timely payment of wages and no unauthorised deductions are made from the wages of the worker.

With effect from 11.09.2012, the employees drawing wages up to Rs.18, 000/- per month is covered under the Payment of Wages Act, 1936.

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