

TAMIL NADU PAYMENT OF WAGES RULES,1937

LSee rule 221 ABSTRACT OF THE PAYMENT OF WAGES ACT, 1936, AND THE RULES MADE THEREUNDER Whom the Act affects I. The Act applies to the payment of wages to persons in this factory/industrial establishment receiving less than Rs. 1,000* 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 (whether by way of salary, allowances or otherwise) payable to a person employed in respect of his employment or of work done in such employment. It includes any remuneration — (a) payable under any award or settlement between the parties or order of a court ; (b) to which the person employed is entitled in respect of overtime work or holidays or any leave period ; (c) additionally payable under the terms of employment ; and also (d) being any sum payable under any law, contract or instrument by reason of the termination of the employment of the person employed ; and (e) to which the person employed is, entitled under any scheme framed under any law for the time being in force. It excludes — (1) any bonus which does not form part of the remuneration payable under the terms of employment or-which is not payable under any award or settlement between the parties or order of a court ; (2) the value of any house accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the State Government ; * Subs. by GO. Ms. No. 163, Labour and Employment, dated the 17th February, 1977 (3) any contribution paid by the employer to any pension or provident fund, and the interest accrued thereon (4) any travelling allowance or concessions or any other special expenses entailed on him by the nature of his employment ; and (5) any gratuity payable on the termination of employment other than any sum payable under any law, contract or instrument on such termination. Responsibility for and method of payment 4. The manager of the factory/industrial establishment 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. S. Wage-periods shall be fixed for the payment of wages at intervals not exceeding one month

6. Wages shall be paid on a working day within 7 days of the end of the wage period (or within ten days if 1,000 or more persons are employed). The wages of a person who is discharged shall be paid not later than the second working day after his discharge

7. Payments in kind are prohibited. Fines and Deductions

8. No deductions shall be made from wages except those authorised under the Act (See paragraphs 9 - 15 below).

9. (1) Fines can be imposed only for such acts and omissions as the employer has with the previous approval of the Chief Inspector of Factories, in respect of factories, the Chief Inspector of Plantations, in respect of plantations, the Chief Inspector of Motor Transport Undertakings in respect of motor transport undertakings governed by the Motor Transport Workers Act, 1961 (Central Act 27 of 1961) or the Deputy Commissioners of Labour in respect of other industrial establishments, as the case may be, specified by a notice displayed at or near the main entrance of the factory/ industrial establishment and after giving the employed person an opportunity (2) Fines (a) shall not exceed three paise in the rupee , (b) shall not be recovered by instalments, or after sixty days of the date of imposition , (c) shall be recorded in a register and applied to such purposes beneficial to the employed persons as are approved by the Chief Inspector of Factories in respect of factories, the Chief Inspector of Plantations in respect of plantations, the Chief Inspector of Motor Transport Undertakings in respect of motor transport undertakings governed by the Motor Transport Workers Act, 1961 (Central Act 27 of 1961) or the Deputy Commissioners of Labour in respect of other industrial establishments, as the case may be and (d) shall not be imposed on persons who are under the age of fifteen years. 10. (a) Deductions for absence from duty can be made only on account of the absence of the employed person at times when he should be working, and such deductions must not exceed an amount bearing the same proportion to his wages for the wage-period, as the period of his absence bears to the total period during which he should have been at work during the wage-period. (b) If ten or more employed persons, acting in concert, 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 the age of

fifteen years. (2) There must be a provision in writing forming part of the contract of employment, and requiring the employee to give notice of the termination of such employment the period of such notice not exceeding either — (i) fifteen days or the wage-period, whichever is less ; or (ii) the period of notice which the employer is required to give of the termination of that employment. (3) The above provisions must be displayed at or near the main entrance of the factory/industrial establishment. (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/industrial establishment. (5) No deduction must exceed the wages of the employed person for the period by which the notice he gives of leaving employment, less (i) the notice he should give under his contract

11. Deductions can be made for damage to or loss of goods expressly entrusted to an employed person or for loss of money for which he is required to account, where such damage or loss is 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. Deductions can be made, equivalent to the value thereof—(1) for house accommodation supplied by the employer or by Government or any statutory housing board or any other specified authority engaged in the business of subsidizing housing accommodation, (2) for amenities or services (other than tools and raw materials) supplied by the employer. Provided that the house-accommodation, amenities or services have been accepted by the person employed as a part of the terms of his employment or otherwise and have, in the case of amenities, or services, been authorised by order of the State Government. 13. (a) Deductions can be made for the recovery of advances, or for adjustment of over-payment of wages. (b) Advances 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 paymaster's discretion during employment but must not exceed the amount of two months' wages without the permission of an Inspector. These advances can be recovered by instalment, spread over not more than 12 months and the instalments must not exceed one-third, or if the wages are not more than Rs. 20/- one-fourth of the wages for any wage-period. 14. Deductions can be made for subscription to and for repayment of advances from any recognized provident fund. 15. Deductions can be made for payments to co-operative societies approved by the State (Government or to the Postal Insurance, subject to conditions imposed by the State Government or for payment of any premium on life insurance policy to the Life Insurance Corporation of India or for the purchase of securities of the Government of India or any State Government for being deposited in any Post Office Savings Bank in furtherance of any savings scheme of any such Government. 16. An Inspector can enter on any premises and can exercise powers of inspection (including examination of documents and taking of evidence) as he may deem necessary for carrying out the purposes of the Act. 17. (1) Where irregular deductions 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/Industrial Establishment the payment of whose 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 be paid to the employer. Appeal against the Authority 19. An appeal in the prescribed form against an order or direction made by the Authority may be preferred within thirty days in the City of Madras to the Court of Small Causes and to the District Court elsewhere -- (a) by the workman, if the total amount directed to be paid exceeds (b) by an employed person or any official of a registered trade union authorised in writing, if the total amount of wages withheld from him or from unpaid group to which he belongs exceeds rupees fifty ; and (c) by a person directed to pay a penalty for a malicious or vexatious application. 19-4. Conditional attachment of property of employer or other person responsible for payment of wages. — The Authority or the Court, as the case may be, if it is satisfied that the employer or other person responsible for the

payment of wages is likely to evade payment of any amount that may be diminished to be paid by it may direct the attachment of so much of the property of the employer or other person responsible for the payment of wages, in the opinion of the Authority or Court sufficient to satisfy the amount may be payable under the direction. Punishments for breaches of the Act 20. Any one delaying the payment of wages beyond the due date, or making any unauthorised deduction from wages is liable to a fine upto Rs. 500 - but only if prosecuted with the sanction of the Authority or the Appellate Court

21. The person who — (1) does not fix a or (2) makes payment in kind. or (3) fails to display at or near the main entrance of the factory industrial Establishment this abstract in English and in the language of the majority of the employed persons, or (4) breaks certain rules made under the Act. is liable to fine not Rs. 200/-. A to this effect can be made only by the Inspector, or with his

