THE PAYMENT OF WAGES ACT, 1936

OBJECTIVES

The Payment of Wages Act, 1936 was enacted with the object of (i) regulating payment of wages, imposition of fines and deductions from wages, and (ii) eliminating all malpractices by laying down wage periods and time and mode of payment of wages. The Act, therefore, ensures payment of wages in a particular form at regular intervals without unauthorised deductions.

SCOPE AND COVERAGE

As per Section 1(4), the Act applies to any factory, and railway establishment and industrial or other establishment, like tramway service, motor transport service, air transport service, dock, wharf, jetty, inland vessel, mine, quarry, oilfield, plantation, workshop or other establishment producing, adapting or manufacturing any article, establishments engaged in construction, development and maintenance of buildings, roads, bridges or canals, navigation, irrigation or supply or water, generation, transmission and distribution of electricity/power and any other establishment notified by the Central or a State Government.

EMPLOYEES ENTITLED

The Act is applicable to the employees receiving wages below Rs.1,600 p.m. Persons employed in a railway establishment, either directly or through a contractor, are also covered under the Act.

AUTHORITY

The Deputy Labour Commissioner is the authority under the payment of wages Act.

TIME OF PAYMENT

Every employer / manager should make timely payment of wages. If the number of persons employed in an establishment is less than 1000, then wages must be paid within 7 days of the expiry of the wage period, and in other cases within 10 days of the expiry of the wage period. Where the employment of any person is being terminated, his wages should be paid within 2 days of the date of termination.