

# THE MINIMUM WAGES





## History of Mini

ILO Convention recommended Machinery minimum wages.

- The Standing Labor Tripartite organization 1943.
- On 13.04.1946 Dr. Am introduced minimum
- On 15.03.1948 the M Act, 1948 passed.



## OBJECTIVES

- To prevent the exploitation of the Employers  
(By fixing the statutory minimum wage on the employer to pay wages).
- To bring the social justice.
- To enable the working class to maintain a minimum standard of life.
- to fix/revise the minimum wage for the scheduled employment.
- to add any new employment to the schedule.

## Broad Features of t

- **[Sec 3]:** The Act lays down the prin fixation of
  - A **minimum time rate of wages**
  - A **minimum piece rate**
  - A **guaranteed time rate**
  - An **overtime rate** for different oc localities or classes of work and adolescents, children and appren
- **[Sec 4]:** The **minimum wages** may
  - A **basic rate** of wages **and a cost of** allowances
  - A basic rate of wages **with or wit** **of living** allowance and the cash concessions in respect of essenti supplied at concessional rates



## Short Title and Ext [Sec. 1]

- This Act, the Minimum Wages Act, extends to the **whole of India**
- This Act may be called **the Minimum Wages Act, 1948**



## Who all are eligible

- Permanent employees
- Contract employees
- Casual workers
- People on probation get f instead of minimum wage
- Trainees get stipend and minimum wages





## Wages [Sec. 2(h)]

- **Minimum wages:** all remuneration being paid in money terms for work in terms of contract were fulfilled
- consist of **Basic + Dearness Allowance + House Rent Allowance**
- **Every 5 years**, basic rates of wages are decided by **Minimum Wages Commission**
- **Dearness Allowance** changes every year and is decided by Government

## Different Minimum May Be Fixed By The Government For:

- Different **employments** (special schedule)
- Different **classes** (e.g. skilled, semis skilled, etc.) of work in different employments
- Adults, adolescents, children and apprentices
- Different **localities**





# Segregation

Minimum rates of wages may be fixed by law for one or more of the following wage periods, namely:

- **By the hour**
- **By the day**
- **By the month**
- **By such other larger wage period**

as may be prescribed; and where such rates are fixed by the day or by the month, the manner of payment may be for a month or for a day, as the case may be indicated

## Different Minimum Wage Fixed By The Government consist of [Sec. 4]

1. **Basic + Special Allowance** (Which is linked to the cost of living index)
2. **Basic + Cash value** of concessional materials like food, clothes, etc
3. **An all inclusive rate** which includes Cost of living Allowance + Cash value of concessional supply of materials

## Fixing Minimum Rates of Wages [Sec. 5]

- **Publish** its proposals in the **official gazette** and invite comments from the affected parties.
- Constitute **committees/sub committees** for the purpose.
- The committees/sub-committees shall be constituted as boards by the Government and shall consist of an equal number of members of :
  - Employers
  - Employees, and
  - Independent persons

# Fixation of minimum wages

Recommendation of Advisory Board for different categories of workers  
[unskilled, skilled, Clerk, Supervisor]



Publish recommendations in National Public Gazette and invite  
comments/representations from Trade Unions and employers



Hearing of the Representatives etc



Notification of Minimum wages



## Advisory Board [Sec.7]

- Appointed by appropriate government
- To co-ordinate the work of committees and sub committees appointed under

## Central Advisory Board

- To advise the **Central and State Governments** in fixation and revision of minimum rates of wages
- To co-ordinate the work of the Advisory Boards



## Composition of Committees, etc. [Sec. 9]

- Each of the committee, sub-committee, Advisory Board shall consist of:
  - a. persons to be **nominated** by the **Government**
  - b. representing the **employers and** the scheduled employments who **in number** and
  - c. **independent persons** not exceeding its total number of members: of independent persons shall be appointed **Chairman** by the appropriate Government

# Correction of Errors [Sec. 10]

- By appropriate Government at
- By **notification** in the Official
- Correct **clerical or arithmetic**  
or **errors** arising from and **acc**  
**or omission.**
- Every such notification shall be  
before the Advisory Board for i



## Wages in Kind [Sec

- Minimum wages shall be **paid in**
- The appropriate govt. may authorise payment of minimum wages in any manner, payment of minimum wages **wholly or partly** in kind
- The appropriate govt. may authorise payment of minimum wages in any manner, payment of minimum wages **essential commodities** at **conc**

## Payment of minimum of wages [Sec. 12]

- The Minimum Wages has **without any deductions** Statutory Deductions.
- Payment of **wages less than** **wages** on the ground of less production is **illegal**

## Normal working hours [Sec. 13]

For an Adult Worker working in

- Number of Working Hours exceed **48 Hours** in a week w  
**Holiday**
- The Daily Hours should not  
than **9 Hours** with **1 Hour Res**
- Provision of Compensator  
Overtime Wages if working on 1



## **Overtime wages [Sec. 1**

- If the person has worked for more than 48 then, the excess hours worked will be treated as overtime.
- Overtime wage rate will be twice of the normal wage rate.

## **Wages for a person who has more than normal working hours**

- Employer could not provide the activity for which the employee is entitled to receive full wages.
- Employee has not worked due to his unwillingness, the employee is not entitled to receive full wages.

## **Records to be maintained [sec. 18]**

- The Registers should contain the following particulars-
- (i) particulars of employed persons
- (ii) the work performed by them
- (iii) the wages paid to them
- (iv) the receipts given by them



## Claims [Sec. 20]

- A **Labour Commissioner** or any appointed authority is authorized to hear and decide claims regarding **non-payment of wages**
- Any aggrieved person may **apply** to the appointed authority for settling his claims within **three months**

- **2009:** Wage rates that were initially aligned with minimum wages were fixed at a uniform wage.
- **2015:** From 1 July 2015 the National Floor Level was raised to Rs 160 per day.