

## THE MINIMUM WAGES ACT, 1948

### Object of the Act

To provide for fixing and revising minimum wages in certain employments in order to stop sweated labour and prevent the exploitation of unorganised labour.

### Minimum Rates of Wages

Such as Basic rates of wages etc. Variable DA and Value of other concessions etc. Sec- 4

### Applicability.

It is applicable to various schedules of employment which is notified by the appropriate Government from time to time. The Act is applicable to all types of employees i.e. whether they are monthly rated, part-time employees, daily rated or piece rated casual, temporary or permanent employees.

### Wages for two class of work:

Where an employee does two or more classes of work to each of which a different minimum rate of wages is applicable, wages at not less than the minimum rate in respect of each such class. {Section 16}

### Minimum time rate wages for piece work

Not less than minimum rates wages as fixed {Section 17}

### Procedure of fixing Minimum Wages :

The appropriate government has to fix and revise minimum wages either

- By providing one or more committees and sub-committees consisting or representatives of employers and employees and also independent persons to hold necessary enquiries and by taking into consideration the advice tendered by the committee or committees or
- By formulating and publishing its proposals and taking into consideration the representations received in response to the proposals

### What Minimum Wages consists

The Minimum Wages consists of

- Basic rate of wages and special allowance or cost of living allowance or
- Basic rate of wages with or without cost of living allowance or
- All inclusive rates, cost of living allowance and the cash value of the concessions if any

### Basic Wages

Once the appropriate Government declares by its notification the Basic Rate of Wages for the particular schedule of employment, than it remains constant throughout till the Government revises it by another notification

### Special Allowances or cost of living allowance

Generally the said allowance declared by the appropriate authority at the fixed intervals. At present in Maharashtra the period of special allowances is for six months i.e. January to June and July to December.

### Classification of Employees

The appropriate Government classified the employees for the purpose of declaring, Basic Wages as per the notifications. The employees are classified as under

#### (i) Highly Skilled (ii) Skilled (iii) Semiskilled (iv) Unskilled and other

The definition of the above classifications differs from each schedule of employment but generally it defines as under:

- (i) Highly Skilled- The employee who is a degree holder for a particular job of work and performs the job independently applying his own mind to do the assigned job
- (ii) Skilled- Skilled employee is one who is capable of working efficiently, exercising considerable independent judgment and discharging his duties responsibility
- (iii) Semiskilled- Employee is one who does work generally of a well-defined routine nature wherein major requirements is not so much of the judgement, skill and dexterity, but of proper discharge of duties assigned to him for a relatively narrow job and important decisions are made by others.
- (iv) Unskilled- Employee is one who does operations that involve the performance or previous experience although a familiarity with the occupations environments is necessary

### Different Zones :

The Minimum Wages declared by the appropriate Government differs with different Zones. The different Zones are also notified in the Government Gazettes. Generally there are three Zones.

**Zone I**- All Municipal Corporations.

**Zone II**- Shall comprise of 'A' and 'B' category Municipal Councils and District Head Quarters.

**Zone III**- Shall Comprises of all other areas not falling in Zone I and Zone II.

**Minimum Wages** declared by the competent authority i.e. Government differs from State to State for the same schedule of employment and same categories of employees. The reason is that the committee appointed by the appropriate Government study the conditions of the particular schedule of employment related to that particular state and recommend the rate of wages to the appropriate Government to accept it or not for the particulars area.

Obligation of the employer :

**Where Minimum Wages** are fixed and enforced under Section 5 in respect of any employment covered by the Act, the employer is bound to pay to every employee engaged in that employment wages at a rate of not less than the Minimum Rate so fixed and enforced. Any employer shows his incapability to pay the minimum wages, than it is irrelevant whether he has capability to pay or not.

### Payment of Undisbursed Amount :

If any amount payable to an employee as wages otherwise under this act, remains undisbursed on account of death of employee or his whereabouts not being known then the same shall be deposited by the employer with the prescribed authority i.e. Maharashtra Labour Welfare Fund.

**Normal Working Hours** : The normal working hours prescribed for the employees covered by the Act is of 9 hours and not more than 48 hours in a week.

### Maintenance of registers and records

- Register of Fines - Form 1 Rule 21(4)
- Annual Returns - Form III Rule 21(4-A)
- Register for Overtime - Form IV Rule 25
- Register of Wages - Form X, Wages Slip - Form XI, Muster Roll - Form V Rule 26
- Representation of Register - for three year Rule 26-A {Section 18}

**Claims by employees**

- To be filled by before authority constituted under the Act within 6 months.
- Compensation upto 10 times on under or non-payment of wages {Section 16}

**PENAL ACTION/PENALTIES U/S 20**

**Offences**

**Punishment**

For paying less than minimum rates of wages

Imprisonment upto 6 months or with fine upto Rs.500.00

For contravention of any provisions pertaining to fixing hours for normal working day etc

Imprisonment upto 6 months or with fine upto Rs.500.00