

Business Standard

Wage Code, factories Bill to be pushed in monsoon session

The labour ministry is in the process of condensing 44 labour laws into four codes

Press Trust of India | New Delhi June 27, 2017 Last Updated at 01:40 IST



The labour ministry will push the Factories

(Amendment) Bill, 2016 and Code on Wages Bill for the passage in the forthcoming monsoon session of Parliament starting next month.

The Code on Wages will enable the central government to fix universal minimum wage applicable on all establishments and workers across the country.

The Factories (Amendment) Bill, 2016 will increase the working overtime hours up to 100 per quarter and allow workers to work more and earn more.

The Bill was passed by the Lok Sabha in monsoon session last year. Now, it will be pushed for the passage in Rajya Sabha next month.

“The Factories (Amendment) Bill, 2016 and Code on Wages Bill are the two legislation which would be pushed by (the) labour ministry in the monsoon session beginning next month,” an official source said.

The source said, “Apart from these two Bills, the ministry is also working on Code on Industrial Relations. But, it is under scrutiny of ministerial panel on labour issues headed by Arun Jaitley.”

The Code on Wages Bill has already been approved by the ministerial panel, and will soon be placed for the Union Cabinet nod.

The code will ensure universal minimum wage for all industries and workers. It will also cover those workers, who are getting monthly pay of higher than Rs 18,000.

At present, laws on wages do not cover workers getting monthly wage of more than Rs 18,000.

The Code on Wages Bill seeks to empower the Centre to set a minimum wage across sectors, and states will have to maintain that. However, states will be able to provide higher minimum wage in their jurisdiction than fixed by the central government.

Besides, the minimum wage will be applicable on all classes of workers. At present, it is applicable for scheduled industries or establishments in the law. The proposed Code on Wages will subsume the Minimum Wages Act of 1948, the Payment of Wages Act of 1936, the Payment of Bonus Act of 1965 and the Equal Remuneration Act of 1976.

The labour ministry is in the process of condensing 44 labour laws into four codes — wages, industrial relations, social security and safety, health and working conditions.

The Factories (Amendment) Bill seeks to double the overtime working hours to 100 in a quarter for factory workers with an objective of boosting job creations in manufacturing sector and improve ease of doing business. The current norms allow overtime of 50 hours in a quarter, while the ILO provides for upper limit of 144 hours.

Among other changes, the Bill also allows overtime of up to 125 hours per quarter in public interest, and empowers central and state governments to exempt rules with regard to overtime working hours.