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Centre yet to fix minimum monthly national wage

The labour ministry on Tuesday says the Centre has not fixed Rs18,000 as national minimum monthly wage under the Code on Wages Bill

PTI



The minimum wages will vary from place to place depending on skill required, arduousness of the work assigned and geographical location, the ministry said. Photo: HT

New Delhi: Seeking to clear the air, the labour ministry on Tuesday said the Centre has not fixed Rs18,000 as national minimum monthly wage under the Code on Wages Bill.

The bill was introduced in the Lok Sabha earlier last month. “Recently, some news reports have been published regarding the fixation of minimum wage as Rs18,000 per month by the central government. It is clarified that the central government has not fixed or mentioned any amount as national minimum wage in the Code on Wages Bill, 2017,” the labour ministry said in a statement.

The ministry further clarified that the notion that a minimum wage of Rs18,000 has been fixed for all employees is “incorrect, false and baseless”. The minimum wages will vary from place to place depending on skill required, arduousness of the work assigned and geographical location, it added. The clause 9 (3) of the Bill clearly states that the central government, before fixing the national minimum wage, may obtain the advice of the central advisory board, having representatives from employers and employees.

The ministry explained that the code provides for a consultative mechanism before determining the national minimum wage, referring to media reports on the revised methodology for calculation of minimum wages by increasing units from three to six. “It was purely a demand raised by trade unions in the recent meeting of the central advisory board on Minimum Wages. However, it is clarified that such proposal is not part of the Code on Wages Bill,” it added.

As part of labour law reforms, the government has undertaken an exercise of rationalisation of 38 Labour Acts by framing four labour codes, namely Code on Wages, Code on Industrial Relations, Code on Social Security and Code on Occupational Safety, Health and Working Conditions. The Code on Wages Bill, 2017, was introduced in the Lok Sabha on August 10, which seeks to subsume four

existing laws — the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

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With enactment of the Code on Wages, all these four Acts will get repealed. The codification will also remove the multiplicity of definitions and authorities, leading to ease of compliance without compromising on wage and social security of workers.

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