



ARCHER & ANGEL
Advocates and Legal Consultants

LABOUR & EMPLOYMENT LAW ALERT

This bulletin is intended as a general overview and not as a substitute for taking legal advice in specific situation. Archer & Angel will not take any responsibility for any actions taken or not taken on the basis of this update.

Payment of Wages (Amendment) Bill 2017 passed by the Parliament

The Parliament of India passed the Payment of Wages (Amendment) Bill 2017. Although, the Central Government notified it on 16 February 2017, the same is effective from 28 December 2016. The bill enables industrial or other units to pay wages to workers only through cheques or by wire transfer into the bank accounts of workers.

Proposal to Increase Gratuity for Private Sector Employees

The Labour Ministry discussed a proposal to increase the gratuity ceiling from INR 10 lakh to INR 20 lakh by amending the Payment of Gratuity Act, 1972 with the stakeholders. Gratuity limit for the Central Government employees has already been increased to INR 20 lakh after the implementation of the Seventh Pay Commission in 2016. However, there was no change in gratuity limit for private sector employee which is still at INR 10 lakh and the Central Government, therefore, is considering the amendment.

Common Provident Fund (PF) withdrawal Form

Employees' Provident Fund Organization (EPFO) has introduced a common form to enable employee to withdrawal of money from the PF account. The new Composite Claim Form (Aadhar)/ Composite Claim Form (Non-Aadhar) only needs to be self-certified. Further, Composite Claim Form (Aadhar) can be submitted without attestation of employers.

The requirement of "Utilisation Certificate" for taking advances from PF accounts has also been dispensed with and no document would have to be submitted by the employee in respect of these partial withdrawals. Employee can submit a self-utilisation certificate.

Labour Bills in Budget Session

The Central Government intends to introduce the Industrial Relations Code Bill, 2016 and the Wage Code Bill, 2016 in the Parliament. The Wage Code Bill, 2016 shall contain all wage related laws and Industrial Relations Code Bill, 2016 shall contain laws related to industrial relations.

Special points of interest:

- Payment of Wages (Amendment) Bill 2017 passed by the Parliament
- Proposal to Increase Gratuity for Private Sector Employees
- Common Provident Fund (PF) withdrawal Form



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