**PAYMENT OF WAGES ACT, 1936**

The Payment of Wages Act, 1936 regulates the payment of wages to direct and indirect employees. The act warrants payments of wages on time and without any deductions except those authorized under the Act. According to this act, the payment should be made before 7th of every month where the no. of workers is less than 1000 and on the 10th day if greater than 1000.

The Payment of Wages Act, 1936 regulates the payment of wages to employees (direct and indirect). The Payment of Wages Act regulates the payment of wages to certain classes of persons employed in industry, and its importance cannot be underestimated. The Act guarantees payment of wages on time and without any deductions except those authorized under the Act. The wage period shall not exceed 1 month.

The Payment of Wages Act does not apply to employees whose wage is Rs. 10000 or more per month. The Act also provides to the effect that a worker cannot contract out of any right conferred upon him under the Act.

Under the act, the payment must be made in cash. Cheque payment or crediting wages to a bank account is allowed with the consent of employees in writing. The deduction made by the employer should be made by this act only.

Under the act, payment must be made in currency notes or coins. Cheque payment or crediting to a bank account is allowed with the consent in writing by the employee. (Section 6)

This Act includes fines for (Section 8), absence from duty (Section 9), Damages or loss (Section 10), deduction for services (amenities) given by employer (Section 11) recovery of advances and loans (Section 12, 13) and payment to cooperative society and insurance (Section 13).

## **Purpose of the Act**

The main objective of the Act is to avoid unnecessary delay in the payment of wages and to prevent unauthorized deductions from the wages. Every person employed in any factory, upon any railway or through sub-contractor in a railway and a person employed in an industrial or another establishment.The State Government may by notification extend the provisions to any class of persons employed in any establishment or class of establishment. The benefit of the Act prescribes for the regular and timely payment of wages (on or before 7th day or 10th day of after wage period is greater than 1000 workers) and Preventing unauthorized deductions being made from wages and arbitrary fines.

## **Salary statics**

Wages are averaging less than Rs. 6500.00 per month only are covered or protected by the Act by the amendment in 2005 by {Section 1(6)}. Wages means contractual wages and no overtime wages. They are not to be taken into account for deciding the applicability of the Act in the context of section 1(6) of the Act. Wages must be paid in current coin or currency notes or in both and not in kind. It is, however, permissible for an employer to pay wages by cheque of by crediting them in the bank account if so authorized in writing by an employed person.

## **Summary of the provisions of the Act**

The provisions of the Act regarding the imposition of fines on the employed person are as follows such as, The employer must exhibit on his premises a list of acts or omissions for which fines can be imposed, Before imposing a fine on an employed person he must be given an opportunity of showing cause against the fine, The amount of fine must not exceed 3 percent of the wages, A fine cannot be imposed on an employed person who is under the age of 15 years, A fine cannot be recovered by installments or after 90 days from the day of the act or omission for which it is imposed, The money realized from fines must be applied to purposes beneficial to employed persons.

Subsection 8(3), 10(1-A) & Rule 15} deals with Any person desiring to impose a fine on an employed person or to make a deduction for damage or loss shall explain personally or in writing to the said person the act or omission, or damage or loss in respect of which the fine or deduction is proposed to be imposed, and the amount of fine or deduction, which it is proposed to impose, and shall hear his explanation in the presence of at least one other person, or obtain it in writing.

## **The procedure and Competent authority which deals with employment matters**

The procedure to employ a person has to follow for claiming deducted or delayed wages. If contrary to the provisions of the Act any deduction has been made from the wages of an employed person or any payment of wages has been delayed, he has to make an application for claiming the same to the Authority appointed under the Act. Such an application can be made by the employed person himself or a legal practitioner or an official of a registered trade union. Such application has to be made within a period of 12 months from the date on which the date on which the deduction from the wages was made or from the date on which the payment of the wages was due to be made.

There is a competent authority to entertain and decide an application for payment of subsistence allowance. The subsistence allowance payable to an employee placed under suspension pending Departmental Enquiry is covered within the definition of wages given under Section 2(6) of the Act and, therefore, the Authority is competent to entertain and decide an application for payment of subsistence allowance.

The Authority under the Payment of Wages Act is a Court of summary jurisdiction having powers to deal with the simple matter of delay in payment of wages or deduction from wages. It is not within the competence of the Authority to decide the question of the status of an employed person. The matter is a complicated question of law as also of fact. There is an agreement between an employer and his employees authorizing the deduction of union subscription from the salaries of the employer null and void under Section 23 of the Act, such agreement being beneficial and advantageous to the employees is not null and void under Section 23 of the Act.

## **Employer's duty**

Employer's required to display the abstracts of the Act in his factory or establishment. Every employer must display in his factory or establishment a notice containing the abstracts of the Act and the Rules made thereunder in English and in the language understood by the majority of the persons.

## **Conclusion**

The Payment wages act is a regulation drawn up to protect the employee’s rights from being infringed by the employer. The employee should be paid on time and should not be harassed against anything during employment. It has however given a lot of protections to employees and will continue to do so in the future as well.