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Unit-IV

Payment of wages and payment

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Introduction to Wage Regulations

In today's presentation, we will explore the complexities of wage and bonus regulations. Understanding key employment acts is essential for employers and employees alike. Let's navigate through this landscape together, uncovering insights that can lead to better compliance and fair practices.

The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, and youth employment standards. It is crucial for ensuring fair compensation for all workers. Understanding its provisions helps employers avoid legal pitfalls and fosters a culture of equity.

Understanding Overtime Pay



Overtime pay is a vital aspect of wage regulations. Employees must be compensated at a rate of **1.5 times** their regular pay for hours worked beyond 40 in a week. This rule promotes **work-life balance** and protects employees from **exploitation**.

Bonuses and Incentives

Bonuses can motivate employees and boost morale. However, they must comply with **regulatory guidelines**. Understanding how bonuses are classified—whether discretionary or non-discretionary—can help businesses maintain **transparency** and **fairness** in employee compensation.



State-Specific Regulations



Each state may have its own wage and bonus regulations that complement federal laws. Employers should be aware of local requirements to ensure compliance. Staying informed about these nuances helps prevent legal issues and promotes a positive workplace culture.

The Industrial Employment (Standing Orders) Act, 1946

- Definition: The Act aims to establish a uniform set of rules for industrial employment in establishments with 100 or more workers.
- Purpose: Regulate employment conditions, discipline, and dispute resolution.
- Applies to industrial establishments with 100 or more workers.
- Establishes rules for work conditions, grievances, terminations, etc.

Categories of Standing Orders

Classification of workers.

Hours of work, attendance, and leave.

Termination procedures.

Disciplinary actions.

Model Standing Orders

Discuss the role of the government in providing model standing orders for industries.

Employers can modify these but must obtain approval from authorities.

Key Definitions under the Act

Industrial Establishment: Any business, trade, or industry with more than 100 workers.

Workmen: Workers employed under an employer for manual, technical, or clerical work.

Slide 8: Important Case Laws - Industrial Employment (Standing Orders) Act

Bharat Heavy Electricals Ltd. v. The Workmen (1965): Held that employees must be provided with clear standing orders regarding termination.

Indian Hume Pipe Co. Ltd. v. Their Workmen (1957): Addressed the implementation of standing orders and the rights of workers under them.

Penalties for Non-Compliance

Employers may be fined for failing to draft, display, or follow the standing orders.
Disputes regarding standing orders can be adjudicated by the authorities.

Slide 10: Conclusion on The Industrial Employment (Standing Orders) Act, 1946

Importance in providing legal clarity and ensuring employee rights in industrial establishments.
Highlights employer responsibilities.

Introduction to The Apprentices Act, 1961

Definition: Regulates the training of apprentices in various trades to enhance skills.

Objective: To create skilled manpower for industry needs

Scope of the Apprentices Act, 1961

Applies to establishments that engage apprentices.

Covers apprenticeship training for different industries and sectors.

Important Provisions

Section 4: Apprenticeship contract.

Section 9: Duties of employers and apprentices.

Section 11: Terms of apprenticeship.

Section 19: Punishment for non-compliance.

Rights and Obligations of Apprentices

Minimum wage.

Working hours and training duration.

Rights to safety and health measures.

Key Definitions under the Apprentices Act

Apprentice: A person undergoing apprenticeship training.

Establishment: Any organization engaging apprentices for training.

Important Case Laws

The State of Rajasthan v. M. C. Mehta (1992): Apprenticeship agreements must be followed rigorously.

State of Bihar v. Anil Kumar (1997): Discusses training standards for apprentices under the Act.

The Equal Remuneration Act, 1976 (6 slides)

Slide 17: Introduction to The Equal Remuneration Act, 1976

Definition: Ensures equal wages for equal work, irrespective of gender.

Objective: To eliminate discrimination based on gender in the payment of wages.

Scope of the Equal Remuneration Act, 1976

Applies to all industries, establishments, and organizations in India.

Ensures that men and women doing the same work receive the same pay.

Key Provisions

Section 4: Equal remuneration for equal work.

Section 6: Employer's obligation to prevent discrimination.

Section 7: Prohibition of discrimination on the grounds of sex.

Important Definitions

Equal Work: Work of the same nature requiring equal skills and qualifications.

Employer: A person or body responsible for employing individuals.

Penalties for Violation

Employers found guilty of wage discrimination can face fines.
Employees can approach tribunals for claims.

Key Case Laws

Randhir Singh v. Union of India (1982): The Supreme Court ruled that equal remuneration must be paid for equal work.

M.C. Verghese v. Union of India (1962): Explored pay disparity between men and women for the same work.

The Maternity Benefit Act, 1961

- Definition: Provides maternity leave and benefits to female employees.
- Objective: To ensure women's health and job security during pregnancy and after childbirth.

Scope of the Maternity Benefit Act, 1961

- Applies to all establishments with 10 or more employees.
- Covers women working in factories, mines, and shops.

Key Provisions

Section 5: Maternity leave and benefits.

Section 6: Right to leave for miscarriage.

Section 11: Prohibition of dismissal during maternity leave.

Maternity Leave Entitlement

26 weeks of paid maternity leave.

Leave can be availed before or after delivery.

Key Definitions under the Act

Maternity Benefit: Cash payment for a prescribed period of time.

Employer: The person responsible for the payment and welfare of employees.

Important Case Laws

Municipal Corporation of Delhi v. Female Employees (1992): Ruled that women are entitled to full maternity benefits during their leave.

Air India v. Nergesh Meerza (1981): Discussed the right to equal benefits for women in the workforce.

Conclusion and Key Takeaways

Navigating wage and bonus regulations is essential for both employers and employees. By understanding key **employment acts** and their implications, we can foster a fair and compliant work environment. Let's commit to **staying informed** and promoting **equity** in our workplaces.

