

The Minimum Wages Act 1948

Aim

- To secure minimum rates of wages in employments where wages are low.
- To prevent exploitation of unorganized labour.
- To ensure prompt payment of wages and overtime.
- To stipulate working hours,

Applications

- The Act is applicable to the workers who are not governed by “The Payment of Wages Act” and “The Factories Act”. The Minimum Wages Act is applied mainly in areas like road construction, building operations, stone breaking, stone crushing etc.
- Road construction or building operations covers new constructions, repairs and maintenance of existing roads, building, bridges, tunnels, culverts, etc. The workers employed in construction of permanent way in Railways are also governed by this Act.

Wages Fixation

- Wages for workers employed in Scheduled employments listed in the Act is fixed by the Central Government (Ministry of Labour) and it is revised once in 5 years.
- In Railway local rate is fixed and it is revised every year. The local rate fixed by the Railway is enhanced by 20% to 33% in emergencies by DRM/GM with the concurrence of accounts.
- In the event of more than one local rate being available the highest rate is paid.

Responsibility of Payment

- The employer is responsible for prompt payment of wages to all workers including contract labour employed under him.

Wage Period and method of Payment

- Wage period not exceeding one month is fixed for payment of wages. Wages should be paid on a working day within 7 days after the wage period, if the number of persons employed is less than 1000 and within 10 days in other cases.
- Wages of persons discharged from service should be paid before the close of the second working day after discharge. Wages should be paid without deductions of any kind except those authorized. Payment of wages in kind is prohibited.

Hours of Work

- The hours of work should not be more than 9 hours in a day and 48 hours in a week. The spread over should not be more than 12 hours in a day, Workers should not be employed for more than 10½ hours continuously.

Over Time Allowance

- Over time allowance is calculated at twice the rate of ordinary wages for extra hour worked exceeding 9 hours in a day or 48 hours in a week.

Weekly Rest

- One day rest with wages should be given to the worker every week. CR and OTA are admissible for working on rest days.

Notices

- Rate of minimum wages fixed.
- Abstract of the Act.
- Name and address of the Inspector in English, Hindi and regional language.

Claims

- Within 6 months.

Penalty

- Breach of provision and working hours – 6 months imprisonment or a fine of Rs. 500/-
- Failure to maintain of registers – a fine of Rs. 500/-