The Code on Wages 2019 subsumes relevant provisions of below mentioned Act’s.

After the enactment of the Code on Wages, all these four below mentioned Acts stands repealed.

1. The Minimum Wages Act, 1948,
2. The Payment of Wages Act, 1936,
3. The Payment of Bonus Act, 1965 and

Wage definition under Wage Code Bill:- “Wages” means all remuneration whether by way of salaries, allowances or otherwise expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of this employment or of work done in such employment, and includes:

1. Basic Pay
2. Dearness allowance and
3. Retaining allowance, if any

But does not include-

1. Any bonus
2. The value of any house-accommodation
3. Any contribution paid by the employer to any pension or provident fund.
4. House rent allowance
5. Any overtime allowance
6. Any gratuity payable on the termination of employment.
7. Any commission payable

Coverage:-

The code will apply to all employees.

Below mentioned features are introduced in under this:

✔ Universalization of provisions of minimum wages and timely payment of wages to all employees irrespective of the sector and wage ceiling. At present, the provisions of both Minimum Wages Act
and Payment of Wages Act apply on workers below a particular wage ceiling working in Scheduled Employments only.

✓ Different definitions of wages under various acts have been simplified and is expected to reduce litigation.

✓ Number of registers, returns, forms etc., not only can be electronically filed and maintained, but it is envisaged that through rules, not more than one template will be prescribed.

✓ Many changes have been introduced in the inspection regimes including web based randomised computerised inspection scheme, jurisdiction-free inspections, calling of information electronically for inspection, composition of fines etc. All these changes will be conducive for enforcement of labour laws with transparency and accountability.

✓ The limitation period has been raised to 3 years and made uniform for filing claims for minimum wages, bonus, equal remuneration etc., as against existing varying period between 6 months to 2 years.

✓ The Central Government shall fix floor wage taking into account minimum living standards of a worker in such manner as may be prescribed provided that different floor wage may be fixed for different geographical areas.

✓ The minimum rates of wages fixed by the appropriate Government shall not be less than the floor wage and if the minimum rates of wages fixed by the appropriate Government earlier is more than the floor wage, then, the appropriate Governments shall not reduce such minimum rates of wages fixed by it earlier.

✓ Appropriate Government may, by notification, specify the industrial or other establishment, payment of wages only by cheque or by crediting the wages in his bank account.

✓ The employer shall fix the wage period for employees either as daily or weekly or fortnightly or monthly subject to the condition that no wage period in respect of any employee shall be more than a month provided that different wage periods may be fixed for different establishments.
The wages payable shall be paid within two working days of his removal, dismissal, retrenchment or, as the case may be, his resignation. Appropriate Government may, provide any other time limit for payment of wages where it considers reasonable having regard to the circumstances under which the wages are to be paid.

Every employee, drawing wages not exceeding such amount per mensem, as determined by notification, by the appropriate Government, by his employer, who has put in at least thirty days work in an accounting year, an annual minimum bonus calculated at the rate of eight and one-third per cent. of the wages earned by the employee or one hundred rupees, whichever is higher whether or not the employer has any allocable surplus during the previous accounting year.

Maximum bonus @ twenty per cent. of such wages.

An employer who has paid a part of the bonus payable under this Code to an employee before the date on which such bonus becomes payable, then, the employer shall be entitled to deduct the amount of bonus so paid from the amount of bonus payable by him to the employee under this Code in respect of that accounting year and the employee shall be entitled to receive only the balance.

All amounts payable to an employee by way of bonus under this Code shall be paid by crediting it in the bank account of the employee by his employer within a period of eight months from the close of the accounting year.

**Inspection:-**

The appropriate Government may, by notification, appoint Inspector-cum- Facilitators for the purposes of this Code

Inspection scheme which may also provide for generation of a web-based inspection and calling of information relating to the inspection under this Code electronically.

Jurisdiction of randomised selection of inspection for the purposes of this Code to the Inspector-cum- Facilitator.
Penalties:

- Any employer who pays to any employee less than the amount due to such employee under the provisions of this Code shall be punishable with fine which may extend to fifty thousand rupees;

- On the second and the subsequent commission of the offence, be punishable with imprisonment for a term which may extend to three months or with fine which may extend to one lakh rupees, or with both;

- Contravenes any other provision of this Code or any rule made or order made or issued there under shall be punishable with fine which may extend to twenty thousand rupees; found guilty of similar offence (contravenes any other provision of this Code or any rule made or order made or issued there under), within five years from the date of the commission of the first or subsequent offence than on the second and the subsequent commission will be punishable with imprisonment for a term which may extend to one month or with fine which may extend to forty thousand rupees, or with both.