

# LABOUR LEGISLATION NOTES

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## 2. Payment of Wages Act, 1936

### Introduction

The Act ensures **timely payment of wages** and protects workers from **unauthorized deductions**.

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### Objectives

- To regulate wage payment system
  - To prevent exploitation
  - To ensure transparency
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### Scope and Applicability

- Applicable to employees drawing wages below prescribed limits
  - Covers factories, railways, and establishments
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### Responsibility for Payment

- Employer responsible
  - Manager responsible in factories
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### Time of Payment

- Before 7th day (<1000 workers)
  - Before 10th day (>1000 workers)
  - Within 2 days on termination
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### Mode of Payment

- Cash
- Cheque
- Electronic transfer

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## **Authorized Deductions (Section 7)**

- Fines
- Absence from duty
- Damage or loss
- House accommodation
- Amenities and services
- Advances and loans
- Income tax
- Provident fund
- Insurance premium
- Co-operative societies

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## **Conditions for Deductions**

- Must be authorized
- Total deduction  $\leq 50\%$  (75% in specific cases)

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## **Claims and Adjudication**

- Worker can approach authority
- Compensation may be awarded

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## **Penalties**

- Fine for delay or illegal deductions
- Legal action against employer

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## **Critical Analysis**

- Protects wage earners effectively
- Limited coverage in informal sector

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## **Conclusion**

Ensures fairness and financial stability for workers.

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