

A Snapshot of Definitions under Code on Wages 2019

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Definitions under the Code on Wages 2019

Employee: Section 2(k)

Any person other than Apprentice engaged under Apprentices Act. Employed on Wages, by an establishment to do any

- (a) Skilled
- (b) Unskilled
- (c) Semi-skilled
- (d) Manual
- (e) Operational
- (f) Supervisory
- (g) Clerical
- (h) Technical
- (i) Administrative
- (j) Managerial

For Hire or Reward

Worker: Sec 2(z)

- △ Any person (except an apprentice of the Apprentices Act, 1961) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward
- △ Working Journalists
- △ Sales Promotion employees
- △ But does not include, Managerial or Administrative or Supervisory capacity

Minimum Wages Sec 2(s) and Sec (6)

Appropriate Government shall fix Minimum Rates of Wages for

- (a) Time Work
- (b) Piece Work

Wage period for Time Work

- (i)By the Hour
- (ii)By the Day
- (iii)By the Month

Fixing MW is based on (i) Unskilled, (ii) Skilled, (iii) Semi-skilled (iv) Highly skilled or Zone or Both.

Wages: Sec 2(y)

All Remuneration, includes

- (i) Basic pay
- (ii) Dearness allowance and
- (iii) Retaining allowance, if any

(where any allowance payable for time being to an employee any factory/establishment is not working, for retaining his services)

Exclusions from wages

Bonus	Value of house accommodation	Employer contribution to any pension or PF
Conveyance allowance	Sum paid to defray special expenses	HRA
Award or settlement	OT	Commission
Gratuity	Retrenchment Compensation	

If payments made under exclusions exceeds one-half, or such other percent (as notified by appropriate government) of all the remuneration calculated the amount shall be deemed as remuneration and shall be accordingly added in wages under this clause

Any component that is fixed or guaranteed in nature is wages. Anything which is conditional, contingent or discretionary is not. Where employer contribution, expense reimbursements and end of service payment are excluded

Any remuneration is payable in kind by his employer the value of such remuneration does not exceed 15% of the total wages payable to him shall be deemed to form part of the wages of such employee

Mode of Payment of Wages (Sec 15)

All wages paid in current currency through Cheque or credit into bank or electronic mode

Period of Payment of Wages (Sec 16)

Daily, Weekly, Fortnightly or Monthly

Time Limit for Payment of Wages (Sec 17 (1))

- ☒ **Daily @ end of the day**
- ☒ **Weekly @ last working day of the week**
- ☒ **Fortnightly @ before end of second day after end of the week**
- ☒ **Monthly @ before expiry of seventh day of succeeding month**

Where an Employee is Sec 17(2)

- ◊ REMOVED or
- ◊ DISMISSED or
- ◊ RETRENCHED or
- ◊ **RESIGNED from service** or
- ◊ Became unemployed due to closure of the establishment

The wages payable to him shall be paid within two working days.

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