

## Interesting News in this edition

**Payment of Gratuity to employees even before 5 years (page 1)**

**Mandatory Displays in Factories (page 3)**

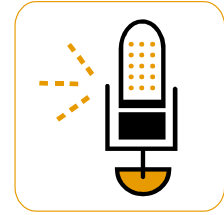
**Safety Precautions to be taken by employer for engaging women at workplace after 8 pm (page 4)**

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**Knowledge**  
A candle loses nothing by lighting another candle



## Five year rule for Gratuity, to be eased

Currently, as per the provisions of the Gratuity Act, Companies are paying Gratuity, after an employee completes 5 years (in some States it is 4 years 240 days, obliging Hon'ble Court's order). This provision is excluded when there is disablement or death of an employee.

Few companies who add Gratuity in their CTC (Cost to the Company), are paying the Gratuity to the employee on his/her separation even if the

period is less than 5 years. (upon separation).

With the Parliamentary Standing Committee report, this five year rule may be relaxed, if the Government accepts their recommendation, to a continuous service of One Year.

If such recommendation is accepted, it will be applicable to Permanent, Contractual, Temporary, Seasonal workers, Employees engaged

through contractors, Piece-rate workers and daily wagers.

Hope the Government will consider the current market realities where employees do not serve not more than 3 years on an average. Such relaxation is already being followed with an insertion for Fixed Term Employment in the Standing Order Legislation, which mandates the employer, to comply with Gratuity even for less than 5 years of service.

## Karnataka – Industrial Licensing System to be one time

The Government of Karnataka may amend six different legislations to suit the industries for obtaining one time licensing, to replace current, periodical renewals.

Such reforms under Shop and Establishment was already observed in many States in India.

It may be expected in the next quarter of this financial year, which requires the industries to apply for licensing before starting

their operations by paying mandated fee and submission of appropriate documents.

It is going to be a perpetual licensing system, which will require the business establishment to apply only once.

Any changes in the mandates like, Horse Power, Process, Product, Manpower may require a periodical amendment in the license, as per the current process.

Currently licenses are issued upto 15 years.

This would be positive step by the Government which would enhance the ease of doing business in the State of Karnataka.

With current system, the industries some time feel that during pending of renewal, the organization was seen as non-compliant (until the process of issuance of renewal is completed).



Are you making a payment of more than Rs.1 Lakh as a Tuition Fee for your children..... Buying a Jewellery..... buying marbles for your house construction..... Income Tax dept. is watching your transaction The payment may be thru cash, online, card, cheque etc.

## Check on Tax Evasion

The Government of India has widened the Income Tax base, by reducing the threshold of various transaction and bring it under tax lens.

With this change, the entities with whom you are making a transaction, will inform the government, of your transaction periodically.

This includes a payment of Rs.20,000 and above towards Hotel bill, Medical Insurance, Property Tax. Besides, if the payment is above Rs.1 lakh, towards,

- Education fee
- Donation
- Electricity bill
- Purchase of jewellery, white goods, marble, paintings, etc.

You pay for a Foreign Travel, or business class travel to a domestic destination.... Deposit/ credit of Rs.50 lakh and above in your Current Account or Rs.25 Lakh in your non-Current Account....Payment of Life Insurance premium above Rs.50,000... and Having a transaction in Share / Demat Account / Bank Locker

## Retrenchment Compensation & TDS

▶▶ You all know that as per “Section 25F of Provisions of Industrial Disputes Act, 1947 – The mandatory conditions of Retrenchment – no workman employed in any industry who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until he has been paid at the time of the retrenchment, (i) One months notice or wages in lieu of period of notice and (ii) compensation which shall be equivalent to 15 days’ average pay for every completed years of service or any part thereof in excess of six months

▶▶ What you also must know is “Under section 10(10B) of Income Tax Act, 1961, the retrenchment compensation given to a workman (as defined in the ID Act) is exempt to the extent of the least of the following (anything more is taxable):

- Amount calculated u/s 25 of ID Act
- Amount actually received as compensation
- Rs.5,00,000

## First Aid - Tips

- » Objective - prevent loss, sustain life & promote recovery
- » Signs of fracture - Pain, Swelling, Shortening of limb
- » Artificial respiration–10 to 12 times a minute until victim breathe
- » Fainting – Support until they sit or lie down
- » **What is sign?** Abnormal things such as Bleeding, Swelling, Deformity, irregular pulse etc.
- » **What is symptoms?** Sensations – Pain, giddiness, loss of movement, feeling heat or cold, etc

# An overview of Employee Compensation Act

**Applicability:** As per Section 2(1) dd, read with Schedule 2, the Act applies to

- a) Employees working in Factories, Mines, Docks, Construction establishments, Plantations, Oilfields
- b) Person recruited as Driver, Helper, Mechanic, Cleaner or any other in connection with a Motor vehicle and to Captain or other member of the crew of an Aircraft
- c) Persons recruited for working abroad & who is employed outside India as in Schedule II of the Act
- d) Other Establishments listed in Schedule II (includes Watchman in any Factory or Establishment)

**Non-Applicability**

- ✎ Members of Armed Forces
- ✎ Workmen who are covered under Employee State Insurance (ESI)
- ✎ As per the provision of the section 2(1)dd and read with the Schedule II of the Act, it is not applicable to those who are engaged in Shops or Commercial Establishments

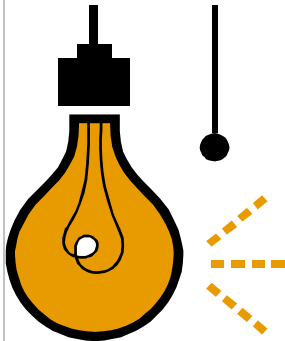
Clerks (in those establishments applicable as per Section 2(1) dd of the Act), who were excluded earlier were included subsequently after an amendment

An Employer is made liable under this Act to pay compensation when:

- 1. The Employee gets injured as a result of accident while working under him
- 2. The Employee contracts any occupational disease which is in peculiar to such employment

Employers usually take an insurance Policy to cover such liability

The Maximum wage limit for such coverage to any employee is Rs.15,000/month only. (As per the amendment in 2020)



## Mandatory display in Factories

**@ Premise Entrance**

- 1. Name of the Factory Authority
- 2. Such Authority's Designation
- 3. His/her Contact details
- 4. Nearest Police Station
- 5. Hospital
- 6. Fire Station
- 7. Ambulance - details
- 8. Total Head Count & Day's strength
- 9. Non employment of Child worker
- 10. List of location of First Aid boxes (with contents and charts)

**11. Form 11 (Notice of periods of work for adult workers**

**@ Conspicuous places**

- a) Direction to Assembly point
- b) List of location of First Aid Boxes
- c) List of location of Fire Extinguishers (Type/Capacity/Re-filing Date/Validity)
- d) List of location of
  - i. Sand buckets
  - ii. Fire Alarm Panel
  - iii. Fire Alarm points
  - iv. Fire Hydrant points
  - v. Hose reel with nos

**@ Production Floors**

- a) List of location of First Aid Boxes
- b) List of Rescue trained personnel along with Photograph and shift details
- c) List of Fire Safety personnel along with Photograph and shift details

**@ Chemical storage areas**

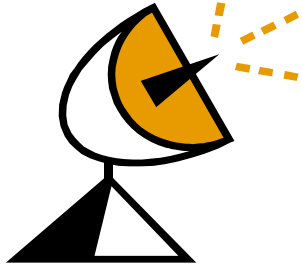
List of chemicals/MSDS in Local language

**Mochi wa mochiva (Japanese Inspirations)**

Leave the work to the employees. Let them do what they do best. Let them be the Experts. Delegate and get best out of them. Mochi – a rice cake in Japanese – should be made only in Mochiva (rice cake shop)

**Sha-in daiichi shugi (Japanese Inspirations)**

Unlike American or European countries, who gives priority to shareholders, in Japan in is "employees first". Delighted internal customers ensure external customer satisfaction, which will bring profit and profit gives happiness to shareholders.



Workplace  
Safety  
is my  
Birth  
RIGHT

**REACH US FOR**

- HR Assessments
- Factory Assessments
- S & E Assessments
- CLRA Assessments
- Hire to Retire Solutions
- Monthly compliance of Factory / Offices / CLRA / Social Security
- Trainings
- Payroll
- Staffing

## Engaging women employees after 8 pm @ workplace – a consolidated snapshot of safety precautions to be taken

### @ Safety at Premises

- Prevent acts of Sexual harassment
- Maintain complaint mechanism
- Provide Women security at entry / exit
- Separate dining/rest room /locker room
- Work areas shall be well illuminated
- Provide adequate medical facilities

### @ General Precautions

- To obtain Govt. permission (in specific States)
- To engage only on rotational shift basis
- To obtain consent for engaging (State specific)
- Mobile / address of women employees, not to be disclosed to unauthorized persons
- Antecedents of all employees, security, drivers to be verified
- To engage Minimum number of women employees as regulated by the State government
- Exhibit guidelines in prominent place for employees to be aware of their right while engaged at night
- Where there is an untoward incident, respective Authority and Police needs to be informed

### @ Cab facility

- Pick up from residence and drop facility
- No woman shall be picked first & dropped last
- Woman employees not to be seated in front
- Sign off from woman employee after arrival
- If the house of a woman employee is located away from a motorable road, the security guard should accompany her to her house and confirm her safe arrival.
- Verified escort to be made available
- Employer to have control room to monitor movements
- Regular random breath checks to be conducted on Drivers / Escorts
- Install GPS sets in the cabs
- A database of all employees, security personnel, cab drivers and of contractual workers should be maintained, for access by the Police if required.

### @ Pregnant women/ Crèche facility

- In Maharashtra, it is prohibited to engage woman employees 24 weeks before and after childbirth
- Extra care to be taken (in Karnataka) while engaging Pregnant women
- Crèche Mandatory on non-chargeable basis