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Thirteenth Kerala Legislative Assembly

Bill No. 371

**THE PAYMENT OF WAGES (KERALA AMENDMENT)
BILL, 2015**

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further, to amend the Payment of Wages Act, 1936, in its application to the State of Kerala.

Preamble.—WHEREAS, it is expedient further to amend the Payment of Wages Act, 1936 in its application to the State of Kerala for the purposes hereinafter appearing;

BE it enacted in the Sixty-sixth Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Payment of Wages (Kerala Amendment) Act, 2015.

(2) It extends to the whole of the State of Kerala.

(3) It shall be deemed to have come into force on the 3rd day of October, 2015.

2. *Amendment of section 6.*—In the Payment of Wages Act, 1936 (Central Act 4 of 1936), in section 6, after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that notwithstanding anything contained in this Act, the State Government may, by notification in the Gazette, specify the industrial establishments, the employers of which shall pay to the person employed therein, the wages either by cheque or by crediting the wages in his bank account, without obtaining any authorisation of the employed person”.

3. *Repeal and Saving.*—(1) The Payment of Wages (Kerala Amendment) Ordinance, 2015 (17 of 2015) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The proviso to section 6 of the Payment of Wages Act, 1936 provides for the payment of wages by the employer either by cheque or by crediting in the bank account of the employee after obtaining the written authorisation of the employee. In order to provide legal scrutiny to the e-payment under the Wage Protection Scheme in the State, Government have decided to amend section 6 of the Payment of Wages Act, 1936 (Central Act 4 of 1936) by inserting a new proviso after the proviso to section 6, to incorporate a provision to empower the State Government to specify the industrial establishments, the employers of which shall pay wages to the persons employed therein, either by cheque or by crediting to his bank account without obtaining any authorization of the employee.

2. For the above purpose, the Payment of Wages (Kerala Amendment) Bill, 2014 was published as Bill No. 260 of the Thirteenth Kerala Legislative Assembly. The same could not be introduced in, and passed by, the Legislative Assembly of the State of Kerala during its session which commenced on the 8th day of June, 2015 and ended on the 13th day of July.

3. As the Legislative Assembly of the State of Kerala was not in session and the above proposals had to be given effect to immediately, the Payment of Wages (Kerala Amendment) Ordinance, 2015 was promulgated by the Governor of Kerala on the 3rd day of October, 2015 and the same was published as Ordinance No. 17 of 2015 in the Kerala Gazette Extraordinary No. 2235 dated 3rd October, 2015.

4. The Bill seeks to replace the Ordinance No. 17 of 2015 by an Act of the State Legislature.

FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation would not involve any additional expenditure from the Consolidated Fund of the State.

SHIBU BABY JOHN

EXTRACTS FROM THE RELEVANT PORTION OF THE
PAYMENT OF WAGES ACT, 1936
(CENTRAL ACT 4 OF 1936)

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6. *Wages to be paid in current coin or currency notes.*—All wages shall be paid in current coin or currency notes or in both:

Provided that the employer may, after obtaining the written authorization of the employed person, pay him the wages either by cheque or by crediting the wages in his bank account.

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