

## **Draft rules formed by Govt. Of Karnataka for Code on Wages**

The Govt Of Karnataka issued Draft Rules for the Code on Wages recently. The Government of Karnataka proposed to make the Code on Wages Karnataka Rules, 2021 in exercise of the powers conferred by section 67 of the Code on Wages, 2019 (Central Act No. 29 of 2019), and notice was provided that the said draft will be released as prescribed by subsection (1) of said section for the information of all persons likely to be affected by it. And it was announced that the aforementioned draft would be considered after thirty days from the date of publication in the Official Gazette.

The new draft is summarized as follows. Chapter 2 looked into the Manner of calculating the minimum rate of wages. The minimum rate of wages shall be fixed at a rate equal to or above the floor wages fixed by the Central Government under section 9 on the day basis keeping in view the following criteria:

- (i) the standard working class family which includes a spouse and two children apart from the earning worker; an equivalent of three adult consumption units.
- a net intake of 2700 calories per day per consumption unit;
- 66 meters cloth per year per standard working class family;
- housing rent expenditure to constitute 10 per cent. of food and clothing expenditure;
- fuel, electricity and other miscellaneous items of expenditure to constitute 20 percent of minimum wage; and 3
- expenditure for children education, medical requirement, recreation and expenditure on contingencies to constitute 25 percent of minimum wages.

When the rate of wages for a day is fixed, then, such amount shall be divided by eight for fixing the rate of wages for an hour and multiplied by twenty six for fixing the rate of wages for a month and in such division and multiplication the factors of one-half and more than one-half shall be rounded as next figure and the factors less than one-half shall be ignored.

The norms to be followed for fixation of minimum rate of wages said while fixing the minimum rate of wages under section 6, the State Government shall divide the concerned geographical area into three categories, that is to say the Metropolitan city, Non Metropolitan city and the rural area. The State Government shall constitute a technical committee for the purpose of advising the State Government in respect of skill categorization, which shall consist of the following members, namely

- The Labour Commissioner, Government of Karnataka..... Chairperson;
- The Joint Secretary of the Labour Department, Government of Karnataka..... Member;
- A representative from the department of Skill Development, Entrepreneurship and Livelihood, Government of Karnataka ..... Member;
- The Commissioner of Department of Employment and Training, Government of Karnataka ..... Member.

- Two technical experts in wage determination nominated by the State Government..... Members.
- The Joint Labour Commissioner, Government of Karnataka... Member Secretary.

The State Government, on the advice of the technical committee constituted under sub-rule (2), shall categorize the occupations of the employees into four categories that is to say unskilled, semi-skilled, skilled and highly skilled by modifying, deleting or adding any entry in the categorization of such occupation specified in Schedule A.

The technical committee constituted under sub-rule (2) shall while advising the State Government under sub-rule (3) take into account, to the possible extent, the national classification of occupation or national skills qualification framework or other similar framework for the time being formulated to identify occupations.

Time interval for revision of dearness allowance was also revised and now says “ Endeavour shall be made so that the cost of living allowance and the cash value of the concession in respect of essential commodities at concession rate shall be computed before 1st April of every year to revise the dearness allowance payable to the employees on the minimum wages. The revised dearness allowance so calculated, shall be payable from April 1st of every year.”

The Number of hours of work which shall constitute a normal working day was also revised. The normal working day under clause (a) of sub-section (1) of section 4 13 shall be eight hours of work and one or more intervals of rest which in total shall not exceed one hour. The working day of an employee shall be so arranged that inclusive of the intervals of rest, if any, it shall not spread over more than twelve hours on any day. (the provisions of sub-rules (1) and (2) shall, in the case of an employee employed in agricultural employment, be subject to such modifications as may, from time to time, be determined by the State Government.Nothing in this rule shall be deemed to affect the provisions of the Occupational Safety, Health and Working Conditions Code, 2020 (Central Act 37 of 2020).

For the purpose of computation of the continuous period of not less than six days specified in the first proviso to this sub-rule, any day on which an employee is required to attend for work but is given only an allowance for attendance and is not provided with work, a day on which an employee is laid off on payment of compensation under the Industrial Relations Code, 2020, (Central Act 35 of 2020) and any leave or holiday, with or without pay, granted by the employer to an employee in the period of six days immediately preceding the rest day, shall be deemed to be days on which the employee has worked.

Any such employee shall not be required or allowed to work on the rest day unless he has or will have a substituted rest day for a whole day on one of the five days immediately before or after the rest day: Provided that no substitution shall be made which will result in the employee working for more than ten days consecutively without a rest day for a whole day.

Where in accordance with the foregoing provisions of this rule, any employee works on a rest day and has been given a substituted rest day on any one of the five days before or after the rest day, the rest day shall, for the purpose of calculating the weekly hours of work, be included in the week in which the substituted rest day occurs.

An employee shall be granted

(a) for rest day wages calculated at the rate applicable to the next preceding day; and

(b) where he works on the rest day and has been given a substituted rest day, 5 then, he shall be paid wages for the rest day on which he worked, at the overtime rate and wages for the substituted rest day at the rate applicable to the next preceding day:

Provided that where:

(i) the minimum rate of wages of the employee as notified under the Code has been worked out by dividing the minimum monthly rate of wages by twenty- six; or

(ii) the actual daily rate of wages of the employee has been worked out by dividing the monthly rate of wages by twenty-six and such actual daily rate of wages is not less than the notified minimum daily rate of wages of the employee, then, no wages for the rest day shall be payable;

(iii) the employee works on the rest day and has been given a substituted rest day, then, he shall be paid, only for the rest day on which he worked, an amount equal to the wages payable to him at the overtime rate; and, if any dispute arises whether the daily rate of wages has been worked out in accordance with the provisions of this proviso, the Labour Commissioner or the

Deputy Labour Commissioner having territorial jurisdiction may, on application made to him in this behalf, decide the same, after giving an opportunity to the parties concerned to make written representations: Provided further that in case of an employee governed by a piece-rate system, the wages for the rest day, or the substituted rest day, as the case may be, shall be such as the State Government may, from time to time determine having regard to the minimum rate of wages fixed under the Code, in respect of the employment.

Where an employee in an employment works on a shift which extends beyond midnight, then, -

(a) a rest day for the whole day for the purposes of rule 7 shall, in this case means a period of twenty-four consecutive hours beginning from the time when his shift ends; and

(b) the following day in such a case shall be deemed to be the period of twenty-four hours beginning from the time when such shift ends, and the hours after midnight during which such employee was engaged in work shall be counted towards the previous day

The longer wage period for the purposes of minimum rate of wages under section 14 shall be by the month.

