

**LABOUR DEPARTMENT
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
5-SHAM NATH MARG, DELHI 110054**

NO. 13011/CLT/misc./06/1070

Date: 29/5/2013

CIRCULAR

SUB: Payment of minimum wages to Contract Labour.

1 The Labour Department has received queries from various Departments and autonomous organizations functioning under these Departments seeking information about payment of minimum rates of wages to contract labour.

2 It is clarified that the contract labour is also entitled to the minimum rates of wages as announced by the Government of NCT of Delhi from time to time. The 'principal employer' is responsible for ensuring that the contractor pays atleast the minimum wages to the workers employed. The relevant portion of definition of 'principal employer' is reproduced below:

(g) "principal employer" means--

(i) in relation to any office or department of the Government or a local authority, the head of that office or department or such other officer as the Government or the local authority, as the case may be, may specify in this behalf,

(ii).....

3 Section 21 of the Contract Labour (Regulation and Abolition) Act, 1970 is also reproduced below:

21. Responsibility for payment of wages.- (1) A contractor shall be responsible for payment of wages to each worker employed by him as contract labour and such wages shall be paid before the expiry of such period as may be prescribed.

(2) Every principal employer shall nominate a representative duly authorized by him to be present at the time of disbursement of wages by the contractor and it shall be the duty of such representative to certify the amounts paid as wages in such manner as may be prescribed. N.O

(3) It shall be the duty of the contractor to ensure the disbursement of wages in the presence of the authorized representative of the principal employer.

(4) **In case the contractor fails to make payment of wages within the prescribed period or makes short payment, then the principal employer shall be liable to make payment of wages in full or the unpaid balance due, as the case may be, to the contract labour employed by the contractor and recover the amount so paid from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.**

Letter Misc.

12/6/13

HOO
2. Secy. M.L. office
3. Nodal officers
1. Secy. Secy. Secy.
2. Secy. Secy. Secy.
4. IT etc. for
putting it on
our website
For compliance

N-O Plz
Ensure

4 Perusal of the section would indicate that it is primarily the responsibility of the contractor to pay the wages however if the contractor does not pay then the onus shift to the 'principal employer'.

5 The Labour Department has already issued an order dated 16/12/2011 (copy enclosed) directing that payment of wages should be made by cheque or by ECS. It is the responsibility of the employer/contractor or principal employer to ensure that a no frill account is opened in respect of each of the worker.

Cheque/ECS
payment

Each A/c of worker
to be opened

6 Nonpayment of minimum wages would not only be a violation of the Contract Labour Act (in respect of contract labour) but would also be in violation of the Minimum Wages Act, 1948 and prosecution proceedings can be initiated both in respect of the contractor and the principal employer.

7 It is further clarified that in case the contract labour files a claim before the 'Authority' for less payment, and the 'Authority' concludes that the contract labour has been able to establish the claim, in such a case the 'Authority' can direct the employer to pay the balance amount and can also impose a penalty to upto 10 times, the amount awarded to be paid to the worker.

8 The rates announced by the Government of Delhi since 1/2/2011 are as follows:

Minimum rates w.e.f.	Un-Skilled	Semi- Skilled	Skilled	Clerical and Non-technical and Supervisory Staff		
				Non-mat riculate	Matriculates	Graduates And above
1-2-2011 -	6084.00	6734.00	7410.00	6734.00	7410.00	8060.00
1-4-2011 -	6422.00	7098.00	7826.00	7098.00	7826.00	8502.00
1-10-2011 -	6656.00	7358.00	8112.00	7358.00	8112.00	8814.00
1-4-2012 -	7020.00	7748.00	8528.00	7748.00	8528.00	9282.00
1-10-2012 -	7254.00	8008.00	8814.00	8008.00	8814.00	9594.00
1-4-2013 -	7722.00	8528.00	9386.00	8528.00	9386.00	10218.00

9 The Government of Delhi announces the dearness allowance twice a year i.e. 1st April and 1st October. The orders in this regard are also displayed on the website of the Labour Department labour.delhi.govt.nic.in.

Letter Misc.

10 In view of the above all the HODs and Heads of autonomous organizations are requested to issue appropriate instructions to ensure compliance of the statutory provisions of the Contract Labour (Regulation and Abolition) Act, 1970 read with the Minimum Wages Act, 1948

Issue o/o

nodal officers
to ensure compli-
- Salary distribution
- Full/Chgo
- ECI
- before release
of su x!



(Piyush Sharma)
Addl. Labour Commissioner

Copy to:

- 1 The Principal Secretary to Hon'ble Lt. Governor, Govt. of NCT of Delhi
- 2 The Principal Secretary to the Hon'ble Chief Minister, Govt. of NCT of Delhi
- 3 The Secretary to the Hon'ble Minister of Labour & Industries, Govt. of NCT of Delhi
- 4 All Principal Secretaries, Secretaries, Govt. of NCT of Delhi with a request to also circulate it to the Autonomous Organisation under their control.
- 5 All Heads of the Departments, Govt. of NCT of Delhi with a request to also circulate it to the Autonomous Organisation under their control.
- 6 The Addl. Labour Commissioner (I) & (II) Labour Department, Govt. of NCT of Delhi
- 7 Dy. Labour Commissioner of all Districts to ensure compliance.
- 8 AD (Planning) for display on website of the Labour Department.

OFFICE OF THE LABOUR COMMISSIONER
GOVERNMENT OF N.C.T. OF DELHI
LABOUR DEPARTMENT
5-SHAM NATH MARG : DELHI-110054

No.DLC(CD)/SrE/2011/4429

Dated:- 16.12.2011

ORDER

Wages to be paid by cheque or electronic transfer into the account of workman

The Labour Department Government of NCT of Delhi has been notifying the rates of minimum wages for different class of employees in the scheduled employments in exercise of powers conferred by sub-section (2) of section 5 of the Minimum Wages Act, 1948 (XI of 1948) from time to time. The latest order has been issued vide No. No. F.12(142)11/MW/Lab/3650 dated 31.10.11 & Corrigendum No.12(142)/11/MW/Lab/4124 dated 05.12.2011 in respect of 27 scheduled employments and is available on the website of the Department i.e., labour.delhigovt.nic.in.

02. These notifications/orders are issued to ensure that all the employees are paid atleast the minimum wages notified by the Government. However, the Labour Department has been receiving frequent complaints from the employees as well as from the various registered trade unions regarding non-payment of minimum wages which is violative of the provisions of the said Act and makes the employer liable under the Act for punitive action including prosecution.

03. Section 6 of the Payment of Wages Act 1936, gives the various modes of payment of wages viz., through cash and also through cheque or directly crediting to the accounts of the employees after obtaining the authorization from employees.

04. In order to redress the grievances of the employees relating to non-payment of minimum wages as also complaints from registered Trade Unions on the subject and also to insulate the employers from such complaints, it is in the interest of the employers to make the payment of wages through cheque or through ECS (Electronic Clearing System).

05. All the employers are accordingly directed to make payment of wages to their employees by cheque or crediting the wages in the employees' account through ECS after obtaining authorization from the employees as per section 6 of the Payment of Wages Act, 1936. For this purpose, the employers are also directed to facilitate opening of a zero balance bank account of their employees.

06. Compliance of this order will not only ensure payment of minimum wages, but will also facilitate the compliance of various other labour laws relating to Employees State Insurance Act 1948, Contract Labour (R & A) Act 1970, Payment of Bonus Act, 1965, Employees Provident Fund Act, 1952, Payment of Gratuity Act 1972, Payment of Wages Act, 1936, etc. It will also redress the legitimate grievances of the employees and will lead to better industrial relations between the employers and employees.


(RAMESH TIWARI)
LABOUR COMMISSIONER

To.

1. All the Industrial / Market / Trade Associations and Trade Unions in NCT of Delhi.
2. All Hospitals, Educational Institutions, Government and Semi-Government undertakings employing Contract Workers.

Copy to :-

1. The Principal Secretary to Hon'ble Lt. Governor, Govt. of NCT of Delhi.
2. The Principal Secretary to the Hon'ble Chief Minister, Govt. of NCT of Delhi
3. The Secretary to the Hon'ble Minister of Labour & Industries, Govt. of NCT of Delhi.
4. All Principal Secretaries, Secretaries, Govt. of NCT of Delhi with a request to also circulate it to the Autonomous Organisation under their control.
5. All Heads of the Departments, Govt. of NCT of Delhi with a request to also circulate it to the Autonomous Organisation under their control.
6. The Special Commissioner, Addl. Labour Commissioner (I) & (II) Labour Deptt., Govt. of NCT of Delhi.
7. Dy. Labour Commissioners of all Districts to ensure compliance.
8. AD(Planning) for display on website of the Labour Deptt.