



# Bill Summary

## The Authority for Advanced Rulings on Central Taxes Bill, 2007

- The Authority for Advanced Rulings on Central Taxes Bill, 2007 was introduced in the Lok Sabha on December 7, 2007. The Bill amends the Payment of Gratuity Act, 1972. The Bill was referred to the Parliamentary Standing Committee on Labour which submitted its report on February 26, 2008. The Bill was introduced by the Ministry of Labour and Employment.
- The Payment of Gratuity Act, 1972 provides for the payment of gratuity to employees in any establishment, factory, mine, oilfield, plantation, port, railway company or shop employing 10 or more workers. The definition of 'employees' does not include those who hold a post under the Central Government or a State Government, governed by any other Act or rules providing for the payment of gratuity
- The Hon'ble Supreme Court in its judgement dated 13<sup>th</sup> January, 2004 in Ahmedabad Private Primary Teachers Association Vs Administrative Officer [AIR 2004 (SC) 1426] held that teachers do not fall under the category "employees".
- This Bill proposes to widen the definition of "employee" to mean any person who is employed for wages, whether the terms are implicit or explicit, in any kind of work, in or in connection with the work of a factory, mine, oilfield, plantation, port, railway company, shop or any other establishment. This would include teachers under the category eligible for gratuity.

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