

Bill Summary

The Payment of Wages (Amendment) Bill, 2016

- The Payment of Wages (Amendment) Bill, 2016 was introduced in Lok Sabha on December 15, 2016 by the Minister of Labour and Employment, Mr. Bandaru Dattatreya. The Bill amends the Payment of Wages Act, 1936.
- **Method of payment of wages:** Under the 1936 Act, all wages must be paid either in coin or currency notes, or both. However, the employer may pay his employee's wages either by cheque or by crediting it into his bank account, after obtaining his written authorisation.
- The Bill amends the 1936 Act to permit the employer to pay an employee's wages: (i) in coin or currency notes; or (ii) by cheque; or (iii) by crediting them into his bank account. The Bill removes the requirement of obtaining written authorization for payment of wages by cheque or through a bank account.
- However, the relevant central or state government may specify certain industrial or other establishments where the employer should pay his employees only by: (i) cheque; or (ii) crediting the wages in his bank account.

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