

Bill Summary

The Assam Gratuity (Amendment) Bill, 2023

- The Assam Gratuity (Amendment) Bill, 2023, was introduced in the Assam Legislative Assembly on September 11, 2023. The Bill amends the Assam Gratuity Act, 1992. The Act provides for gratuity fund schemes for employees of tea factories and tea plantations. The gratuity is payable to any employee who has rendered continuous service for at least five years.
- **Duration of service for calculation of gratuity amount:** The Act provides that gratuity is payable at the rate of 15 days' wages for every completed year of service, or the part which exceeds six months. It defines a completed year of service as one year of continuous service. The Bill redefines a completed year of service as continuous service for at least 240 days in a year.
- **Calculation of daily wages for payment of gratuity:** The Act specifies different ways to calculate daily wages for the purpose of determining gratuity amount, depending on how employees are paid. In the case of piece-rated employees, daily wages are computed based on the average of total wages received by the person in the last three months of service. For monthly-rated employees, daily wages are defined to be equivalent to the monthly rate of wages divided by 26. The Bill removes these provisions.
- **Gratuity for seasonal and daily workers:** The Act defines gratuity as the wages payable upon an employee's exit, except for seasonal and daily workers, whose gratuity is defined to be the average of the last three months' wages. The Bill removes the specific provision regarding seasonal and daily workers.

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