

FAQs - Code on Wages, 2019

Q1. Whether Data Entry Operators and employees in similar categories are included under the minimum wage provisions of the Code on Wages, 2019?

Ans: Yes. The concept of scheduled employment has been done away under the Code on Wages. The Code is now universally applicable to all employees, irrespective of their sector or category.

Q2. Is a daily wage worker not eligible for bonus??

Ans: Bonus is payable to every employee who has worked for at least thirty days in an accounting year as per the wage ceiling prescribed by the appropriate government.

Q3. Will the new concept of floor wage reduce the minimum wages fixed by the State??

Ans: No, Floor Wage is a baseline. Where the minimum rates of wages fixed by the State Government earlier is more than the floor wage, the State Government shall not reduce such minimum rates of wages fixed by it earlier.

Q4. Will the revised definition of wages under the Code, 2019 reduce employee wages?

Ans: No. The definition brings transparency and uniformity. Allowances exceeding a fixed percentage as notified by central government are added back to wages, increasing the base for PF, gratuity, and bonus, benefiting workers. It will strengthen social security of employees.

Q5. Does the Code on Wages allow employers to make too many deductions from workers' wages?

Ans: No. The Code caps all deductions at 50% of wages—uniform and protective compared to earlier 75% for cooperative deductions. The deduction are restricted to 50% of wages.

Q6. Will the fixation of minimum wages become arbitrary under Central Government control?

Ans: No. The Central as well as the State Governments will fix minimum wages within their respective jurisdictions. They must set these wages above the floor wage and after consulting workers and employers representatives. So, the process is fair, balanced, and not arbitrary

Q7. Will the inspector under the Code facilitate only the employers?

Ans: No. The duties and powers of the inspector are retained, and he will enforce the provisions, simultaneously raising awareness among workers about their rights and guiding employers in compliance.

Q8. Is it true that working hours been extended in a way that deprives workers of overtime?

Ans: No. Flexibility in working hours will not curtail the minimum wage, and employees working beyond normal hours are entitled to the overtime rate which shall not be less than twice the normal rate of wages.

Q9. Are transgender persons not provided benefits under the Code on Wages, 2019?

Ans: The Employers shall not discriminate on ground of gender including transgender in matter relating to wages, recruitment of an employee for the same work or work of a similar nature and in the conditions of employment.

Q10. Does compounding of offences allow employers to escape punishment?

Ans: No. Deterrent and enhanced penalties are provided under the Code on Wages. Employers are given the opportunity to rectify irregularities; however, compounding is limited to the first offence and a repeat of offence within a period of 5 years is punishable with imprisonment that may extend up to 3 months or fine or with both. This system reduces unnecessary litigation while ensuring that employers cannot evade their responsibilities.

Q11. Is only permanent employee covered under the Code?

Ans: No. The Code covers all employees, including full-time, part-time, temporary, casual and contractual workers.

Q12. Does the Code on Wages benefit only organized sector workers?

Ans: No. The Code on Wages applies to all employees, employed in the organized or unorganized sector. It ensures minimum wages and timely payment. The Code universalizes minimum wages for all categories of employees.
