

COMMON LEGAL & STATUTORY REQUIREMENTS - COMPANIES NEED FOLLOW FOR EMPLOYEES

Working Hours

According to the provisions of Section 51 of the Factories Act 1948, no worker in any establishment can work for more than 48 hours in any week and not more than 9 hours in a day. The act also states that, in a factory, no period of work shall exceed 5 and half hours for any worker, after which, he/she is entitled to a rest interval period of at least half an hour.

Overtime

According to the section 59 of the Factories Act 1948, if for some reason, the worker ends up working for more than the prescribed working hours, he/she is entitled to receive wages at the rate of twice the ordinary rate of wages.

Compensatory Holidays

According to the section 59 of the Factories Act 1948, if a worker is deprived of any of the weekly holidays then he is allowed compensatory holidays of equal number to the holidays he/she lost.

Working in Shifts

Overlapping shifts are prohibited and the periods of work of an adult should not spread over more than ten and a half hours, including his intervals. Women workers are not allowed to work in a factory except between 6 a.m. and 7 p.m. Women employees, under no circumstances, are allowed to work between 10 p.m. and 5 a.m.

Maternity Benefit

According to the Maternity Benefit Act, every female employee who has worked for the employer for more than 80 days in the 12 months preceding the delivery date, is eligible for 12 weeks paid maternity leave and benefit.

Contract Labor

The Contract Labor (Regulation & Abolition) Act, 1970 holds the Principal Employer liable for the payment of wages in case the contractor fails to do so. It is also the liability of the Principal Employer to provide health and welfare facilities to the contract laborers. Principal Employer needs to maintain a record with particulars like contractors and the labor employed, rate of wages, nature of work etc. The contractor is liable for maintaining information about muster roll, wages, deductions, overtime, fines etc. The contractor also needs to issue an employment card to each worker.

Gratuity

Gratuity refers to a part of the salary which the employees receive from the employers as a gesture of gratitude for if they serve an organization for more than five years. Gratuity payment is applicable to any establishment which consists of ten or more employees.

TDS Deduction

All employers who pay salary to their employees should deduct TDS as per Section 192 of the Income Tax Act. This is applicable if the employee's salary is more than the maximum amount exempt from tax. As a proof of this deduction, the employers need to generate Form 24Q and Form 16 and provide it to their employees.

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