

To Change the colour of the Background Click on the Button Below.

Antique white

Bisque

silver

slate

green

cadet blue

white

azure

Original

MASTER CIRCULAR

Master Circular No. 59

Payment of Wages Act, 1936

[Revised Master Circular.](#)

[Master Circular.](#)

Revised Master Circular

[Master Circular No. 59/94](#) on the subject cited above was last circulated to the Railways vide Railway Board's Letter No. [E\(LL\)93 /PW/MC dated 21.7.1994](#) (RBE No. 58/1994) which has now been updated and issued as under.

1. **Recovery for loss of duty card passes from the wages of the defaulting employee.**

Deductions for loss of duty card passes are permissible under Section 7(2)(c) from the wages of Railway employees governed by the P.W. Act.

(No. [E \(Trg\)61 PS/5-2/8 dated 28.07.1967](#))

2. **Submission of Annual Returns:**

The Railways are required to submit Annual Return on the working of P.W. Act in the prescribed form to the Official concerned of the Central Industrial Relations Machinery under the Ministry of Labour not later than 15th February of the succeeding year.

(Railway Board's letters No. [E\(LL\)71 AT/PW/1-8 dated 27.5.71](#) and No. [E\(LL\)92 AT/PW/6 dated 27.10.1992](#))

3. **Relief fund for Refugees of Bangladesh**

It is not permissible under the P.W. Act to make deductions from the salary of the employee governed by the Act towards Relief fund for Bangladesh refugees.

(Railway Board letter No. [E\(LL\)71 AT/PW/1-11 dated 9.8.1971](#))

4. **Payment of Dues - Machinery for ensuring prompt payment.**

Railways should take immediate steps to ensure that all payments were made in the month to which they pertain, thus avoiding the need for supplementary bills and should concentrate particularly on timely sanction of leave and drawal of increments when due.

(Railway Board's letter No. [E\(LWA\)69 AT/PW/1-44 dated 23.10.1972](#))

- 5.

- a. **Festival Advance**

It was brought to the notice of the Railway Board that festival Advance was being granted to the employees on the consideration that the

employee applying for such advance should belong to the community, which celebrates the festival.

The position was examined by the Board in consultation with the Ministry of finance and it was clarified that the rules do not contemplate any restriction of the type mentioned above.

(Railway Board's Letter No. [E\(LL\)73/AT/PW/1-5 dated 31.12.1973](#))

b. Festival Advance - Change in pay limit and the amount of advance on the basis of Central Fifth Pay Commission.

In pursuance of the decision taken by the Government on the Fifth Pay Commission's recommendation relating to Festival Advance, the Government has decided that non-gazetted employees who are in receipt of basic pay not exceeding Rs. 8300 (Rupees Eight Thousand Three Hundred) per month shall be eligible for Festival advance and the amount of Advance shall be increased from the existing Rs. 600 (Six Hundred) to Rs. 1500 (One Thousand Five Hundred)

(Railway Board's letter No. [E\(LL\)97 FA/1 dated 6.1.1998](#) (RBE 4/1998))

6. Appointment of Inspectors:

The Central Government in the Ministry of Labour vide their Notification No. S.31025/14/74-LR III (WC) dated 26.02.1976 circulated under Railway Board's letter No. [E\(LL\)76 AT/PW/1-7 dated 18.03.1976](#) and Ministry of Labour's Notification No. 4 LS/31014/1/82/WC/PW dated.04.09.1982 circulated under Railway Board's letter No. [E\(LL\)82/AT/PW/1-7 dated 09.11.1982](#) appointed the following Officers as Inspectors, for all persons employed on a Railway (otherwise than in a factory) to whom the Payment of Wages Act applies:

1. Chief Labour Commissioner (Central)
2. Joint Labour Commissioner (Central)
3. All Deputy Chief Labour Commissioner (Central)
4. All Regional Labour Commissioner (Central)
5. All Assistant Labour Commissioners (Central)
6. All Labour Enforcement Officers (Central)

7. Post office Recurring Deposit Rules 1970:

A copy of Post Office (Recurring Deposit) Rules, 1970, issued by the Ministry of Finance vide their Notification No. F3(8)-NS/70 dated 28.02.1970 were forwarded to the Railways for information and guidance, it was laid down that steps be taken early to ensure that the Scheme envisaged in these Rules was introduced in the Railways in the way as that of Cumulative Time Deposit Accounts under the Pay Roll Savings Scheme.

(Railway Board's letter No. E(LL)73 AT/PW/1-8 dated .12.1976)

8. Land Licensing Fee - Permissibility of recovery from salary:

Ministry of Railways decided in consultation with the Ministry of Labour that deductions towards Land Licensing fee levied under Grow More food Scheme could be made from the wages of the Railway employees concerned Under Section 7(2)(e) of the Payment of Wages Act.

(Railway Board's letter No. [E\(LL\)77 AT/PW/1-5 dated 22.12.1977](#))

9. Deductions towards every Chief Minister's Fund:

Ministry of Labour vide Notification No. S.31014 (12)77-WC (PW) dated 23.05.1978 specified every Chief Minister's Relief Fund for the purpose or Clause (p) of Sub-section (2) of Section 7 of the Act.

(Railway Board's letter No. [E\(LL\)78 AT/PW/1-18 dated 17.11.1978](#))

10. Recovery of Co-operative dues of West Bengal Co-operative Society Act, 1973, towards repayment of loan etc:

It was held by the Railway Board in consultation with Legal Adviser and the ministry of Labour that Payment of wages Act, 1936, over-rides the provision of Section 51 of the West Bengal Co-operative Society Act, 1973. As such, u/s.7 (2) (j) read with Section 7(3) and Section 24 of Payment of Wages Act deductions from wages for payment of any co-operative society could be made only if concerned co-operative society had been approved by the Central Government and total deduction authorised u/s. 7(2) would not exceed 75% of the wages.

(Railway Board's letter No. [E\(LL\)79 AT/PW/1-15 dated 25.07.1979](#))

11.

a. Advance payment of salary to staff on eve of important festival :

It has been desired that in connection with the above, Railways should furnish detailed information to the Board well in advance of the festival, as under: -

1. Categorise of staff for whom advance payment of salary was required.
2. Their wage period.
3. Their normal date(s) of payment.
4. Holidays/R.H. with dates to be observed by the staff.
5.
 - a. proposed date(s) of payment and
 - b. reasons for advance payment.
6. FA&CAO's concurrence/comments

(Railway Board's letter No. [E\(LL\)81 AT/PW/1 dated 16.11.1981](#))

b. Proposal for change in assumed period of attendance for advance payment of salary to workshop staff on account of important festivals

The concept of assumed attendance for payment of wages to workshop staff is generally not permissible. However, this may be permitted by Board in exceptional cases, once or twice in a year. For this purpose, certain guidelines laid down by the Board in their letter dated 16.10.1992 have to be scrupulously followed.

(Railway Board's letter No. [E\(LL\)92 AT/PW/1 dated 16.10.1992](#) (RBE 173/1992))

12. Simplification of the work of calculation of Over-time arrears consequent on retrospective revision of Dearness Allowance rates in case of Railway employees governed under Hours of Employment Regulations or Factories Act, 1948.

The arrears of overtime allowance should be paid on actual basis viz. the actual extra overtime due on the difference of actual wages due and drawn by the employee during the relevant period. As an aid to work out the arrears payable, a ready- reckoner has been circulated to the Zonal Railways on

11.03.1994.

(Railway Board's letter No. [E\(LL\)90 AT/PW/1-3 dated 11.03.1994](#))

13. Amendment to Payment of Wages (Railways) Rules, 1930 relating to adjustment of unpaid wages to Staff Benefit Fund.

A copy of Ministry of Labour's Notification No. S-31012/8/82-WC(PW) dated 9.12.1998 was circulated to all Zonal Railways and Production Units under Railway Board's letter No. [E\(LL\)84/ AT/PW/1-4 dated 14.03.1989](#) (RBE 75/1989). In view of the said Notification Government has decided to amend the existing paras No. 316 and 319 of Indian Railway Accounts Code Part - I (1990 - Edition) and Minor Sub-Head No. 660 and the Detailed Head No. 661 and 662 as well as explanatory notes 660-661-662 in Abstract 'K' Appendix - II of Indian Railway Financial Code Volume -II (1983 - Edition) as per ACS No. 9 & 10 A1 and 46, 48 & 48 F-II

(Railway Board's letter No. [94/AC-II/21/9 dated 27.1.1997](#))

14. Recovery towards housing loan taken from LIC, HDFC other Central/State Government agencies

The Railway cannot make recovery u/s. 7 of P.W. Act for housing loans advance by LIC/HDFC etc.

It is the personal responsibility of the employee to make timely repayment of loan instalments to the lending agencies. The Railway Administration should not take upon itself this responsibility.

(Authority: Railway Board's letter No. [E\(LL\)92/PW/7 dated 07.12.1992](#))

15. Appointment of Authority under payment of Wages Act

Central Government declared that every person who is or has been approved by the State Governments and Union Territories to be an Authority U/S.15 (i) for an area in any of the following States, namely, Arunachal Pradesh, Jammu & Kashmir, Goa, Gujarat, Haryana Himachal Pradesh, Karnataka, Meghalaya, Maharashtra, Manipur, Mizoram, Nagaland, Sikkim, Tripura, and Union Territories of Andman & Nicobar Island, Chandigarh, Dadara & Nagar Haveli, Daman and Diu, Delhi, Lakshadweep and Pondicherry shall be deemed by virtue of such appointment to have been appointed by the Central Government as Authority to hear and decide all claims on the subject of persons employed or paid within that area in Railways, etc.

(Ministry of Labour's Notification No. S.31012/3/89-WC(PW) dated 04.09.1989

circulated under Railway Board's letter No. [E\(LL\)AT/PW/1-2 dated 12.12.1989](#) (RBE 305/1989))

16. General:

- a. While referring to this circular the original letters referred to herein should be read for a proper appreciation. This circular is only a consolidation of the instructions issued from time to time and should not be treated as a substitution to the originals. In case of doubt, the original circular should be relied upon as authority.
- b. The instructions contained in this original circular referred to have only prospective effect from the date of issue unless specifically indicated otherwise in the concerned circular. For dealing with old cases, the instruction in force at the relevant time should be referred to; and
- c. If any circular on the subject, which has not been consideration while preparing this consolidated letter, the said circular, which has been missed through oversight should be treated as valid and operative.

Such a missing circular if any, may be brought to the notice of the Railway Board.

Master Circular

At present, the order relating to the Payment of Wages Act, 1936 are contained in a number of Circular/ Orders issued by the Railway Board from time to time. The question of consolidating these order/ circulars into one master Circular has been under consideration of the Railway Board for quite some time now. It has been decided now to issue consolidated instruction in the form of a Master Circular on the subject for the information and guidance of all concerned.

- 1. Recovery for loss of duty card passes from the wages of the defaulting employee.**

Deductions for loss of duty card passes are permissible under Section 7(2)(c) from the wages of Railway employees governed by the P.W. Act.

(No. [E \(Trg\)61 PS/5-2/8 dated 28.07.1967](#))

- 2. Authorities under Section 15:**

Every person who was or had been appointed by the State Government to be an authority under sub-section (i) of Section 15 of the Payment of Wage Act for an area in any of the following States namely Andhra Pradesh, Assam, Bihar, Kerala, Madhya Pradesh, Mysore, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal shall be deemed by virtue of such appointment to have been appointed by the Central Government to decide all claims arising out of the deductions made from the wages or delay in the payment of wages of persons in that area on the Railways.

(Ministry of Labour's Notification No. 23/12/68/Fac.I/IR-LW dated 09.04.1970 circulated under Railway Board's letter No. [E\(LL\)70 AT/PW/1-3 dated 24.06.1970](#))

Cases decided by the Authorities concerned prior to the issue of the above Notification dated 09.04.1970 need not be challenged by the Railways.

(Railway Board's letter No. [E\(LL\)70 AT/PW/1-3 dated 24.06.1970](#))

- 3. Submission of Annual Returns:**

The Railways are required to submit Annual Return on the working of P.W. Act in the prescribed form to the Official concerned of the Central Industrial Relations Machinery under the Ministry of Labour not later than 15th February of the succeeding year.

(Railway Board's letters No. [E\(LL\)71 AT/PW/1-8 dated 27.5.71](#) and No. [E\(LL\)92 AT/PW/6 dated 27.10.1992](#))

- 4. Relief fund for Refugees of Bangladesh**

It is not permissible under the P.W. Act to make deductions from the salary of the employee governed by the Act towards Relief fund for Bangladesh refugees.

(Railway Board letter No. [E\(LL\)71 AT/PW/1-11 dated 9.8.1971](#))

- 5. Payment of Dues**

It was decided by the Railway Board that Railways should take immediate

steps to ensure that all payments were made in the month to which they pertain, thus avoiding the need for supplementary bills and that Railway Administrations should concentrate particularly on timely sanction of leave and drawal of increments when due.

(Railway Board's letter No. [E\(LWA\)69 AT/PW/1-44 dated 23.10.1972](#))

6. Festival Advance

It was brought to the notice of the Railway Board that festival Advance was being granted to the employees on the consideration that the employee applying for such advance should belong to the community, which celebrates the festival.

The position was examined by the Board in consultation with the Ministry of finance and it was clarified that the rules do not contemplate any restriction of the type mentioned above.

(Railway Board's Letter No. [E\(LL\)73/AT/PW/1-5 dated 31.12.1973](#))

7. Appointment of Inspectors:

The Central Government in the Ministry of Labour vide their Notification No. S.31025/14/74-LR III (WC) dated 26.02.1976 circulated under Railway Board's letter No. [E\(LL\)76 AT/PW/1-7 dated 18.03.1976](#) and Ministry of Labour's Notification No. 4 LS/31014/1/82/WC/PW dated 04.09.1982 circulated under Railway Board's letter No. [E\(LL\)82/AT/PW/1-7 dated 09.11.1982](#) appointed the following Officers as Inspectors, for all persons employed on a Railway (otherwise than in a factory) to whom the Payment of Wages Act applies:

1. Chief Labour Commissioner (Central)
2. Joint Labour Commissioner (Central)
3. All Deputy Chief Labour Commissioner (Central)
4. All Regional Labour Commissioner (Central)
5. All Assistant Labour Commissioners (Central)
6. All Labour Enforcement Officers (Central)

8. Post office Recurring Deposit Rules 1970:

A copy of Post Office (Recurring Deposit) Rules, 1970, issued by the Ministry of Finance vide their Notification No. F3(8)-NS/70 dated 28.02.1970 were forwarded to the Railways for information and guidance, it was laid down that steps be taken early to ensure that the Scheme envisaged in these Rules was introduced in the Railways in the way as that of Cumulative Time Deposit Accounts under the Pay Roll Savings Scheme.

(Railway Board's letter No. [E\(LL\)73 AT/PW/1-8 dated .12.1976](#))

9. Land Licensing Fee - Permissibility of recovery from salary:

Ministry of Railways decided in consultation with the Ministry of Labour that deductions towards Land Licensing fee levied under Grow More food Scheme could be made from the wages of the Railway employees concerned Under Section 7(2)(e) of the Payment of Wages Act.

(Railway Board's letter No. [E\(LL\)77 AT/PW/1-5 dated 22.12.1977](#))

10. Deductions towards every Chief Minister's Fund:

Ministry of Labour vide Notification No. S.31014 (12)77-WC (PW) dated 23.05.1978 specified every Chief Minister's Relief Fund for the purpose or

Clause (p) of Sub-section (2) of Section 7 of the Act.

(Railway Board's letter No. [E\(LL\)78 AT/PW/1-18 dated 17.11.1978](#))

- 11. Recovery of Co-operative dues of West Bengal Co-operative Society Act, 1973, towards repayment of loan etc:**

It was held by the Railway Board in consultation with Legal Adviser and the ministry of Labour that Payment of wages Act, 1936, over-rides the provision of Section 51 of the West Bengal Co-operative Society Act, 1973. As such, u/s.7 (2) (j) read with Section 7(3) and Section 24 of Payment of Wages Act deductions from wages for payment of any co-operative society could be made only if concerned co-operative society had been approved by the Central Government and total deduction authorised u/s. 7(2) would not exceed 75% of the wages.

(Railway Board's letter No. [E\(LL\)79 AT/PW/1-15 dated 25.07.1979](#))

12.

- a. Advance payment of salary to staff on eve of important festival :**

It has been desired that in connection with the above, Railways should furnish detailed information to the Board well in advance of the festival, as under: -

1. Categorise of staff for whom advance payment of salary was required.
2. Their wage period.
3. Their normal date(s) of payment.
4. Holidays/R.H. with dates to be observed by the staff.
5.
 - a. proposed date(s) of payment and
 - b. reasons for advance payment.
6. FA&CAO's concurrence/comments

(Railway Board's letter No. [E\(LL\)81 AT/PW/1 dated 16.11.1981](#))

- b. Proposal for change in assumed period of attendance for advance payment of salary to workshop staff on account of important festivals**

The concept of assumed attendance for payment of wages to workshop staff is generally not permissible. However, this may be permitted by Board in exceptional cases, once or twice in a year. For this purpose, certain guidelines laid down by the Board in their letter dated 16.10.1992 have to be scrupulously followed.

(Railway Board's letter No. [E\(LL\)92 AT/PW/1 dated 16.10.1992](#))

- 13. Simplification of the work of calculation of Over-time arrears consequent on retrospective revision of Dearness Allowance rates**

The arrears of overtime allowance should be paid on actual basis viz. the actual extra overtime due on the difference of actual wages due and drawn by the employee during the relevant period. As an aid to work out the arrears payable, a ready- reckoner has been circulated to the Zonal Railways on 11.03.1994.

(Railway Board's letter No. [E\(LL\)90 AT/PW/1-3 dated 11.03.1994](#))

- 14. Recovery of Contributions from wages of Railway employees towards Relief**

fund for Indian origin Citizen in Sri Lanka U/s 7(2)(p)

The Central Government specified the above fund for purposes of Clause (p) of Section 7(2) of P.W Act.

(Railway Board's letter No. [E\(LL\)83 AT/PW/1-5 dated 03.12.1983](#))

15. Payment of Wages (Railways) Rules, 1938 - Amendments thereto:

A copy of Notification No. S.31012/8/82-WC (PW) dated 19.12.1988 issued by the Ministry of Labour regarding the above was circulated to all the Railway, etc. under Railway Board's letter No. [E\(LL\)84/ AT/PW/1-4 dated 14.03.1989](#) (RBE 75/1989).

16. Appointment of Authority under payment of Wages Act:

Central Government declared that every person who is or has been approved by the State Governments and Union Territories to be an Authority U/S.15 (i) for an area in any of the following States, namely, Arunachal Pradesh, Jammu & Kashmir, Goa, Gujarat, Haryana Himachal Pradesh, Karnataka, Meghalaya, Maharashtra, Manipur, Mizoram, Nagaland, Sikkim, Tripura, and Union Territories of Andman & Nicobar Island, Chandigarh, Dadara & Nagar Haveli, Daman and Diu, Delhi, Lakshadweep and Pondicherry shall be deemed by virtue of such appointment to have been appointed by the Central Government as Authority to hear and decide all claims on the subject of persons employed or paid within that area in Railways, etc.

(Ministry of Labour's Notification No. S.31012/3/89-WC(PW) dated 04.09.1989

circulated under Railway Board's letter No. [E\(LL\)AT/PW/1-2 dated 12.12.1989](#) (RBE 305/1989))

17. Recovery towards housing loan taken from LIC, HDFC other Central/State Government agencies

The Railway cannot make recovery u/s. 7 of P.W. Act for housing loans advance by LIC/HDFC etc.

It is the personal responsibility of the employee to make timely repayment of loan instalments to the lending agencies. The Railway Administration should not take upon itself this responsibility.

(Authority: Railway Board's letter No. [E\(LL\)92/PW/7 dated 07.12.1992](#))

18. General:

- a. While referring to this circular the original letters referred to herein should be read for a proper appreciation. This circular is only a consolidation of the instructions issued from time to time and should not be treated as a substitution to the originals. In case of doubt, the original circular should be relied upon as authority.
- b. The instructions contained in this original circular referred to have only prospective effect from the date of issue unless specifically indicated otherwise in the concerned circular. For dealing with old cases, the instruction in force at the relevant time should be referred to; and
- c. If any circular on the subject, which has not been consideration while preparing this consolidated letter, the said circular, which has been missed through oversight should be treated as valid and operative. Such a missing circular if any, may be brought to the notice of the Railway Board.

Revised Master Circular Vide Railway Board's letter No. [E\(LL\)99/PW/MC/3 dated 1.3.2000](#) (RBE 34/2000).

