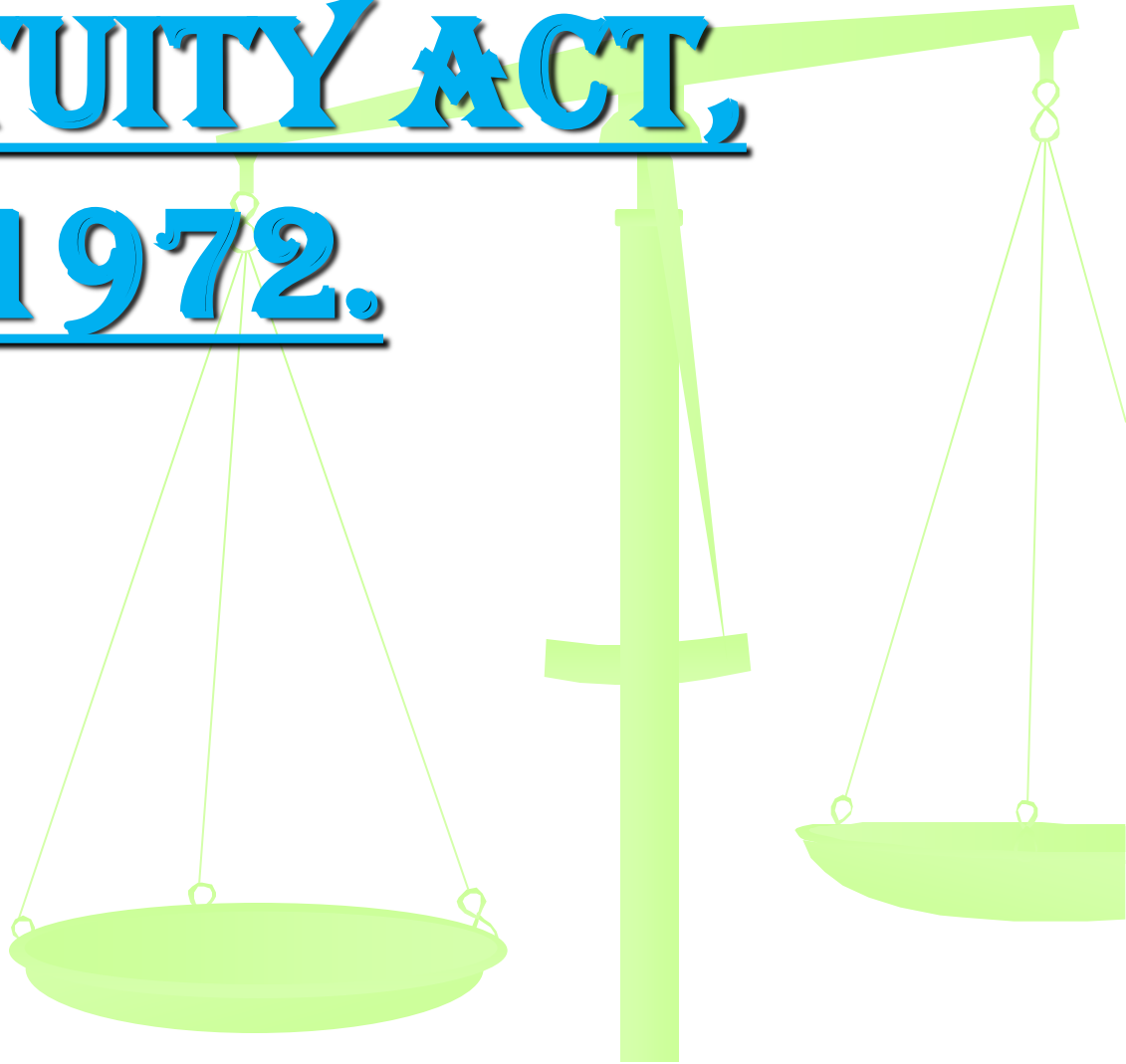


PAYMENT OF
GRATUITY ACT,
1972.



APPLIES TO

- **Factory, mine, oilfield, plantation, port and railway company**
- **shops and establishments etc**
- ❖ **in which ten or more persons are employed on any day.**



“ONCE COVERED COVERED FOREVER”

- A SHOP OR ESTABLISHMENT ONCE COVERED WILL CONTINUE TO BE COVERED FOREVER.

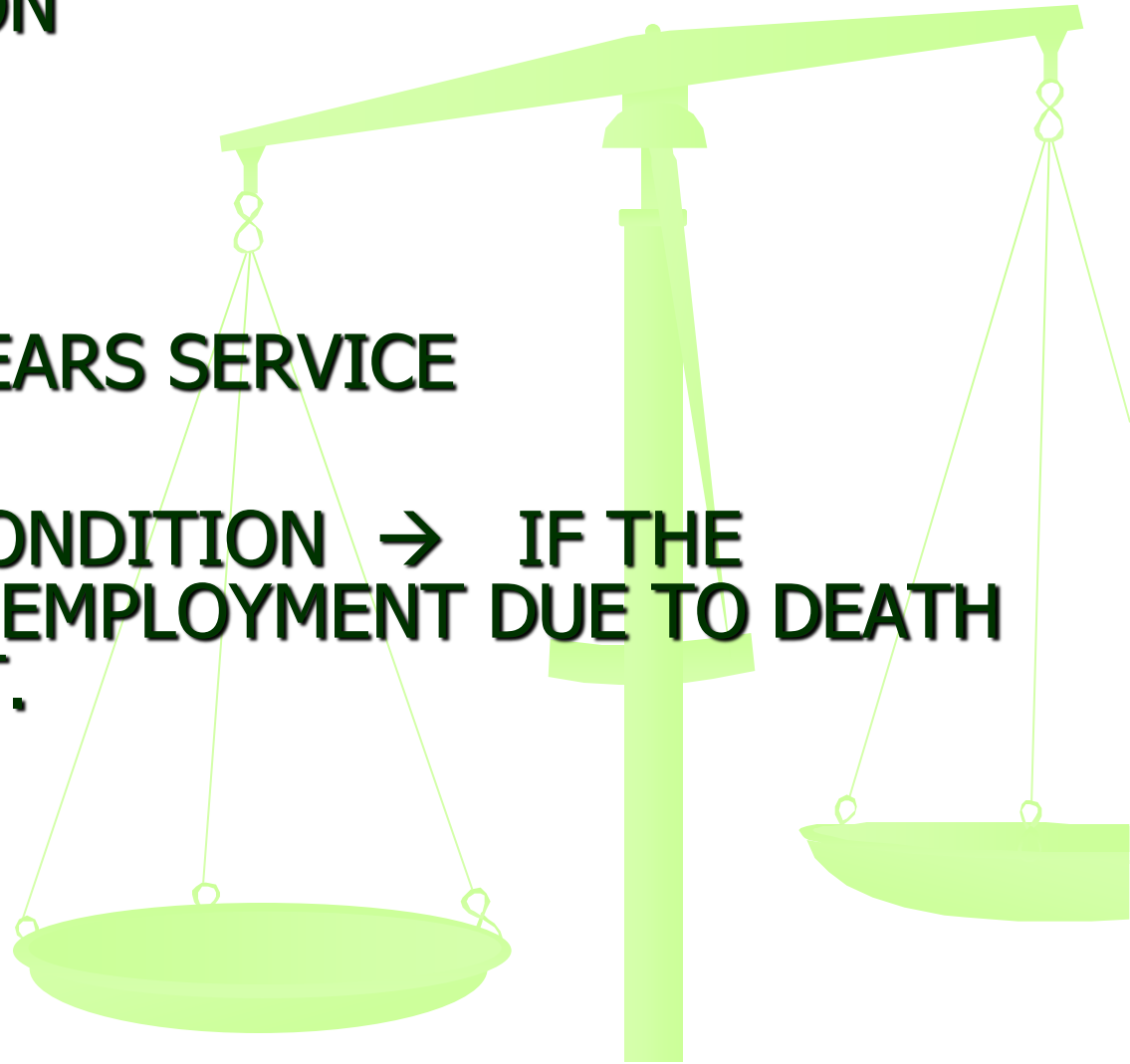


GRATUITY PAYABLE

- SUPERANNUATION
- RETIREMENT
- RESIGNATION

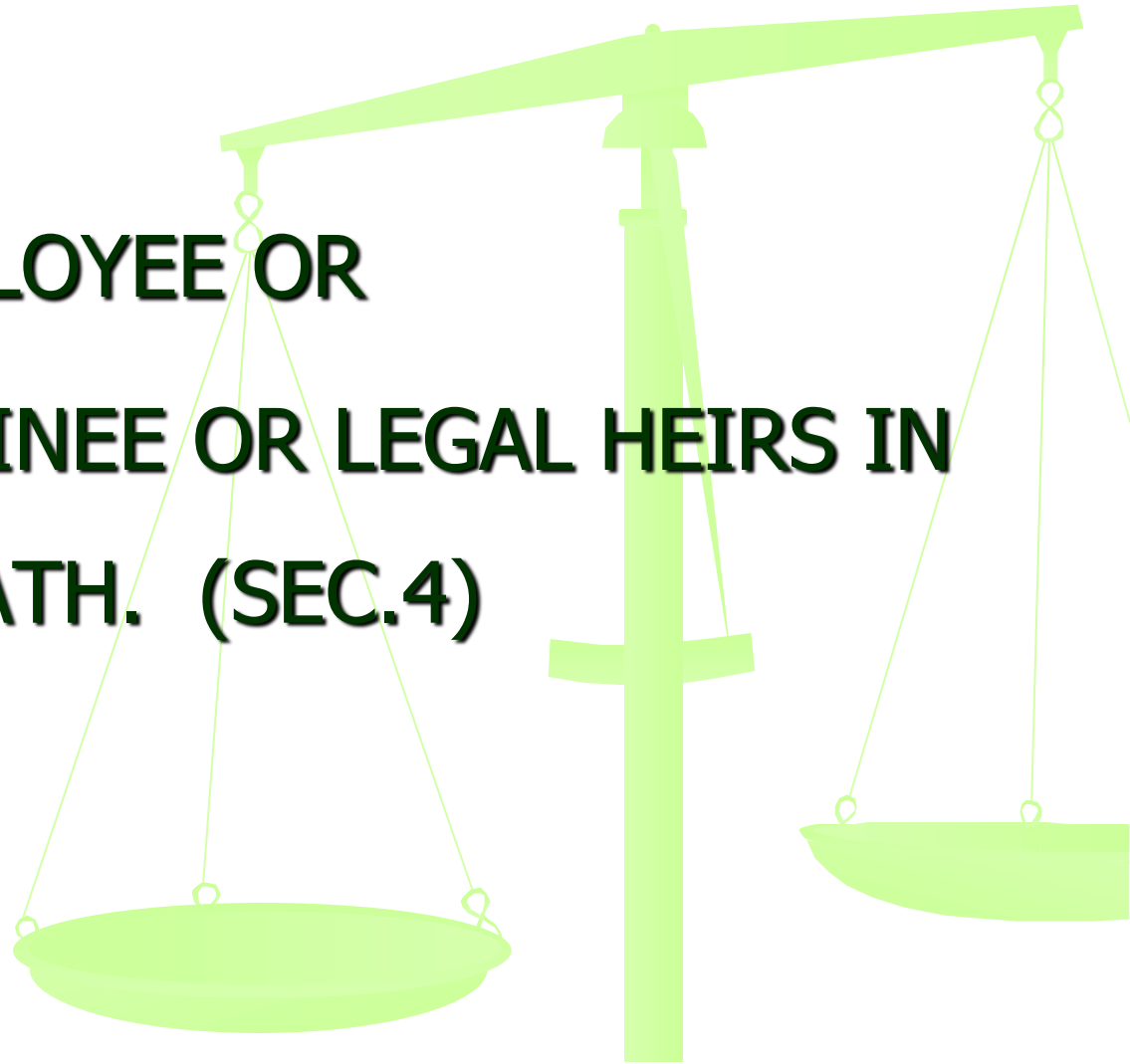
* AFTER **FIVE** YEARS SERVICE

- NO **FIVE** YEAR CONDITION → IF THE TERMINATION OF EMPLOYMENT DUE TO DEATH OR DISABLEMENT.



PAYABLE

- TO THE EMPLOYEE OR
- TO HIS NOMINEE OR LEGAL HEIRS IN CASE OF DEATH. (SEC.4)



EMPLOYEE

- Any person
- Employed on wages
- In any establishment, factory, shop etc
- To do any skilled, semi- skilled, unskilled, manual, supervisory, technical or clerical work
- Other than an apprentice



CALCULATION OF GRATUITY

- 15 DAYS WAGES X No. OF COMPLETED YEARS OF SERVICE.

- ONE DAY WAGES =

LAST DRAWN WAGES

26



WHAT IS WAGES?

- **ONLY BASIC + DA**

***NO OTHER ALLOWANCES INCLUDED.**



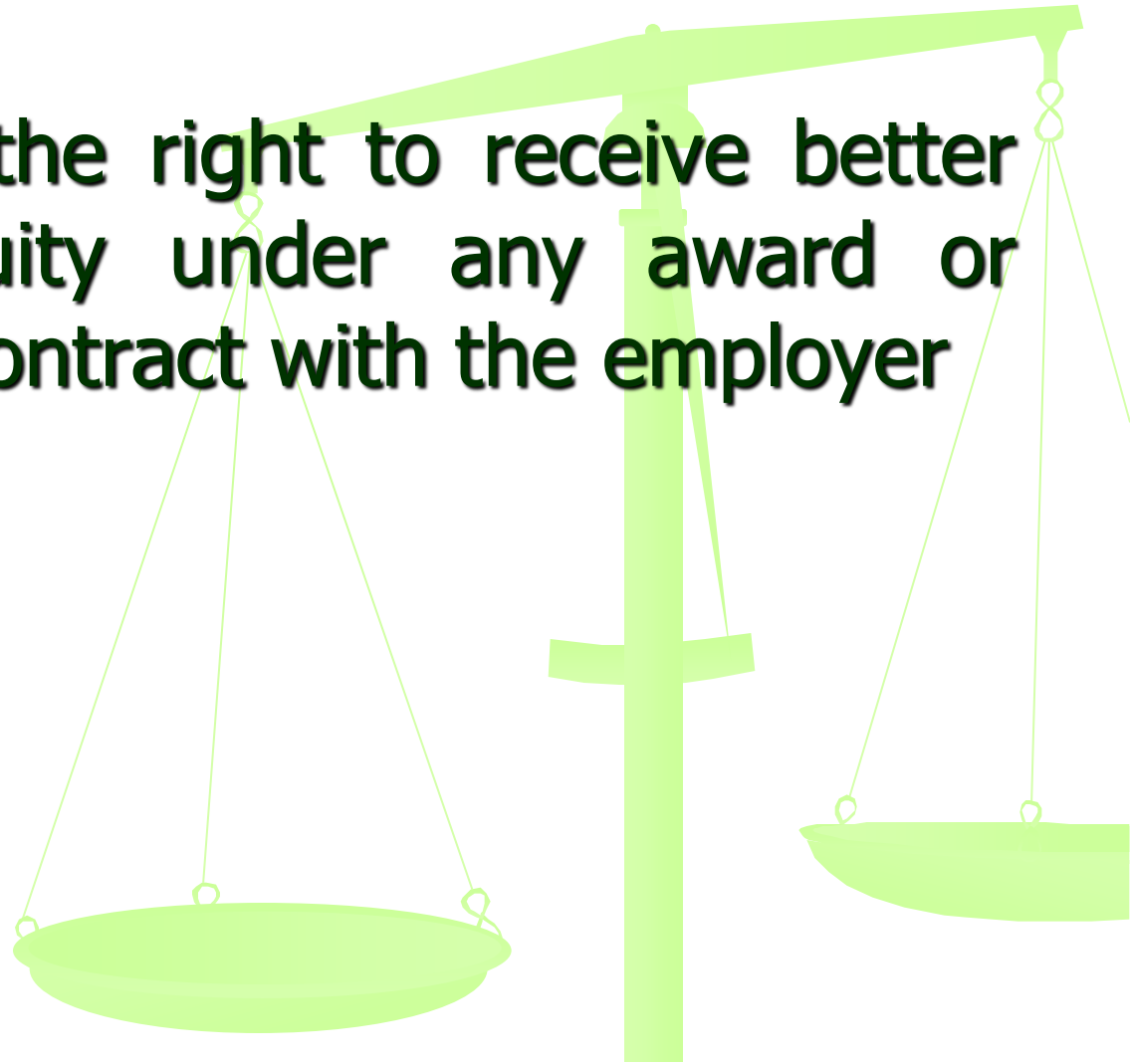
MAXIMUM GRATUITY

- **Rs. TWENTY LAKHS**
- **W.e.f. 29-03-2018**



BETTER TERMS OF GRATUITY

- Employee has the right to receive better terms of gratuity under any award or agreement or contract with the employer



ROUNDING UP OF SERVICE

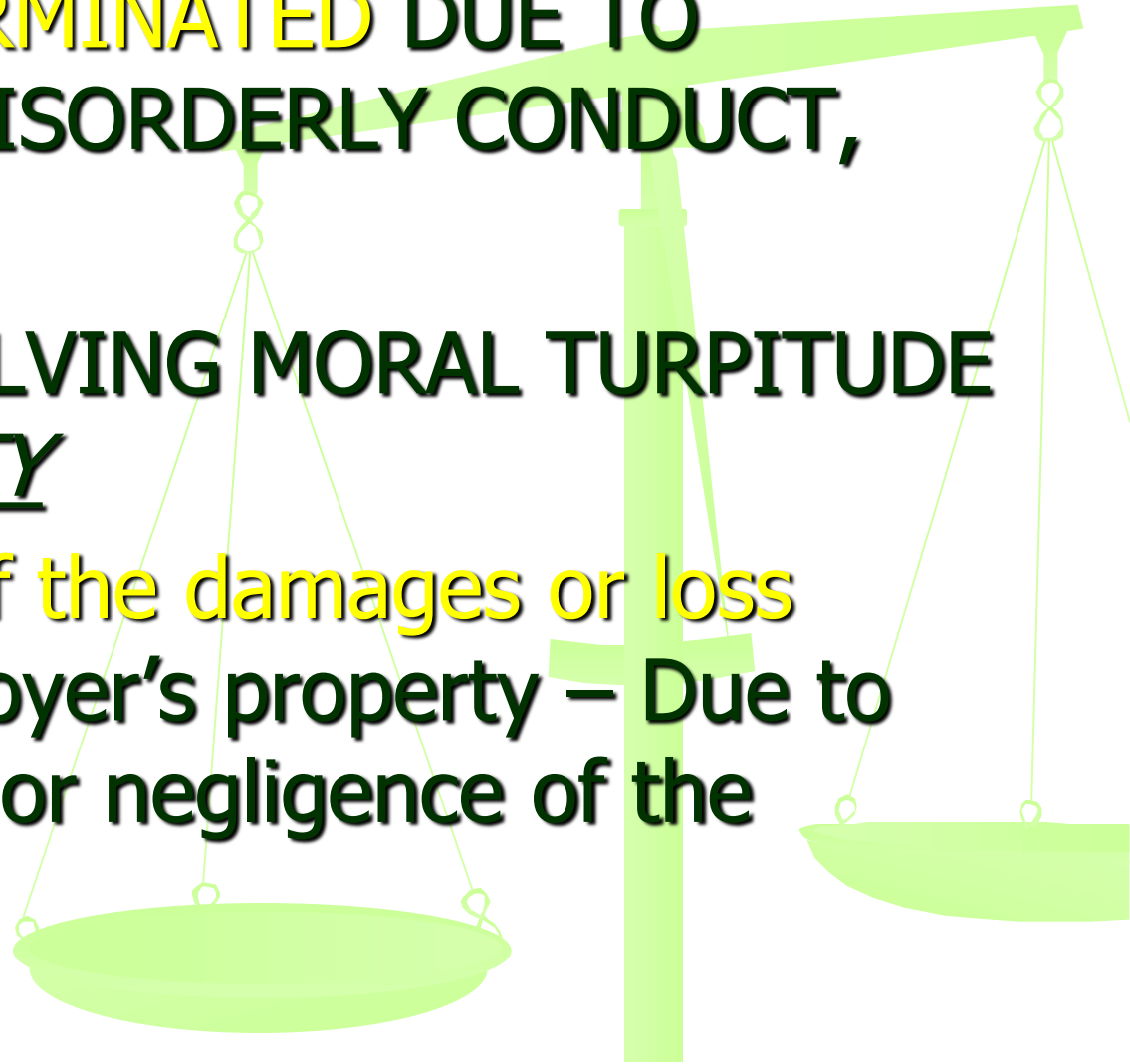
- SERVICE IN EXCESS OF 6 MONTHS TO BE TREATED AS ONE FULL YEAR



FORFEITURE OF GRATUITY

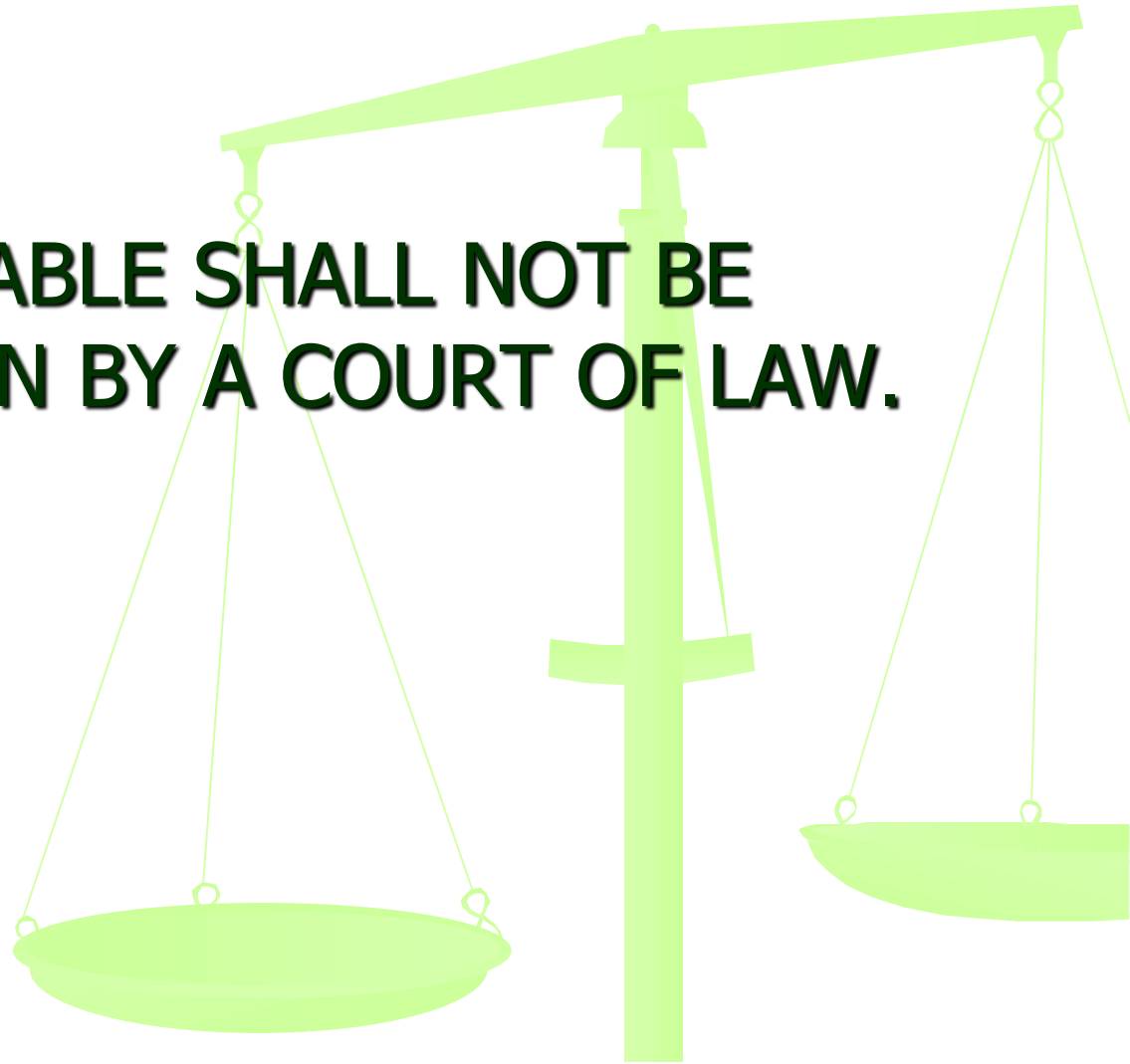
PARTIALLY OR WHOLLY.

- **IF SERVICE TERMINATED DUE TO RIOTOUS OR DISORDERLY CONDUCT,**
- **VIOLENCE**
- **OFFENCE INVOLVING MORAL TURPITUDE WHILE ON DUTY**
- ✓ **To the extent of the damages or loss caused to employer's property – Due to willful omission or negligence of the employee**



PROTECTION OF GRATUITY

- **GRATUITY PAYABLE SHALL NOT BE ATTACHED EVEN BY A COURT OF LAW.**



COMPULSORY INSURANCE OF GRATUITY

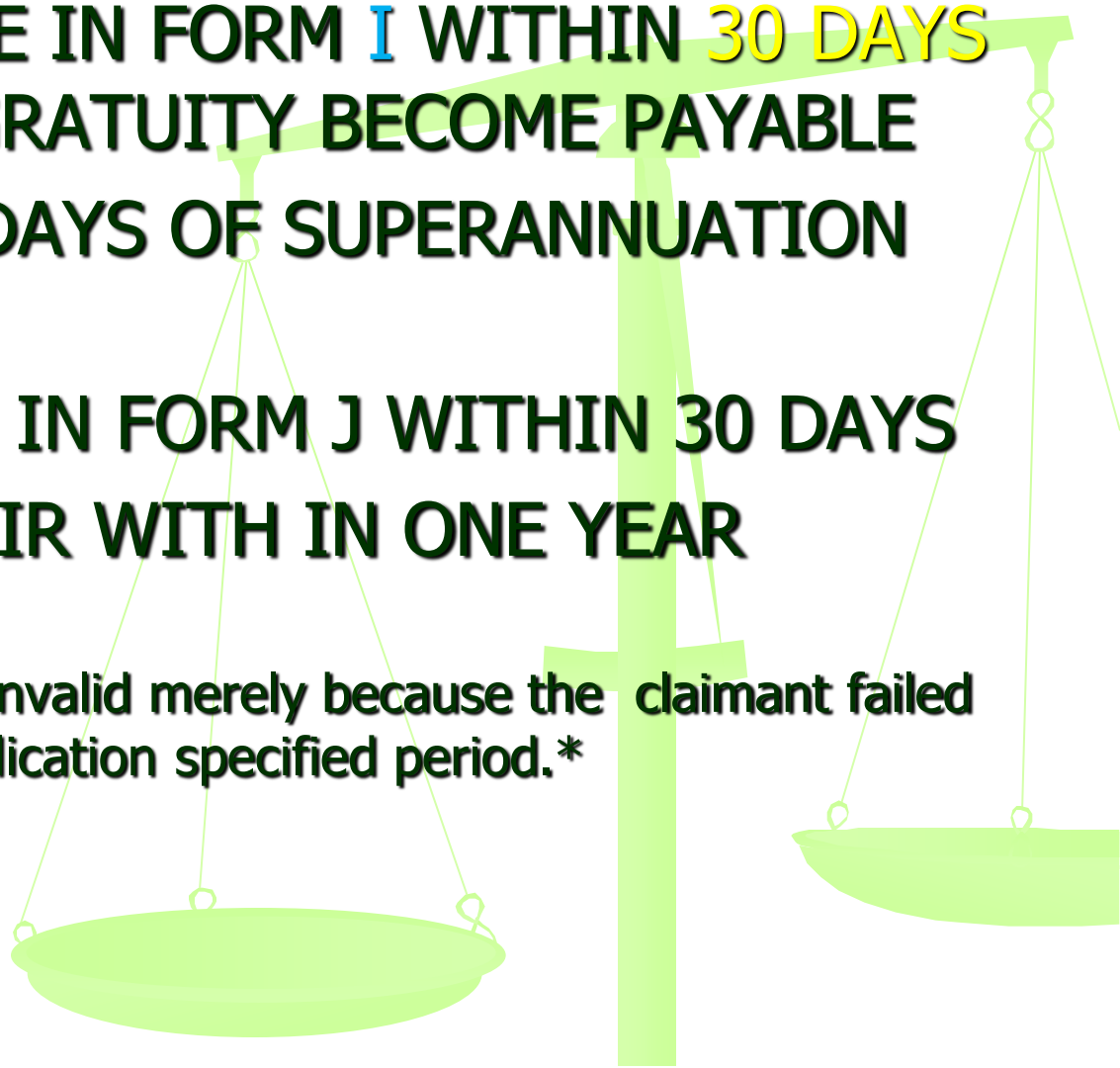
- under section 4A of the Act.
- Approved Gratuity Fund
- Approved Gratuity Trust
- W.e.f. 19-09-2013



APPLICATION FOR GRATUITY

- BY THE EMPLOYEE IN FORM I WITHIN 30 DAYS ON WHICH THE GRATUITY BECOME PAYABLE
- BEFORE THIRTY DAYS OF SUPERANNUATION OR RETIREMENT
- BY THE NOMINEE IN FORM J WITHIN 30 DAYS
- BY THE LEGAL HEIR WITH IN ONE YEAR

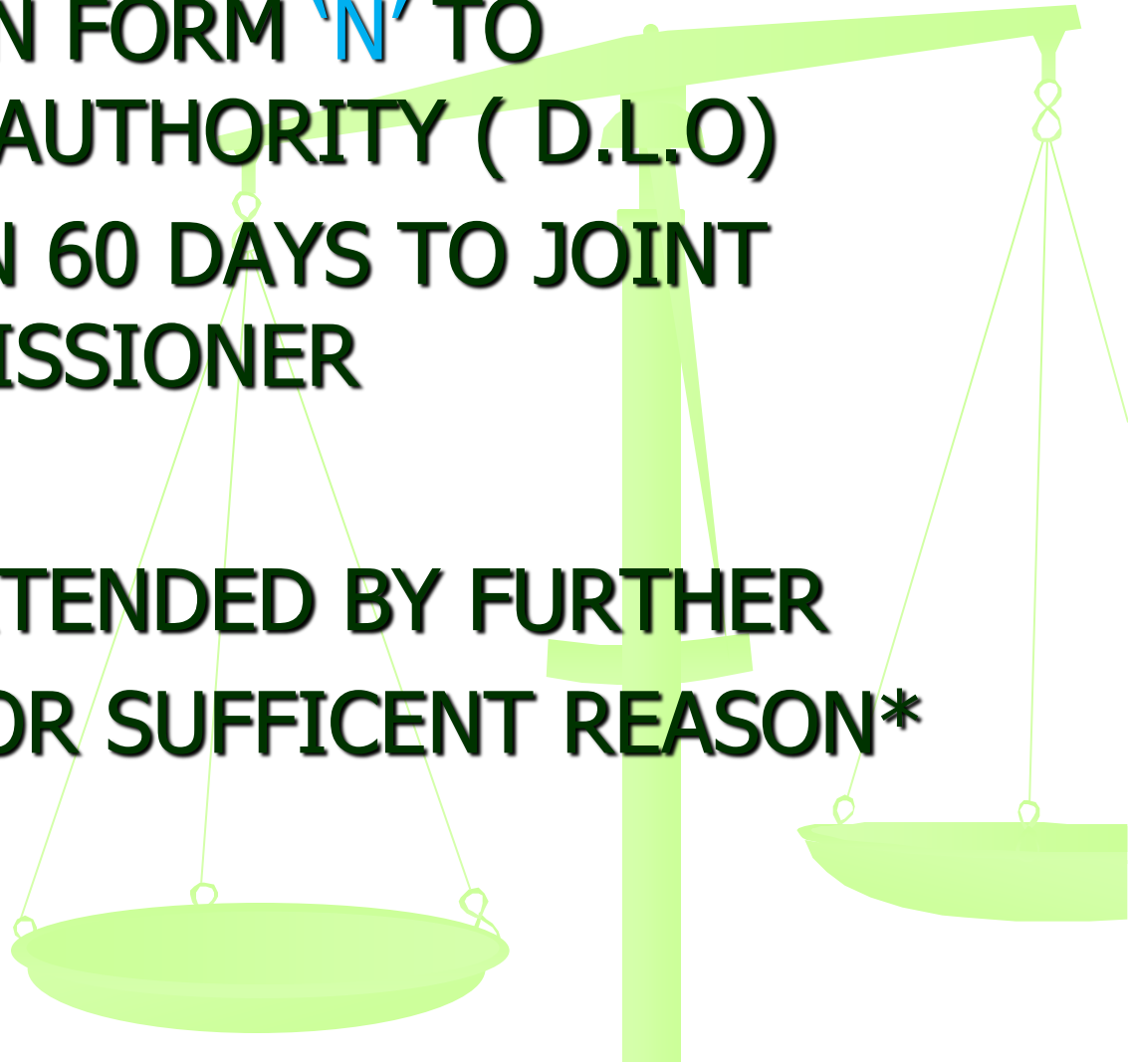
* No claim shall be invalid merely because the claimant failed to present his application specified period.*



DISPOSAL OF DISPUTE

- APPLICATION IN FORM 'N' TO CONTROLLING AUTHORITY (D.L.O)
- APPEAL WITHIN 60 DAYS TO JOINT LABOUR COMMISSIONER

CAN BE EXTENDED BY FURTHER 60 DAYS FOR SUFFICIENT REASON



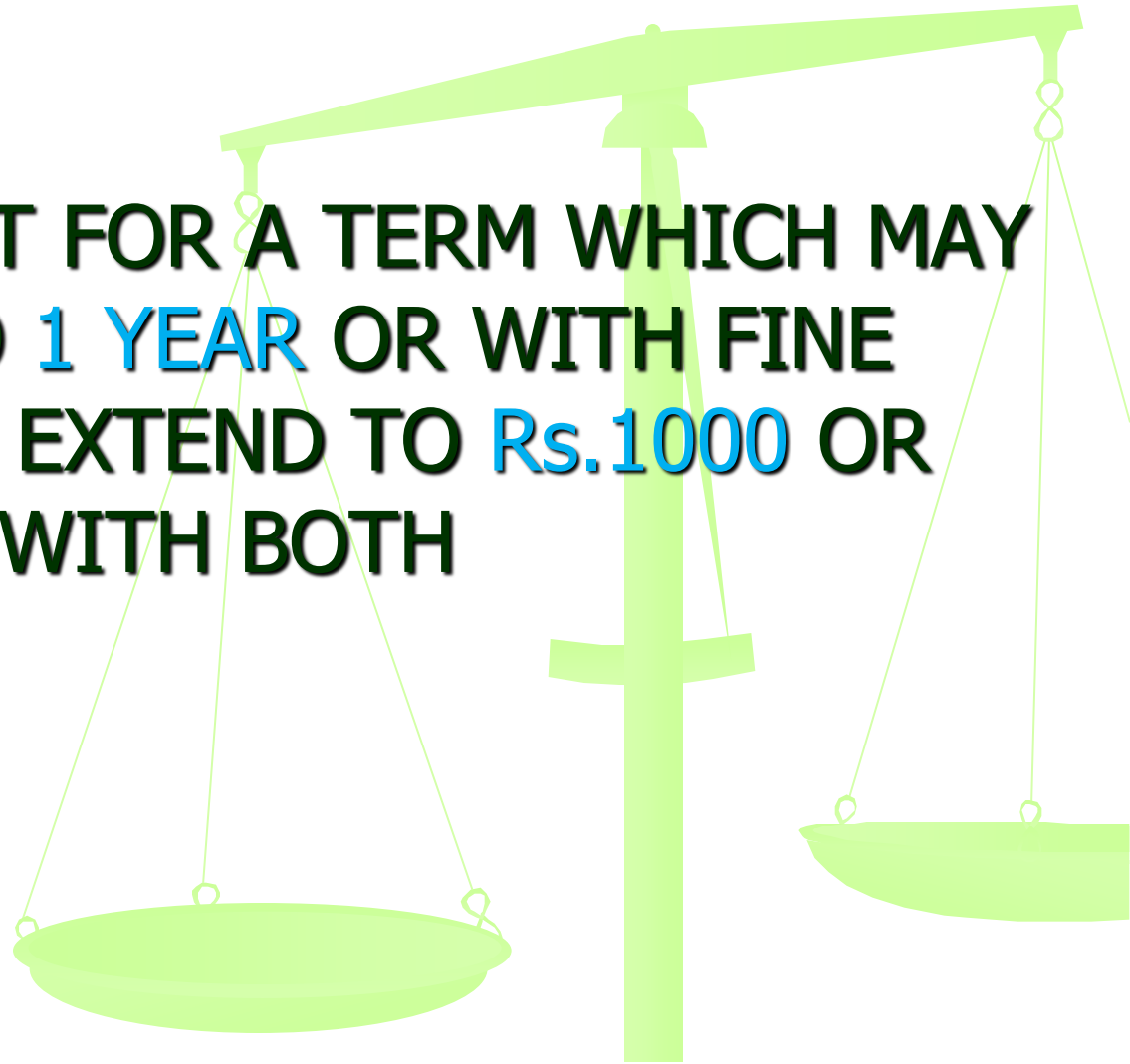
NOTICE TO BE DISPLAYED

- **ABSTRACT OF ACT & RULES**
- **WITH THE NAME OF DESIGNATED OFFICER**
- **NOTICE IN FORM **A** TO THE CONTROLLING AUTHORITY REGARDING OPENING AND CLOSING**



PENALTY

- IMPRISONMENT FOR A TERM WHICH MAY EXTEND TO 1 YEAR OR WITH FINE WHICH MAY EXTEND TO Rs.1000 OR WITH BOTH



MISCELANEOUS

- **MODE OF PAYMENT- CASH, DD, THROUGH BANK**
- **NOTICE OF PAYMENT BY EMPLOYER IN FORM 'L'**
- **RECOVERY THROUGH CONCERNED COLLECTOR AS ARREARS OF LAND REVENUE**

