

The Monthly Chronicle

Payroll & Compliance



August 2020



TDS Return (form 24Q) due date extended

In light of the current COVID situation, to reduce hardship and help companies to remain compliant, the due date for Q1 & Q2 TDS return filing has been extended.

The due date for all TDS return (Form 24Q, 26Q, 27Q and 27QE) for April-June (Q1) and July-September (Q2) has been extended to 31st March 2021.

To read further please refer the official link:

<https://contents.tdscpc.gov.in/en/tds-cpc-communications.html>

Draft Rules under Code on Wages 2019

The "Code on Wages" is the new Labour law which combines the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has proposed draft Rules under Code on Wages 2019 vide Notification No. G.S.R. 432(E), dated 7 July 2020. The salient features of said Rules include:

Calculation of Minimum Wage

The Draft Rules lay down the criteria for fixing the minimum rate of wages per day for employees. These criteria include:

- I. The standard working-class family which includes a spouse and two children apart from the earning worker; an equivalent of three adult consumption units
- II. A net intake of 2700 calories per day per consumption unit
- III. 66 meters cloth per year per standard working class family
- IV. Rent expenditure on house to constitute 10% of food and clothing expenditure
- V. Fuel, electricity, and miscellaneous items of expenditure to constitute 20% of minimum wage
- VI. Expenditure for children education, medical requirement, recreation and expenditure of contingencies to constitute 25% of minimum wage

While fixing the minimum rate of wages, the calculation will be based on the geographical area, which will be divided into three categories: **metropolitan, non-metropolitan and rural areas.**

Also, the occupations of the employees will be categorized into four categories: **unskilled, semi-skilled, skilled, and highly-skilled.**

Time Interval for revision of dearness allowance

The dearness allowance linked to the minimum wage is proposed to be revised twice a year, once before the 1st April and the before the 1st October, taking place annually.

Working Hours

The normal working day is proposed to be comprised of eight hours of work and one or more intervals of rest which in total shall not exceed one hour and shall not spread over more than twelve hours on any day. Also, an employee shall be allowed a day of rest every week and shall be informed of the day fixed as the rest day and any subsequent change in the rest day, before the change is affected.

In case, the employee works on the rest day, the employer needs to ensure a substituted rest day for a whole day on one of the five days immediately before or after the rest day and the required overtime wages.

Please note: In no condition or requirement, the employee shall be made to work for more than ten days consecutively without a rest day for a whole day.

Deductions from wages

The total deductions from wages must not exceed 50% on monthly basis.

The Monthly Chronicle

Payroll & Compliance

Payment of amount due after death

Any amount payable to an employee under the Code is due after his death or on account of his whereabouts not being known, and the amount could not be paid to the nominee of the employee until the expiry of three months from the date the amount had become payable, then, such amount shall be deposited by the employer with the Deputy Chief Labour Commissioner (Central) having jurisdiction, who shall disburse the amount to the person nominated by the employee after ascertaining his identity within two months of the date on which the amount was so deposited with him.

Forms

New Form I and Form IV have been introduced which must be used by every company to maintain Register of Wages, Overtime, Fine, Deduction for damage and Loss in Form I and Form IV to be used for Employee register, electronically or otherwise.

Also, every employer shall issue wage slips, electronically or otherwise to the employees in Form V under section 50(3) of the code on or before payment of wages.

Timely payment of wages for Contract employees

As per new rule, the principal employer needs to ensure:

- Payment is made to the contractor on or before the date of payment of wages (i.e. 7th or 10th of following month as per the establishment)
- Minimum wages are considered for fixing contract payment

To read further please refer to the notification:

<http://egazette.nic.in/WriteReadData/2020/220428.pdf>

Increase in Labour Welfare Fund contribution rate

Kerala State Labour Welfare Board has increased the Labour Welfare Contribution for all the companies/establishments which are covered under Factories Act, 1948. **The revised rates are as at the end of the story.**

These rates are effective from the **16 January 2020**.

Please note: There is no change in Labour Welfare Fund Contribution rates for establishments covered under Kerala Shops & Establishment Labour Welfare Fund Act.

To read further please refer the official notification:

<http://labourwelfarefund.in/downloads/8.pdf>

Applicability	Old Rate of LWF Contribution till 15 January 2020	New Rate of LWF Contribution from 16 January 2020
Employee Contribution	INR 4/- in every half year	INR 45/- in every half year
Employer Contribution	INR 8/- in every half year	INR 45/- in every half year

Extension of validity period of PMGKY scheme

Pradhan Mantri Garib Kalyan Yojana (PMGKY) is a scheme wherein government was to contribute the employee's and employer's contribution (24%) towards the EPF scheme for selected companies for a period of 3 months. **The scheme has been now extended for another 3 months and is now applicable up to August 2020.**

The below are the conditions to be complied by the companies to get the benefits under the scheme:

- The total number of employees employed in an establishment should be up to 100, with 90% or more of such employees earning monthly wages less than INR 15000/- during the three-month period
- Aadhar number of the employee(s) shall be seeded under his/her/their UAN(s)

The eligible establishments have been identified based on the ECR filed by them taking into consideration, the contributory member count from September 2019 to February 2020.

To read further please refer the official notification:

https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/CI_Extn_PMGKY_1142.pdf

Maharashtra LWF due date extended

In light of the current COVID situation, to help companies and avoid any hardship the Maharashtra labour welfare board **has extended the last date for half yearly online remittance of LWF dues for all the companies to 15 August 2020** (the due date was previously 15 July 2020).

The Monthly Chronicle

Payroll & Compliance

West Bengal Labour Department launches online payment

West Bengal LWF board introduced online payment of LWF through the following website:

<https://www.wblwb.org/html/index.php>

All registered employers are requested to make the LWF remittance using online payment method. The online payment can be done by the establishment after registration and getting 'company code' for making such payment.

Steps required for completing payment:

- 1) Visit: <https://www.wblwb.org/html/index.php>
- 2) Click **online revenue collection**
- 3) Select either **# or ##** as mentioned in the guideline above
- 4) Enter **company code** and **Captcha**
- 5) Click **pay online**
- 6) Verify the company details
- 7) Select **the period & enter number of employees** deducted LWF for the wage month June 20 (Please note that the portal will block the payment in case the current half year head count is less than the 5% of previous half year head count- refer guidelines mentioned above)
- 8) Click **submit** and proceed for payment process
- 9) Print the payment acknowledgement

Select the tab, Pay online labour welfare fund contribution by old company code **Establishment who already registered and obtained the code number**

For unregistered establishment, need to register online

EPFO adds a new category for exit employees

Every employer must provide the date of exit for all employees leaving the company for proper PF management. Recently, EPFO added a new line item to capture employees' exit reasons under the UAN form. The existing list, available in the employer unified portal, is:

Employee Exit Reason: Old		
S.No	Exit reason	Code
1	Cessation(Resigned)	C
2	Superannuation	S
3	Retirement	R
4	Death in service	D
5	Permanent Disablement	P

Mobile and bank details mandatory for generating Insured Person (IP) Number under ESIC

As per the latest circular, employers are required to update mobile numbers and bank account details of existing employees registered under the ESI Scheme.

Please note: All cash benefits/claim reimbursements (for as hospitalization and related monetary benefits) will be settled only if the correct bank account details of the beneficiary are available in the system.

These changes has been effective from **1 July 2020**.

To read further please refer the official notification:

<https://www.esic.nic.in/attachments/circularfile/a4bc6f76be243d6427196f6e8d2a3787.pdf>

HUM number for Haryana factories and companies

Haryana government in June 2020 has launched the **Haryana Udhyam Memorandum (H.U.M) Portal**.

This new portal is a unique initiative to bring all industries (i.e micro, small, medium and large enterprises) registered in Haryana on to a single platform.

This portal will help the government create a database of all employees engaged in industrial enterprises in the state including migrant workers which will enable better planning and support. Under this scheme a unique ID called 'HUM Number' (Haryana Udham Memorandum No.) would be allotted to all the Factory / Shops & Commercial establishment / BOCW establishment

To get all details, guideline and SOP for H.U.M:

<http://harudhyam.edisha.gov.in/>

The Monthly Chronicle

Payroll & Compliance

Monthly Calendar

TDS	
Particulars	Due Date
TDS payment for July	7 August 2020
Form 16 for FY 2019-20	15 August 2020

Provident Fund	
Particulars	Due Date
Payment for July	15 August 2020

Employee State Insurance	
Particulars	Due Date
Payment for July	15 August 2020

Professional Tax	
State	Payment Due Date
Andhra Pradesh, Madhya Pradesh & Telangana	10 August 2020
Assam, Odisha,,Maharashtra	30 August 2020
Gujrat	15 August 2020
Karnataka	20 August 2020
West Bengal	21 August 2020

Labour Welfare Fund (LWF)	
State	Payment Due Date
Kerala (For S&E)- (Worker Welfare Fund)	5 August 2020
Maharashtra half yearly remittance	15 August 2020

Other Due Dates	
Item	Due Date
International Worker return under PF	15 August 2020

About ADP®

Designing better ways to work through cutting-edge products, premium services and exceptional experiences that enable people to reach their full potential. Payroll and Compliance informed by data and designed for people.

Learn more at adp.in

