

# Pay structure of employees won't change as Centre defers new wage code

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- **Move due to ongoing elections and states not coming out with their own rules on the codes**

In a major relaxation for salaried employees, the Centre on Wednesday announced that the new wage code affecting take-home salary, which was expected to reduce from April 1, will remain the same until a further decision is taken in the matter. The government has deferred the decision due to pending changes in the labour codes of some states.

Senior government officials attributed the decision to the ongoing elections in the four states, as well as states not coming out with their own rules on the codes.

Should states delay, the Centre may notify its own rules by June. Labour is a concurrent subject and in case of clash between the central laws and state laws, it is the former which prevails, clarified the official.

The draft rules on wage code talk about keeping the basic pay at 50 per cent or more of an employee's total pay. A worker's take-home salary may be reduced as the safety net contribution towards an employee's provident fund will increase.

However, there is still no clarity on the components to be kept under basic pay of employees of the private sector. For government employees, it will include dearness allowance as well.

Companies will have to rearrange the salary structure of its employees. Currently, the take-home salary is much more than 50 per cent.

Also, the rules provide flexibility to companies to provide a four-day week to employees. However, the working hours cannot go beyond 48 hours, clarified the official. Those who offer a four-day week will have to provide three consecutive offdays.

Parliament has already cleared the four Bills — Industrial Relations Code; Code on Occupational Safety, Health and Working Conditions; Social Security Code; Wage Code — by subsuming the 29 labour laws.