Statutory Compliance Checklist

RazorpayX PAYROLL

Government rules for statutory compliance

✓ 1. INDUSTRIAL RELATIONS

The Industrial Disputes Act, 1947

The provisions of this Act are used to settle disputes between employees and their employers or between two employees.



✓ 2. WAGES

The Payment of Wages (Amendment) Act, 2017

This Act guarantees the payment of wages to employees by the employer on time without any deductions other than those stated by the Government.

The Payment of Bonus Act (Amendment), 2007

This Act ensures that all employees get the annual bonus in certain establishments, industries, and factories with more than 20 employees.

Minimum Wages Act, 1948

The Act ensures the payment of a minimum wage or salary to both skilled and unskilled workers.

✓ 3. SOCIAL SECURITY

The Payment of Gratuity Rules, 1972

This Act promises gratuity and incentives to the employees working in a particular organisation and applies to all establishments having more than 10 or more employees.

The Employees Compensation (Amendment) Act, 1923

This Act mandates the employer to inform the employee about his/her compensation before the commencement of employment.

The Employees' Provident Fund & Miscellaneous Provisions (Amendment) Act, 1952

This Act ensures the social welfare and security of the employee in an establishment and is applicable for establishments with over 20 employees. Both the employee and the employer are required to contribute the same amount to the employee's provident fund account.

PF is divided into 2 funds: EPF (Employees' Provident Fund) and EPS (Employees' Pension Scheme). Following are the PF rates stated by the Government of India:

	Employee's Contribution	Employer's Contribution
EPF	12% of (Gross - HRA)	3.67%
EPS	0	8.33%
TOTAL	12%	Tax 12%
EXEMPTIONS	Not tax-exempt, but eligible for deduction under 80C	Tax exempt

Additionally 1% of PF admin and EDLI (Employee Deposit Linked Insurance Scheme) should be paid by the employer

The Employees' State Insurance ESI Act, 1948

The ESI Act ensures several medical benefits to employees in case of sickness, maternity, medical emergencies, and injuries who are employed in non-seasonal factories using power – with 10 or more workers – and factories without power – with 20 or more employees.

The employer and employee percentages are as follows:

Contribution	% of Gross salary
Employee's contribution	0.75%
Employer's contribution	3.25%%

Labour Welfare Fund Act, 1965

The Act ensures that the working conditions of labourers are improved, they get social security benefits, and there is a marked increase in their standard of living.

✓ 4. WOMEN'S BENEFITS



Equal Remuneration Act, 1976

This Act ensures that there is no gender-based parity when it comes to wage payment by the employer, and there is equality in payment of wages to employees irrespective of their gender.



Maternity Benefit Act, 1961

The Act helps them secure jobs by providing certain months of paid leave during maternity to take care of their newborn child.