## Code on Wages, 2019 makes minimum wages universally applicable across employments

Posted On: 20 MAR 2023 9:06PM by PIB Delhi

Minister of State for Labour and Employment, Shri Rameswar Teli in a written reply to a question in Lok Sabha today informed that the provision of minimum wages under the Minimum Wages Act, 1948 provides for cost of living allowance as a component of minimum wages. Accordingly, the Central Government revises the cost of living allowance called as Variable Dearness Allowance (V.D.A) on basic rates of minimum wages under the Minimum Wages Act, 1948, every six months effective from 1st April and 1st October every year on the basis of Consumer Price Index for Industrial workers to protect the minimum wages against inflation.

In the written reply it was stated that recently the provisions of the Minimum Wages Act, 1948, have been rationalized and subsumed under the Code on Wages, 2019 and the components of minimum wages stipulated therein also provide for cost of living allowance. Further, the Code makes minimum wages universally applicable across employments and thus moves ahead from restrictive applicability of minimum wages limited to scheduled employments as provided for under the Minimum Wages Act, 1948.

As per Section 4 of the Minimum Wages Act, 1948, the minimum rate of wages may consist of:

(i) a basic rate of wages and a special allowance at a rate to be adjusted, at such intervals and in such manner as the appropriate Government may direct, to accord as nearly as practicable with the variation in the cost of living index number applicable to such workers (hereinafter referred to as the "cost of living allowance"); or

(ii) a basic rate of wages with or without the cost of living allowance and the cash value of the concessions in respect of supplies of essential commodities at concessional rates, where so authorised; or

(iii) an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any.

As the Central Government and the State Governments are appropriate Governments to fix, review and revise the minimum rates of wages in scheduled employments in their respective jurisdictions in terms of section 4 the Act, the minimum rates of wages vary from one jurisdiction to another.

The Variable Dearness Allowance (VDA) on basic rates of minimum wages is revised every six months in the Central sphere and it was last revised w.e.f. 01.10.2022. A statement showing increase in the rates of wages on account of increasing V.D.A payable to the employees engaged in the scheduled employments in the Central Sphere is at Annexure.

## Annexure

## Statement showing increased rates of minimum wages on account of revision of VDA from 19.01.2017 to 01.10.2022

S c h e d u l e d Employment	Category of Workers	Rates of Wages including V.D.A per day (in Rs.)					
		Area A		Area B		Area C	
		19.01.2017	01.10.202 2	19.01.2017	01.10.2022	19.01.201 7	01.10.2