

# Code on Wages makes Minimum Wages Universally Applicable across Employments

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The Minimum Wages Act, 1948 provides that minimum rate of wage may consist of, inter-alia, basic rate of wages and cost of living allowances.

The Central Government revises the cost-of-living allowance called as Variable Dearness Allowance (V.D.A.) on the basic rates of minimum wages under the Minimum Wages Act, 1948, every six months effective from 1<sup>st</sup> April and 1<sup>st</sup> October every year on the basis of Consumer Price Index for Industrial workers to protect the minimum wages against inflation.

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.

This information was given by the Union Minister of State for Labour & Employment, Smt. Shobha Karandlaje in a written reply in Lok Sabha today.

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