

***SENATE OF PAKISTAN
HOUSE OF THE FEDERATION***

Report No.33



***Report of the Senate Standing Committee on Interior on the Bill "The
Payment of Wages (Amendment) Bill, 2017 introduced by Senator
Muhammad Javed Abbasi on 21st August, 2017"***

PRESENTED BY

SENATOR A. REHMAN MALIK
CHAIRMAN

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON INTERIOR

I, Chairman of the Standing Committee on Interior, have the honour to present the report on "The Payment of Wages (Amendment) Bill, 2017 introduced by Senator Muhammad Javed Abbasi on 21st August, 2017" and referred by the House to the Standing Committee on Interior for consideration and report thereof.

2. The composition of the Standing Committee on Interior is as under:-

1. Senator A. Rehman Malik	Chairman
2. Senator Shahi Syed	Member
3. Senator Mir Israrullah Khan Zehri	Member
4. Senator Muhammad Saleh Shah	Member
5. Senator Muhammad Talha Mehmood	Member
6. Senator Col. (R) Syed Tahir Hussain Mashhadi	Member
7. Senator Dr. Jehanzeb Jamaldini	Member
8. Senator Chaudhary Tanvir Khan	Member
9. Senator Muhammad Javed Abbasi	Member
10. Senator Muhammad Ali Khan Saif	Member
11. Senator Mukhtiar Ahmed Dhamrah @ Aajiz	Member
12. Senator Syed Shibli Faraz	Member
13. Minister for Interior	Ex-officio Member

3. The matter was taken up in the meetings of the Standing Committee held on 23rd October, 2017 and 3rd November, 2017.

4. The Committee disposed of the matter on 3rd November, 2017 and allowed to submit the report to the House. The following members of the Committee attended the meeting.

1. Senator A. Rehman Malik	Chairman
2. Senator Mir Israrullah Khan Zehri	Member
3. Senator Col. (R) Syed Tahir Hussain Mashhadi	Member
4. Senator Dr. Jehanzeb Jamaldini	Member
5. Senator Muhammad Javed Abbasi	Member/Mover
6. Senator Syed Shibli Faraz	Member
7. Minister for Interior	Ex-officio Member

8. Senator Sirajul Haq	Mover
9. Senator Maulana hafiz hamdullah	Mover
10. Senator Muhammad Azam Khan Swati	Mover
11. Senator Sajjad Hussain Turi	Special Invitee

SUMMARY

It was briefed by the Member/Mover, Senator Muhammad Javed Abbasi that the Bill to amend Payment of wages Act, 1936 (IV of 1936) focuses on regulating the payment of wages of certain classes of employees. Section 6, Act IV of 1936 provides that all wages shall be paid in current notes or current currency notes or in both. With the advancement in technology, the ground realities have changed. Transaction through banks is more frequent and easy. To facilitate payment of wages through cheque or by crediting wages in bank account of the employees will minimize complaints regarding non-payment or less payment of wages. It will also serve the objectives of digital or less cash economy. So it is imperative to amend the Payment of Wages Act 1936 to enable the employer to pay the wages to employees through cheques or by crediting to bank account. It is also required that the Federal Government will specify the industrial or other establishments by notification in Official Gazette that shall pay the wages to the employees only through cheques or by crediting through accounts.

RECOMMENDATION

The Committee recommended the following amendments in the Bill:

- 1) In Clause-2, Amendment of Section 6, Act IV of 1936 the word ‘appropriate’ appearing after “the” will be replaced by the word “**Federal**” Government and after this amendment it will be read as follows:

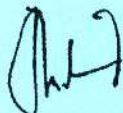
Provided that the **Federal** Government may, by notification in the Official Gazette, specify the industrial or other establishment, the employer of which shall pay to every person employed in such industrial or other establishment, the wages only by cheque or by crediting in his bank account; and accordingly, introduced the Payment of Wages (Amendment) Bill, 2007.

- 2) In the same way in para-3, line-3 of Statement of Objects and Reasons, the word “appropriate” appearing after word “the” will be replaced by the word “Federal” and after amendment in para-3 of the Statement of Objects and Reasons, it will be read as follows:

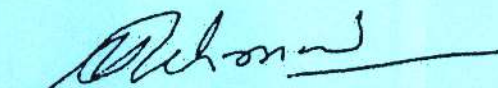
It is, therefore, necessary to amend the Payment of Wages Act, 1936 in order to enable the employer to pay the wages to the employed person also by cheque or crediting it to his bank account and also to enable the **Federal** Government to specify the industrial or other establishments, by notification in the Official Gazette, which shall pay to every employed person, the wages only by cheque or by crediting in his bank account; and accordingly, introduced the Payment of Wages (Amendment) Bill, 2017.

- 3) The committee also recommended that copies of the Bill be dispatched to all the provinces for replication of the same, if deemed necessary by them.

With above recommendations, the Committee unanimously passed the Bill with amendments. The amended Bill is attached.



(JAVOID IQBAL)
Secretary Committee



(SENATOR A. REHMAN MALIK)
Chairman

[AS AMENDED BY THE STANDING COMMITTEE]

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further to amend the Payment of wages Act, 1936

WHEREAS it is expedient further to amend the Payment of Wages Act, 1936 (IV of 1936), for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.- (1) This Act may be called the Payment of Wages (Amendment) Act, 2017.

(2) It shall come into force at once.

2. Amendment of section 6, Act IV of 1936.- In the Payment of wages Act, 1936 (IV of 1936) for section 6, the following shall be substituted, namely:-

"6. All wages shall be paid in current coin or currency notes or by cheque or by crediting the wages in the bank account of the employee:

Provided that the **Federal** Government may, by notification in the Official Gazette, specify the industrial or other establishment, the employer of which shall pay to every person employed in such industrial or other establishment, the wages only by cheque or by crediting the wages in his bank account."

STATEMENT OF OBJECTS AND REASONS

The Payment of wages Act, 1936 (IV of 1936) regulates the payment of wages of certain classes of employed persons. Section 6 of the Act provides that all wages shall be paid in current coin or currency notes or in both.

With the passage of time, technology has changed and a large section of the employed persons have their bank accounts. The payment of wages through cheque or crediting it in the bank account of employed persons will reduce the complaints regarding non-payment or less payment of minimum wages, besides serving the objectives of digital and less cash economy.

It is, therefore, necessary to amend the Payment of Wages Act, 1936 in order to enable the employer to pay the wages to the employed person also by cheque or crediting it to his bank account and also to enable the **Federal** Government to specify the industrial or other establishments, by notification in the Official Gazette, which shall pay to every employed person, the wages only by cheque or by crediting in his bank account; and accordingly, introduced the Payment of Wages (Amendment) Bill, 2017.

[TO BE INTRODUCED IN SENATE]

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