

Employee's Compensation (Amendment) Bill 2016 passed by Lok Sabha

The Lok Sabha passed the Employee's Compensation (Amendment) Bill, 2016 on 9th August, 2016. The Bill will now be placed before Rajya Sabha for approval, after which it would require the President's assent to be notified as an Act.

Proposed Amendments are:

1. Requires an employer to inform the employee of his/her right to compensation under the Act. Such information must be given in writing (in English, Hindi or the relevant official language) at the time of employment. If the employer fails to inform their employees of their respective rights to compensation, penalties may vary between Rs.50,000/- to Rs. 1,00,000/-.
2. Appeals can be made against orders related to compensation, distribution of compensation and awarded penalties or interest. However, this is only applicable if the amount in dispute is up to Rs. 10,000. (Earlier the threshold limit was Rs. 300.)
3. Deletion of the provision which states that if an employer has appealed against a Commissioner's order, any payments towards the employee can be temporarily withheld. The Commissioner may withhold the payment towards an employee only through an order from the High Court of India, until the dispute is resolved.