

# THE MINIMUM WAGES ORDINANCE, 1961

<sup>1</sup>ORDINANCE NO. XXXIX OF 1961

[29th September, 1961]

## **An Ordinance to provide for the regulation of minimum rates of wages for workers employed in certain industrial undertakings.**

WHEREAS it is expedient to provide for the regulation of minimum rates of wages for workers employed in certain industrial undertakings, and for matters ancillary thereto ;

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance :—

**1. Short title, extent and commencement.**—(1) This Ordinance may be called the Minimum Wages Ordinance, 1961.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

**2. Definitions.** In this Ordinance, unless there is anything repugnant. in the subject or context,-

(1) “adult” has the same meaning as in clause (b) of section 2 of the Factories Act, 1934 (XXV of 1934) ;

(2) “Board” means a Minimum Wages Board established under section 3 ;

(3) “Council” means the Minimum Wages Council constituted under section 8 ;

(4) “employer” means any person who employs either directly or through another person, whether on behalf of himself or any other person, any person for whom a minimum rate of wages may be declared under this Ordinance, and includes—

(a) in relation to a factory, a managing agent or other person who has ultimate control over the affairs of the factory ; and

(b) in other cases, any person responsible to the owner for supervision and control of such worker or for payment of his wages ;

(5) “factory” means a factory as defined in clause (j ) of section 2 of the Factories Act, 1934 (XXV of 1934), and includes any place deemed to be a factory under subsection (3) of section 5 thereof ;

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<sup>1</sup>This Ordinance has been applied to the Provincially Administered Tribal Areas or to the parts of those areas to which it does not already apply *see*, Regulation No. I of 1972, s. 2 and Sch.

- (6) “industry”, with its grammatical variations and cognate expressions, means an industry as defined in <sup>1</sup>[clause (xiv) of section 2 of the industrial Relations Ordinance, 1969 (XXIII of 1969) ], and includes a plantation- as defined in clause (iii) of section 2 of the Payment of Wages Act, 1936 (IV of 1936) ;
- (7) “juvenile worker” means a worker who is not adult ;
- (8) “wages” means all remuneration capable of being expressed in terms of money, which would, if the terms of contract of employment, express or implied, were fulfilled, be payable to, a person employed in respect of his employment or of work done in such employment, but does not include—
  - (a) any contribution paid by the employer in respect of such person under any scheme of social insurance or to a pension fund or provident fund ;
  - (b) any travelling allowance or the value of any travelling concession ;
  - (c) any sum paid to such person to defray special expenses incurred by him in respect of his employment ;
  - (d) any sum paid as annual bonus ; or
  - (e) any gratuity payable on discharge ; and
- (9) “worker” means any person including an apprentice employed In any industry to do any skilled or unskilled, intellectual, technical, clerical, manual or other work, including domestic work, for hire or reward, but does not include—
  - (i) persons employed by the <sup>2</sup>[Federal Government] or a Provincial Government ;
  - (ii) persons employed in coal mines in respect of whom minimum wages may be fixed under the Coal Mines (Fixation of Rates of Wages) Ordinance, 1960 (XXXIX of 1960); and
  - (iii) persons employed in agriculture.

**3. Establishment of Minimum Wages Boards.**—(1) As soon as may be after the commencement of this Ordinance, the Provincial Government shall establish a Minimum Wages Board for the Province consisting of the following four members to be appointed by it, namely :—

- (a) the Chairman of the Board ;
- (b) one independent member ;
- (c) one member to represent the employers of the Province ; and

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<sup>1</sup>Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), s. 3 and Sch., II, for certain words.

<sup>2</sup>Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.

- (d) one member to represent the workers of ,the Province ;

Provided that for the purpose of discharging the function of a Board specified in section 5 the following two more members appointed by the Provincial Government shall be added, namely :-

- (i) one member to represent the employers connected with the industry concerned ;  
and
- (ii) one member to represent the workers engaged in such industry.

(2) The Chairman of the Board and the independent member shall be appointed from persons with adequate knowledge of industrial, labour and economic conditions of the Province who are not connected with any industry or associated with any employers' or workers' organization.

(3) The member to represent the employers of the Province and the member to represent the workers of the Province under subsection (1) shall be appointed after considering nominations, if any, of such organizations as the Provincial Government considers to be representative organizations of such employers and workers respectively.

(4) The members referred to in the proviso to sub-section (1) to represent the employers connected with and the workers engaged in the industry concerned shall be appointed after considering nominations, if any, of such organizations as the Provincial Government considers to be representative organizations of such employers and workers respectively.

(5) The term of office of the members of the Board, the manner of filling casual vacancies therein, the appointment of its committees, if any, the procedure and conduct of the meetings of the Board and its committees and all matters connected therewith, including the fees and allowances to be paid for attending such meetings, and other expenses, including expenses for the services of experts and advisers obtained by the Board, shall be such as may be prescribed by rules made under section 17.

**4. Recommendation of minimum rates of wages for unskilled and Juvenile workers.**—(1) A Board shall, upon a reference made to it by the Provincial Government, recommend to such Government, after such enquiry as the Board thinks fit, the minimum rates of wages for adult unskilled workers and juvenile workers employed in industrial undertakings in the Province.

(2) In its recommendations under subsection (1), the Board shall indicate, whether the minimum rates of wages should be adopted uniformly throughout the Province or with such local variations for such localities as are specified therein.

**5. Recommendation of minimum rates of wages for workers with respect to particular industries.** —(1) Where in respect of any particular industry in the Province for which no adequate machinery exists for effective regulation of wages, the Provincial Government is of the opinion that, having regard to the wages of the workers employed in the undertakings engaged in such industry, it is expedient to fix the minimum rates of wages of such workers, it may direct the Board to recommend, after such enquiry as the Board thinks fit, the

minimum rates of wages either for all such workers or for such of them as are specified in the direction

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(2) In pursuance of a direction under sub-section (1), the Board may recommend minimum rates of wages for all classes of workers in any grade and, in such recommendation, may specify-

(a) the minimum rates of wages for-

- (i) time work ;
- (ii) piece work ;
- (iii) overtime work ; and
- (iv) work on the weekly day of rest and for paid holidays ; and

(b) the minimum time rates for workers employed on piece work so as to guarantee minimum wages on a time basis for such workers.

(3) The time rates recommended by the Board may be on hourly, daily, weekly or monthly basis.

(4) The rates recommended under this section for overtime work and work on paid holidays shall not be less than the minimum rates fixed for such work under any other law for the time being in force.

**6. Power to declare minimum rates of wages.**—(1) Upon receipt of a recommendation of the Board under section 4 or section 5, the Provincial Government may,—

- (a) by notification in the official Gazette, declare that the minimum rates of wages recommended by the Board for, the various workers shall, subject to such exceptions as may be specified in the notification, be the minimum rates of wage;; for such workers ; or
- (b) if it considers that the recommendation is not in any respect, equitable to the employers or the workers, within thirty days of such receipt, refer it back to the Board for reconsideration with such comments thereon and giving such information relating thereto as the Provincial Government may think fit to make or give.

(2) Where a recommendation is referred back to the Board under clause (6) of sub-section (1), the Board shall reconsider it after taking into account the comments made and information given by the Provincial Government and, if necessary, shall hold further enquiry and submit to such Government—

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<sup>1</sup>The original proviso was omitted by A.O., 1964, Art. 2 and Sch.



**7. Periodical review of minimum rates of wages.**—(1) The Board shall review its recommendations, if any change in the economic conditions and cost of living and other relevant factors so demand, and recommend to the Provincial Government any amendment, modification or revision of the minimum rates of wages declared under section 6 :

Provided that no recommendation shall be reviewed earlier than one year from the date on which it was made, unless the special circumstances of a case so required, and later than three years from such date.

(2) Review and recommendation under this section shall be deemed to be an enquiry and recommendation under section 4 or, as the case may be under section 5, and, so far as may be, the provisions of this Ordinance shall; to such review and recommendation, apply accordingly.

**8.** *[Constitution of the Minimum Wages Council.] omitted by A.O., 1964, Art. 2 and sch.*

**9. Prohibition to pay wages at a rate below the minimum rate of wages.**—(1) Subject only to such deductions as may be authorized under this Ordinance or under any other law for the time being in force, no employer shall pay *any worker wages* at a rate lower than the rate declared under this Ordinance to be the minimum rate of wages for such worker.

(2) Nothing in subsection (1) shall be deemed-

- (a) to require or authorize an employer to reduce the rate of wages of any worker ;  
or
- (b) to affect, in any way, the right of a worker to continue to receive wages at a rate higher than the minimum rate declared under this Ordinance if, under any agreement, contract or award, or as a customary differential, or otherwise, he is entitled to receive wages at such higher rate, or to continue to enjoy such amenities and other advantages as are customary for such worker to enjoy ; or
- (c) to affect the provisions of the Payment of Wages Act, 1936 (IV of 1936).

(3) Any employer who contravenes the provisions of this section shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five hundred rupees or with both, and if the Court trying such contravention by order so directs, shall also pay to the worker concerned such sum as may be specified in the order to represent the difference between the amount actually paid to such worker and the amount which would have been paid to him had there been no such contravention.

**10. Cognizance of offences.** No Court inferior to that of a Magistrate of the first class shall take cognizance of an offence punishable under this Ordinance or the rules made thereunder, and cognizance shall not be so taken except upon a complaint in writing made by the Provincial Government or by any person authorized in this behalf by such Government.

**11. Protection of the proceedings of a Board or the Council.** No act or proceeding of a Board <sup>1</sup>\* \* shall be invalid or questioned merely on the ground of existence of any vacancy therein or of any defect in the constitution or in the appointment or qualification of any member thereof.

<sup>2</sup>**12. Powers of Boards, etc., to collect information.**—(1) Any Board or the Council, or the Chairman of a Board or the Council, may, for the purpose of an enquiry under this Ordinance or the rules made thereunder, direct any employer to furnish such records, documents or information and do such other acts as the Board, the Council or the Chairman, as the case may be, may require, and every such employer shall comply with such direction.

(2) The Chairman of the Boards <sup>3</sup>\* \* and such members, officers and servants thereof as are authorized in this behalf by the Chairman, may, for the discharge of any function under this Ordinance or the rules made thereunder,—

- (a) enter, at all reasonable times, any factory ;
- (b) inspect any books, registers and other documents relating to such factory ; and
- (c) record statements of persons connected with the working of such factory;

Provided that no one shall be required under this clause to answer any question tending to criminate himself.

(3) Any employer who contravenes the provisions of subsection (1), and any person who wilfully obstructs anyone in the exercise of any power under subsection (2), or fails to produce on demand thereunder any books, registers or other documents, shall be punishable with fine which may extend to five hundred rupees.

**13. Certain powers of Court to Boards, etc.** The Boards <sup>4</sup>\* \* shall, while holding an enquiry under this Ordinance or the rules made thereunder, be deemed to be Civil Courts and shall have the same powers as are vested in such Courts under the Code of Civil Procedure, 1908 (Act of 1908), in respect of the following matters, namely :—

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<sup>1</sup>The original words “or of the Council” omitted by A.O., 1964, Art. 2 and Sch.

<sup>2</sup>Subs. *ibid.* for the original, sub-section (1).

<sup>3</sup>The words and comma “and the Council,” were omitted, *ibid.*

<sup>4</sup>The words “and the Council”, omitted *ibid.*

- (a) enforcing the attendance of any person and examining him on oath ;and
- (b) compelling the production of documents and material objects ;
- (c) issuing commissions for the examination of witnesses,

**14. Chairmen, etc., deemed to be public servants.**— The Chairmen of the Boards <sup>1</sup>\*  
\* and the members, officers and servants thereof, shall all be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860).

**15. Bar to legal proceedings.** No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Ordinance or the rules made thereunder.

**16.** *[Rules relating to Council.] Omitted by A.O., 1964, Art. 2 and Sch.*

**17. Rules relating to Boards.**—(1) Subject to the provisions of section 16, the Provincial Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Ordinance.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the matters specified in subsection (5) of section 3 ;
- (b) the giving of opportunities to persons likely to be affected by the minimum rates of wages to offer comments and make suggestions ;
- (c) fixing normal hours of work for the purpose of determining time work ;
- (d) giving adequate publicity to the minimum rates of wages declared under this Ordinance ;
- (e) the maintenance of wage books, wage slips, registers and other records and prescribe their forms and particulars to be entered therein and the manner of authenticating such entries ;
- (f) the preparation and submission of reports and returns ;
- (g) the appointment of Inspectors or other officers and prescribe their powers and functions ; and

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<sup>1</sup>The words and comma “and the Council,” were omitted by A.O., 1964, Art. 2 and Sch.



- (h) such other matters for which rules are considered necessary for effectively carrying out the provisions of this Ordinance.

(3) Rules made under this section may provide that any contravention thereof shall be punishable with fine not exceeding five hundred rupees.

**18.** *[Repeal and savings.] Omitted by the Federal Laws (Revision and Declaration) Ordinance, 1981 (XXVII of 1981, s. 3) and Sch. II.*

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