

**RESEARCH, LEGISLATION & LABOUR
STANDARDS DIVISION**

EXPORT ENTERPRISES

REMUNERATION ORDER

REGULATIONS 1984



THE INDUSTRIAL RELATIONS ACT

REGULATIONS MADE BY THE MINISTER UNDER SECTION 96 OF THE INDUSTRIAL RELATIONS ACT.

GN No. 191 of 1984 Effective 14.12.1984

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[GN No 169 of 1975, 148/76, 127/77, 238/77, Reprint No 6 of 1979, 51/79, 266/79, 145/81, 262/81, 134/83, 199/83]

1. These regulations may be cited as the **Export Enterprises (Remuneration Order) Regulations 1984.**

2. In these regulations -

"clerk" -

- (a) means a worker employed for the purpose of performing clerical or similar duties;
- (b) does not include a telephonist, a receptionist or a typist;

"continuous employment" means -

- (a) subject to paragraph(b), the employment of a worker under an agreement or under more than one agreement where the interval between an agreement and the next does not exceed 28 days;
- (b) for the purpose of paragraphs 5, 6, and 14 of the Second Schedule --
 - (i) at least 250 days' work performed by a worker employed on a six-day week;
 - (ii) at least 208 days" work performed by a worker employed on a five-day week;

"driver Grade I" means a driver who drives a vehicle of over 10 tons;

"driver Grade 2" means a driver who drives a vehicle of more than 5 tons but not more than 10 tons;

"driver Grade 3 " means a driver other than a driver Grade I or a driver Grade 2;

"earnings" in relation to a worker -

- (a) means basic wages; and
- (b) includes -
 - (i) wages for work done in excess of a normal day's work or on a public holiday;
 - (ii) remuneration paid under paragraphs 5, 6, 9(i) and 10 of the Second Schedule; and
 - (iii) any productivity payment; (GN No 39/86)

"electrician" means a worker who -

- (a) attends to electrical apparatus; and
- (b) does simple electrical installation and repairs ;

"export enterprise" has the same meaning as in the Export Processig Zones Act; (*The Industrial Expansion Act 1993, Act No 11 of 1993-28.04.1993*)

"factory worker" -

- (a) means a worker who performs manual tasks requiring a particular skill or aptitude; and
- (b) includes a person who is required to attend to or operate a machine; (GN.No 65/87)

"mechanic" means a worker who -

- (a) attends to, and services machinery; and
- (b) does simple mechanical installation and repairs;

"packer" -

- (a) means a worker who -
 - (i) ties products or bundles of products by means of a machine;
 - (ii) marks products with a manually operated stamping machine;
 - (iii) burns identifying data on wooden boxes or box parts; and
- (b) includes a labeller and any other worker who performs similar duties;

"productivity payment" -

- (a) means all sums of money, by whatever name called, paid to any category of worker in respect of any work performed by him over and above or in addition to the basic work agreed upon between him and his employer, and exclusively related to productivity;

- (b) does not include payment (such as attendance bonus, acting allowance, night duty allowance, meal allowance and travelling allowance) which is not linked exclusively with productivity; (GN No 39/86)

"prolonged illness" means the period of illness of a worker which is -

- (a) wholly spent in a clinic or hospital; or
- (b) spent at home for the recuperation of his health, on the recommendation of a medical practitioner of a clinic or hospital or of a panel of doctors agreed upon between the employer and the worker or the worker's trade union representative;

"trainee" means a worker who is employed for the purpose of being trained in a job;

"unskilled worker "-

- (a) means a person who performs manual tasks requiring physical effort but no particular skill or aptitude;
- (b) includes a cleaner, a packer and a worker, other than a trainee, who does not have the required skill and is employed to assist other workers; (GN No 65/87)

"worker" means any person employed by an export enterprise;

3. (1) Subject to the other provisions of this regulation and regulation 5, every worker shall be -
- (a) remunerated at the rates specified in the First Schedule; and
 - (b) governed by the conditions of employment specified in the Second Schedule.
- (2) The rates specified in the First Schedule and in paragraph 3(2)(b)(ii) of the Second Schedule include the appropriate additional remuneration payable under the Additional Remuneration Act.
- (3) (a) Where a scale of wages applies to a worker, his entry point in the scale shall be determined having regard to the number of completed years' service he reckons with his employer in the category, and every worker shall receive one increment for every completed year of service.
- (b) Any training period shall not be reckoned for the purpose of this regulation.
- (4) Where a worker is called upon to replace a worker drawing a higher remuneration he shall be paid the remuneration applicable to that other worker.
- (5) (a) Where a trainee is undergoing training, he shall be remunerated at three--fourths of the relevant rate specified in the First Schedule;
- (b) The period of training shall not exceed 3 months;

- (c) Where at the end of the training period, the worker continues to be employed, he shall be employed in the appropriate category;
 - (d) No worker shall be employed as a trainee more than once by the same employer.
- 4. Any agreement by a worker to relinquish his right to a paid holiday or to forego such holiday shall be void.
- 5. Nothing in these regulations shall -
 - (1) (a) prevent an employer from paying a worker remuneration at a rate higher than that specified in the First Schedule or from providing him with conditions of employment more favourable than those specified in the Second Schedule;
 - (b) authorise an employer to reduce a worker's remuneration or to alter his conditions of employment so as to make them less favourable.
 - (2) Where, as at 30 June 1987, a worker was being paid remuneration at a rate higher than that specified for his category and in respect of his length of service, the employer shall, as from 1 July 1987, pay an additional remuneration of -
 - (a) 10 % in respect of a worker specified in part I of the First Schedule; or
 - (b) 15 % in respect of a worker specified in Part II of the First Schedule, of that specified rate. (GN No 65/87)
- 6. For the purpose of paragraphs 5, 6 and 14 of the Second Schedule -
 - (a) maternity leave;
 - (b) a day on which a worker is on prolonged illness;
 - (c) a day on which an employer is unable to provide work;
 - (d) a day on which a cyclone warning Class III or IV is in force; or
 - (e) injury leave, following injury arising out of and in the course of employment;shall be deemed to be a day at work.
- 7. The Export Enterprises (Remuneration Order) Regulations 1975 are repealed.

Made by the minister on 14 December 1984.

SECOND SCHEDULE

(regulation 3)

1. Normal Working Hours

- (1) The normal working week for every worker shall consist of 45 hours' work, excluding time allowed for meal and tea breaks.
- (2) Subject to subparagraph(3), every worker shall be entitled on every working day to -
 - (a) a lunch break of one hour to be taken between 10 a.m and noon on or off the factory premises; and
 - (b) two tea breaks of 10 minutes each, the first to be taken not earlier than 2 hours before lunch and the second not later than 2 hours after lunch;
- (3) Where a shift system is in operation, the time of the breaks for meals and tea shall be mutually agreed between the employer and the worker .(GN No 65/87)

2. Extra Work

- (1) A worker may be required to perform extra hours of work for up to 10 hours per week.
- (2) No worker shall, except with his consent, be required to perform extra hours of work in excess of 10 hours per week.
- (3) No employer shall require a worker to perform extra hours of work unless he has given notice to the worker of the extra work to be performed and its duration at least 24 hours in advance.
- (4) Subject to paragraphs (9) and (10), a worker, other than a watchman, who -
 - (a) works on a public holiday shall be remunerated -
 - (i) for the first 8 hours, at twice the basic rate;
 - (ii) thereafter, at three times the basic rate;
 - (b) performs more than 45 hours' work in any week, shall, except for work performed on a public holiday, be remunerated, in respect of the additional hours of work which he performs, as follows -
 - (i) for the first 10 hours, at one and a half times the basic rate per hour;
 - (ii) for the next 5 hours, at twice the basic rate per hour; and
 - (iii) thereafter, at 3 times the basic rate per hour.
- (5) Subject to paragraph (9), a watchman who -

- (a) works on a public holiday shall be remunerated -
 - (i) for the first 12 hours, at twice the basic rate;
 - (ii) thereafter, at 3 times the basic rate;
- (b) performs more than 72 hours' work in any week, shall, except for work performed on a public holiday, be remunerated at one and a half times the basic rate per hour in respect of the additional hours of work which he performs.(GN No 65/87)

3. Notional Calculation of Basic Rate

GN No 146/2004

- (1) The remuneration specified in the First Schedule in relation to watchman represents payment in respect of 45 hours' work and 27 additional hours.
- (2) For the purpose of determining remuneration due for extra work or any other cause --
 - (a) the weekly basic rate of a monthly paid worker, other than a watchman, shall be deemed to be three- thirteenths of the monthly basic rate;
 - (b) the basic rate per hour shall be deemed to be -
 - (i) one forty-fifth of the weekly basic rate, in the case of a worker, other than a watchman;
 - (ii) Rs 7.69, in the case of a watchman.

4. Payment of Remuneration

Every worker shall be paid his wages during working hours -

- (a) in the case of a monthly worker, not later than the second working day in the following month;
- (b) in every other case, not later than the last working day of the week.

5. Annual Leave

- (1) Where a worker has remained in continuous employment with the same employer for 12 consecutive months, he shall in the following 12 months be entitled to -
 - (a) 14 days' leave on full pay in the case of a worker employed on a six-day week;
 - (b) 12 days' leave on full pay in the case of a worker employed on a five-day week.
- (2) Six days of the annual leave specified in subparagraph(1) may be taken consecutively at such time as the worker may, on application made to and approved by the employer, elect.

- (3) The remaining days of the annual leave shall be taken at such time as the worker and the employer may agree or, in default of agreement, at such time as the employer may determine.
- (4) A worker shall be paid a normal day's pay in respect of each day's annual leave still due to him at the end of a period of 12 consecutive months, except where, before the end of the period, he has -
 - (a) not applied for the leave specified in subparagraph(2);
 - (b) been dismissed from his employment for misconduct; or
 - (c) broken his agreement.

6. Sick Leave

(GN No 65/87)

- (1) Subject to subparagraph(2), where a worker who has remained in continuous employment with the same employer for 12 consecutive months is sick, he shall during the following 12 months be entitled to -
 - (a) in the case of a worker employed on a six-day week -
 - (i) 21 days' sick leave on full pay; and
 - (ii) a further period of 14 days' sick leave on full pay for prolonged illness;
 - (b) in the case of a worker employed on a five-day week -
 - (i) 18 days' sick leave on full pay; and
 - (ii) a further period of 12 days' sick leave on full pay for prolonged illness.
- (2) Where a worker is absent from work on the ground of illness, he shall -
 - (a) notify his employer of the illness not later than the second day of his absence, unless his employer is aware of the nature of his illness; and
 - (b) forward a medical certificate to his employer so as to reach his employer not later than on the third day of his absence if the illness continues for more than 2 consecutive days.
- (3) An employer may, at his own expense, cause a medical practitioner to examine a worker who is absent on the ground of illness.
- (4) A worker shall not be entitled to any payment in respect of any period of absence on the ground of illness following immediately upon the expiry of an annual leave unless he produces a medical certificate covering the period of absence.

7. Transport Benefits and Facilities

GN No 65/87

- (1) Every worker shall be entitled to free transport or be paid the return bus fare where no free transport is available, if the distance between his residence and the place where he reports for work exceeds 3.2 km (2 miles).
- (2) Where a worker is required by his employer to attend or cease work at any time when no public bus service is available, the employer shall, irrespective of the distance between the place of residence and the place of work, provide appropriate free means of transport from the worker's residence to or from his place of work or both, as the case may be, provided that in these cases transport shall be provided up to a practicable place nearest the worker's residence.

8 Maternity Benefits

GN No 65/87 & 137/90

- (1) Subject to subparagraph(2), where a female worker has remained in continuous employment with the same employer for 12 months immediately preceding her confinement, she shall, on production of a medical certificate, be entitled to -
 - (a) 12 weeks leave on full pay to be taken at her discretion before and/or after confinement provided that at least 6 weeks' leave shall be taken immediately following the confinement; and
 - (b) an allowance of **Rs 300** payable within 7 days of her confinement.
- (2) Where a female worker who has at any time had 3 confinements is pregnant, she shall not be entitled to the benefits specified in subparagraph(1) but she shall be entitled to only the leave specified in subparagraph(1)(a) without pay.
- (3) Wherever possible and at her request, every female worker who has entered in her seventh month of pregnancy shall not be allocated work requiring continuous standing.

9. Public Holidays

- (1) Where a worker, other than a monthly paid worker, has remained in continuous employment with the same employer for 12 consecutive months, he shall be entitled, in the following 12 months, to a normal day's wages in respect of every public holiday

other than a Sunday, that occurs while he is in the service of the employer and on which he is not required to work.

- (2) Where a worker who would otherwise have been entitled to a normal day's wages under subparagraph(1) or a monthly paid worker is called upon to work on a public holiday, he shall --
 - (a) in the case of a public holiday, other than a Sunday, be paid at the end of the next pay period, one normal day's wages in addition to any remuneration due under paragraph(2); or
 - (b) in respect of a normal day's work, instead of being paid at twice the basic rate, be paid at the normal rate and be granted one day off duty with a normal day's pay in the next following week.

10. Piece Rate Work

GN No 65/87

- (1) Subject to subparagraph(2), a worker may be required to perform piece work by his employer at such rates, to be agreed upon between them, which shall not be less than a sum exceeding the appropriate rates specified in the First Schedule by 10 per cent.
- (2) Where a worker is required to perform piece work on a public holiday or in excess of 45 hours in any week, he shall be remunerated at a rate which shall not be less than a sum exceeding that to which he would be entitled under paragraph(2)(1) by 10 per cent.
- (3) Notwithstanding subparagraph(1) or (2), every worker who is remunerated on a piece rate basis and who earns more than the appropriate rate specified in the First Schedule plus 10 per cent, shall, in accordance with the Additional Remuneration Act 1986, be paid an additional remuneration of 5 per cent of the whole amount actually earned by him.
- (4) Notwithstanding subparagraph(1) or (2), every worker who is remunerated on a piece rate basis shall, with effect from 1 July 1987, be paid an additional remuneration of 15 per cent of the appropriate rate specified as at 30 June 1987 for his category and in respect of his length of service.

11. Meal Allowance

GN No 71/2003

- (1) Where a worker is required to perform extra work:
 - (i) for less than two hours but at least up to 7.00 p.m.; or

- (ii) for a period covering at least two hours and extending to at least 1800 hours, after having completed a normal day's work, he shall, in addition to any remuneration due under paragraph 2, be provided with an adequate free meal or a meal allowance of **Rs25** per day.
- (2) The meal allowance specified in subparagraph(1) shall be paid not later than the day on which the next wages are due to be paid.

12. Protective Equipment

GN No 65/87

- (1) Every employer shall provide -
 - (a) a pair of rubber boots and a pair of rubber gloves to every worker who, by nature of his work, is required to work in water;
 - (b) to every watchman -
 - (i) one raincoat every 2 years; and
 - (ii) serviceable flash lights whenever necessary;
- (2) (a) Every employer shall provide -
 - (i) 2 aprons to every factory worker;
 - (ii) 2 overalls or uniforms to every mechanic and electrician.
 - (b) The items specified in this subparagraph shall be issued not later than 31st May in every year.
- (3) Any protective equipment provided under subparagraphs(1) and (2) shall -
 - (a) remain the property of the employer; and
 - (b) except for the raincoat and the items specified in subparagraph(2)(a), be renewed as soon as they become unserviceable.

13. Attendance Bonus

- (1) Every worker specified in the First Schedule and every male factory worker or unskilled worker(male) who, during a period of one month, does not absent himself from work on any day on which he is required to work, shall be entitled at the end of that month to an attendance bonus of not less than 5 per cent of the basic wages he has earned for that month.

- (2) For the purpose of subparagraph(1), absences on annual leave and injury leave following injury arising out of and in the course of employment shall not be deemed to be absence from work

14. End of Year Bonus

GN No 65/87

- (1) Every worker who has remained in continuous employment with the same employer for one year shall be entitled at the end of the year to a bonus equivalent to 1/12 of his earnings for that year.
- (2) Seventy-five per cent of the expected bonus specified in subparagraph(1) shall be paid not later than 5 clear working days before 25 December and the balance on the last working day of the same year.
- (3) Every worker who -
- (a) takes employment during the course of the year;
 - (b) is still in employment as at 31 December; and
 - (c) has performed a number of normal days' work equivalent to not less than 80 per cent of the working days during his employment in that year,
- shall be entitled at the end of that year to a bonus equivalent to 1/12 of his earnings for that year.

15. Death Grant

Where a worker who has been in continuous employment with the same employer for not less than 12 consecutive months dies, the employer shall pay an amount of **Rs.1000** to -

- (a) his spouse; or
- (b) if he leaves no spouse, the person who satisfies the employer that he has borne the funeral expenses.

16. Issue of Payslips

GN No 65/87

Every employer shall, at the time of paying the wages of a worker, issue to him a payslip stating *inter alia* --

- (a) the worker's name;
- (b) his total wages and allowances;
- (c) all deductions made and the reasons therefor;

- (d) the total number of days on which he was present at work; and
- (e) the number of hours of extra work performed by him.

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THE INDUSTRIAL EXPANSION ACT
ACT No 11 OF 1993

SECTION 20 : EMPLOYMENT AND LABOUR PROVISIONS

- (1) (a) Every employee shall be employed at not less than a weekly rate of pay.
(b) For the purposes of determining the amount which may accrue to any employee for overtime, for work performed on a public holiday or for the grant of paid leave, or the amount to be deducted in respect of absences, the basic rate per hour shall be deemed to be one forty-fifth of the weekly basic rate.

- (2) (a) An employee may be required to work for more than the normal number of hours on any day other than a public holiday provided he is not required to work overtime for more than 10 hours per week, except with his consent.
(b) Overtime shall be paid to an employee where the number of hours of work performed in a week exceeds 45 hours.
(c) The number of hours on which an employee is on annual leave shall be reckoned in the computation of overtime.

- (3) (a) An employee may be required to work on a public holiday.
(b) Where an employee performs not less than a normal day's work on a public holiday the employer may, in respect of the normal day's work, instead of paying the employee at double rate, pay him at the normal rate and grant him one day off duty with a normal day's pay in the following week.

- (4) An employee shall not be allowed or required to work for more than 7 consecutive days.

- (5) A woman who has had 3 confinements shall, if she is pregnant again, be entitled to maternity leave without pay but shall not be entitled to maternity allowance.

- (6) A woman may be required to work between 10 p.m. and 5 a.m. but shall not be required to resume work before a lapse of 12 hours.
- (7) (a) Where the services of an employee are terminated he shall be entitled to receive compensation which shall be equivalent to -
- (i) where he reckons more than 12 months but less than 3 years' continuous service with an employer, not less than one week's wages for each year of service;
 - (ii) where he reckons not less than 3 years' continuous service with an employer, not less than 2 weeks' wages for each year of service.
- (b) Notwithstanding paragraph(a), no compensation shall be payable in any case of dismissal on grounds of serious misconduct where the employer could not in good faith be expected to adopt any other course than to dismiss the employee.
- (8) Part VI of the Labour Act shall not apply to any contract of employment between an employee and his employer except in a case of unjustified dismissal.

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