

**RESEARCH, LEGISLATION & LABOUR
STANDARDS DIVISION**

**FACTORY
EMPLOYEES**

REMUNERATION ORDER

REGULATIONS 2001



THE INDUSTRIAL RELATIONS ACT

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

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Previous :

(GN No. 129 of 1975, 178/75, 147/76, 153/76, 241/77, 68/78, Reprint No5 of 1979, 54/79, 299/80, 124/81, 263/81, 115/83, 208/83)

(GN No. 101 of 1989, 138/90, 181/97, 127/98, 116/99, 155/2000)

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1. These regulations may be cited as the **Factory Employees (Remuneration Order) Regulations 2001.**

2. In these regulations -

"clerk" -

- (a) means an employee employed for the purpose of performing clerical or similar duties; but
- (b) does not include a telephonist, a receptionist or a word processing operator;

"continuous employment" means the employment of an employee under an agreement or under more than one agreement where the interval between an agreement and the next does not exceed 28 days;

"earnings" -

- (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 4, 5, 9, 10, 11(1)(a) and (4) of the Second Schedule;

"employee" -

- (a) means a person employed in a factory ;
- (b) includes an employee specified in the First Schedule; but
- (c) does not include an employee --
 - (i) governed by any other Remuneration Order Regulations;
 - (ii) employed by any parastatal or local authority;

"factory" -

- (a) has the same meaning as in the Labour Act; and
- (b) includes any premises where -
 - (i) a lime kiln is operated;
 - (ii) aloe fibre leaves or thread are processed or treated;
 - (iii) articles are adapted for sale;

"factory attendant" -

- (a) means a person who performs manual tasks involving physical effort but no particular skill, in a factory; and
- (b) includes a cleaner and a gardener employed in a factory and who may also be required to perform therein manual tasks involving physical effort but no particular skill;

"factory operator" means -

- (a) an employee, other than a factory attendant, who performs manual tasks involving a particular skill; and
- (b) includes a person who is required to attend to or operate a machine;

"receptionist or telephonist" means an employee who performs one or more of the following duties -

- (a) operating a telephone switchboard;
- (b) receiving, recording and passing telephone messages;
- (c) supplying information to callers and directing them to persons called upon;
- (d) keeping records of callers;

"unskilled employee" means a person who performs manual tasks of a routine or semi-routine nature and who has not reached the skill required of a factory operator;

"word processing operator" means a person who performs one or more of the following duties --

- (a) typing and collating letters, memoranda and similar matter according to written, dictated or other information;
- (b) performing word processing and simple computer/data processing work; and
- (c) operating a telefax and e-mail services.

3. (1) Subject to paragraph (2) of this regulation and to regulation 5, every employee shall be -

- (a) remunerated at the rates specified in the First Schedule which are inclusive of the additional remuneration prescribed by the Additional Remuneration Act;
- (b) governed by the conditions of employment specified in the Second Schedule.

(2) Where a scale of wages applies to an employee, he shall be entitled to -

- (a) the initial wages prescribed in the scale which applies to him ; and
- (b) one increment in respect of every year of service he reckons with his employer in the category in which he is employed.

4. Any agreement by an employee to relinquish his right to a paid holiday or to forego leave to which he is entitled shall be void.

5. Nothing in these regulations shall -

- (a) prevent an employer from paying an employee 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 an employee's remuneration or to alter his conditions of employment so as to make them less favourable.

6. These regulations shall be deemed to have come into operation on 01 July 2001.

7. The Factory Workers (Remuneration Order) Regulations 1989 are revoked.

Made by the Minister on 02 October, 2001.

SECOND SCHEDULE

(regulation 3(1)(b))

1. Normal working hours

- (1) The normal working week for every employee, other than a watchman, shall consist of 45 hours' work, excluding time allowed for meal and tea breaks, made up of -
 - (a) 8 hours' work on every day other than a Saturday or public holiday, and 5 hours' work on every Saturday other than a public holiday, if the employee is required to work 6 days in a week;
 - (b) 9 hours' work on every day, other than a Saturday or public holiday, if the employee is required to work 5 days in a week.
- (2) Every employee shall be entitled on every working day to -
 - (a) a lunch break of one hour; and
 - (b) 2 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)
 - (a) A normal working week for a watchman shall consist of 72 hours, made up of 12 hours work on every day, other than a public holiday.
 - (b) Where a watchman is required to work on every day of a month, he shall be entitled to 3 days' leave without pay during the month, one of the days being a Sunday.

2. Extra work

- (1) Subject to paragraph 5, where an employee, other than a watchman -
 - (a) works on a public holiday, he shall be remunerated -
 - (i) for the first 8 hours, at twice the basic rate; and
 - (ii) thereafter, at 3 times the basic rate;
 - (b) performs more than a normal day's work, he shall, except for work performed on a public holiday, be remunerated at one and a half times the basic rate per hour.
- (2) 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 three times the basic rate;
 - (b) performs more than a normal day's work on any other day shall be remunerated at one and a half times the basic rate.
- (3) (a) Subject to sub-paragraph (b), where an employee is required to perform extra work immediately after a normal day's work, he shall be granted a rest-period of 15 minutes prior to performing such extra work.
- (b) Such rest-period shall not be reckoned as falling within working hours.

3. Notional calculation of basic rate

For the purpose of determining remuneration due for extra work or for any other reasons -

- (a) a month shall be deemed to consist of 26 days in the case of an employee employed on a 6-day week and 22 days in the case of an employee employed on a 5-day week;
- (b) a day shall be deemed to consist of 8 hours' work in the case of an employee on a 6-day week and 9 hours' work in the case of an employee employed on a 5-day week; and
- (c) a day shall be deemed to consist of 12 hours' work in the case of a watchman.

4. Piece work

- (1) Every employee may be required to perform piece work by his employer at such rates to be agreed upon between them, which shall be so determined that the employee shall earn not less than 10% over and above the relevant rate specified in the First Schedule.
- (2) Where an employee is required to perform piece work on a public holiday or in excess of the normal working hours on any day, he shall be remunerated at a rate which shall not be less than a sum exceeding that which he would be entitled to under paragraph 2(1) by 10%.

5. Extra remuneration for public holidays

- (1) Where an employee, other than a monthly paid employee, 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 an employee who would otherwise have been entitled to a normal day's wages under subparagraph (1) or a monthly paid employee is called upon to work on a public holiday, other than a Sunday, he shall be paid at the end of the next pay period one normal day's wages in addition to any remuneration due under paragraph 2.

6. Attendance bonus

- (1) Every employee 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), absence on annual leave and injury leave following injury arising out of and in the course of employment shall not be reckoned as absence from work.

7. End of year bonus

- (1) Every employee who has remained in continuous employment with the same employer for one year shall be entitled at the end of that year to a bonus equivalent to 1/12 of his earnings for that year.
- (2) Every employee 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% 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.
- (3) 75% of the expected bonus specified in subparagraphs (1) and (2) shall be paid not later than 5 clear working days before 24 December and the balance not later than on the last working day of the same year.

8. Payment of remuneration

- (1) Every employee shall be paid his wages during working hours -
 - (a) in the case of a monthly paid employee, not later than the second working day in the following month;
 - (b) in any other case, not later than the last working day of the week.
- (2) Every employer shall, at the time of paying the wages of an employee, issue to him a payslip stating -
 - (a) the employee's name, category and rates of pay;
 - (b) his total wages and each item of allowance;
 - (c) all deductions made and the reasons therefor;
 - (d) the total number of days on which he was present at work;
 - (e) the number of hours of extra work performed by him and the corresponding extra payment;
 - (f) his national identity number;
 - (g) such other particulars as may be required by the Minister.

9. Annual leave

- (1) Where an employee has remained in continuous employment with the same employer for 12 consecutive months, he shall, in the following 12 months, be entitled to –
 - (a) 16 working days' leave on full pay in the case of an employee employed on a 6-day week;
 - (b) 13 working days' leave on full pay in the case of an employee employed on a 5-day week.

- (2) Seven days of the annual leave may be taken consecutively at such time as the employee 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 employee and the employer may agree or, in default of agreement, at such time as the employer may determine.
- (4) An employee 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 twelve consecutive months except where, before the end of the period, he has -
 - (a) been dismissed from his employment for misconduct; or
 - (b) broken his agreement.

10. Sick leave

- (1) Subject to sub-paragraph (2), where an employee has remained in continuous employment with the same employer for 12 consecutive months, he shall, during the following 12 months be entitled to -
 - (a) 21 days' sick leave on full pay; and
 - (b) a further period of 15 days on half pay in respect of any time which is -
 - (i) wholly spent in a clinic or hospital; or
 - (ii) certified by a medical practitioner of a clinic or hospital as necessary for the recuperation of the employee's health after his discharge from the clinic or hospital.
- (2) An employee who is absent from work on ground of illness shall -
 - (a) notify his employer of the illness on the first day of his absence; and
 - (b) forward a medical certificate to that effect so as to reach his employer not later than the fifth day of absence if the illness lasts for more than 4 consecutive days.
- (3) An employer may, at his own expense, cause a medical practitioner to examine an employee who is absent owing to sickness, with the employees consent.

11. Maternity leave and benefits

- (1) Subject to subparagraph (2), where a female employee 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 1000** payable within 7 days of her confinement.
- (2) Where a female employee 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 employee who has entered in her seventh month of pregnancy shall be offered jobs not requiring continuous standing.
- (4) Where a female employee suffers a miscarriage which is duly certified by a medical practitioner, she shall be entitled to 2 weeks' leave on full pay immediately after the miscarriage.

12. Overseas leave

- (1) Every employer shall grant to every employee reckoning continuous employment with him for a period of at least 15 years, one overseas leave of at least 2 months to be wholly spent abroad.
- (2) At least one month of the leave specified in subparagraph (1) shall be with pay, such pay being effected in advance and at least 7 days before the employee goes abroad.
- (3) For the purposes of annual leave, sick leave and end of year bonus, such overseas leave shall be deemed to constitute attendance at work.

13. Meal allowance

Where an employee who has completed a normal day's work is required to perform extra work after 7 p.m., he shall, in addition to remuneration due under paragraphs 2 and 4, be paid a meal allowance of **Rs 25** per day.

14. Transport benefits and facilities

- (1) Every employee 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 km.
- (2) Where an employee 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 –
 - (a) from the employee's residence to his place of work; or
 - (b) from the employee's place of work to his residence, such transport being provided from, or up to, the nearest practicable place from the employee's residence.

15. Protective equipment

- (1) Every employer shall provide -
 - (a) a pair of rubber gloves, a plastic apron and a pair of mini rubber boots to every employee required to handle corrosive chemical agents;
 - (b) a pair of leather gloves, a plastic apron and a pair of mini rubber boots to every employee who handles aloe fibre or aloe fibre leaves, or feeds leaves in fibre extractors;
 - (c) a pair of rubber boots and a pair of rubber gloves to every employee working in a lime kiln;
 - (d) a pair of rubber boots and a pair of rubber gloves to every employee who, by the nature of his work, is required to work in water;
 - (e) one raincoat every 2 years and a serviceable flashlight for night work to every watchman;
 - (f) 2 overalls or uniforms yearly to every factory operator, factory attendant and unskilled employee.

- (2) Any protective equipment provided under this paragraph shall -
 - (a) remain the property of the employer; and
 - (b) subject to subparagraph (1)(e), be renewed as soon as it becomes unserviceable.

16. Gratuity on retirement before 60 on medical grounds

- (1) Where an employee who has been in the continuous employment of an employer for not less than 10 years retires before the age of 60 on the ground of permanent incapacity to perform his work duly certified by a Government Medical Practitioner, the employer shall pay a gratuity to him.
- (2) The gratuity specified in subparagraph (1) shall be paid in a lump sum and calculated according to the formula ($N \times W / 2$).
- (3) For the purpose of subparagraph (2) -
 - (i) "N" means the number of years of service;
 - (ii) "W" means the last monthly wage.
- (4) The gratuity under subparagraph (1) shall be paid irrespective of any benefits the employee may be entitled to under Part V of the National Pensions Act.

17. Death grant

- (1) Where an employee 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.2500** to -
 - (a) his spouse; or
 - (b) if he leaves no spouse, the person who has borne the funeral expenses.
- (2) For the purpose of subparagraph (1), "**spouse**" means the person with whom the deceased employee had contracted a civil or religious marriage and with whom he was living under a common roof at the time of his death.

18. Gratuity at death

- (1) Where an employee who has been in the continuous employment of an employer for not less than 10 years dies, the employer shall pay a gratuity.

- (2) The gratuity specified in subparagraph (1) shall be paid -
- (a) in a lump sum and calculated according to the formula ($N \times W/2$);
 - (b) to the deceased employee's surviving spouse or, where he leaves no surviving spouse, in equal proportions to his dependants;
 - (c) irrespective of any benefits the employee or his dependants may be entitled to under Part V of the National Pensions Act.
- (3) For the purpose of -
- (a) subparagraph (2)(a) -
 - (i) "**N**" means the number of years of service; and
 - (ii) "**W**" means the last monthly wage.
 - (b) subparagraph (2)(b) --
 - (i) "**spouse**" means the person with whom the employee had contracted a civil or religious marriage and with whom he lived under a common roof at the time of his death; and
 - (ii) "**dependant**" means, in relation to an employee, a relative, other than an orphan, who was -
 - (a) living in the household; and
 - (b) wholly or partly dependant on the earnings of that employee at the time of his death.
