

Covid-19 Government Tells Companies to Protect Wages, not Terminate Workers

Last Updated at March 23, 2020 06:10

- **Companies may look to terminate the contract of workers 'on the pretext' of the Covid-19 or may force their employees to go on leave without pay**

The Central government has asked all companies to ensure that workers, especially contract labour, who take leave as a precaution towards the coronavirus pandemic (Covid-19) should be treated to be 'on duty' and their salaries should not be deducted.

"In the backdrop of such challenging situation, all the employers of public or private establishments are advised to extend their coordination by not terminating their employees, particularly casual or contractual workers from job or reduced their wages, Union labour and employment ministry joint secretary Kalpana Rajsinghot said in a letter dated March 20 sent to employers' associations, adding, "If any worker takes leave, he should be deemed to be on duty without any consequential deduction in wages for this period."

A labour ministry official explained that if workers are considered to be 'on duty', they will be entitled to wages and other benefits.

The advisory further stated that "if the place of employment is to be made non-operational due to the Covid-19, the employees of such unit will be deemed to be on duty." This means that if any establishment is closed due to a positive case of Covid-19 virus in the premises then the employees will be considered to be 'on duty' and not on leave.

The government's advisory stated that the companies may look to terminate the contract of workers "on the pretext" of the COVID-19 coronavirus or may force their employees to go on leave without pay.

"The termination of employees from the job or reduction in wages in this scenario would further deepen the crises and will not only weaken the financial condition of the employee but also hamper their morale to combat their fight with this epidemic," the labour ministry's letter stated.

The Employees' Provident Fund Organisation (EPFO) will continue to provide essential services to workers related to their provident fund claims and pension disbursement, according to an EPFO official. The EPFO will further send an advisory to employers to ensure that they pass on provident fund dues to their workers during the pandemic, the official added.

Disclaimer: The content above is taken from the source mentioned

Resource: Business Standard, 23 March 2020

Copyright © 2019 Aparajitha Corporate Services Pvt., Ltd. All Rights Reserved.

State government such as Maharashtra and Delhi has ordered closure of all establishments or factories as a matter of precaution so that the virus does not spread further. Prime Minister Narendra Modi had said in a public address on Thursday that employers should allow employees to 'work from home' as much as possible and appealed to them to not deduct their wages during this period, especially those in the unorganised sector.

All the sectors of the economy are under severe stress as fallout of the coronavirus outbreak, especially the airline companies as travel curf is being imposed on flights. Recently, low-cost airline GoAir asked some of its employees to go on short-term leave without pay. Many companies had to also shut down as some positive cases of coronavirus emerged among their employees.

Companies in the organised sector have the option of laying off their workers, which is a form of temporary retrenchment, after giving them statutory dues. But in India, around 90 per cent of the workers are in the unorganized sector and do not come under the purview of the labour laws related to social security.