

# Amendment brought to the WRA under the Finance Act 2023

*(Act No. 12 of 2023, wef 20 July 2023)*

21 July 2023

# Normal Working Hours

- Introduction of a compressed week of 4 working days for a full time worker, subject to the following criteria -
  - An employer may require his full time worker to complete his normal week in 4 days provided he has obtained his consent and has given him a notice of at least 48 hours.
  - On request made by the worker, the employer shall allow him to complete his weekly stipulated hours on a 4 days' week basis on the basis of his operational requirements.

# Overtime Computation for a full time worker working on a days' week basis

- Week days – at the rate of 1.5 after performing more than 45 hours a week
  - Public Holidays
    - At the rate of 2.0 for the first 8 hours
    - At the rate of 3.0 after 8 hours
- \* A day shall be deemed to consist of 8 hours irrespective of the number of hours worked by the worker.*

## Notional calculation of basic hourly rate

- Full time Worker
  - Full time worker, other than garde malade: Monthly wages/195 (a month is deemed to consist of 195 hours)
  - Full time garde malade: Monthly wages/312 (a month is deemed to consist of 312 hours)

# Notional calculation of basic hourly rate (Cont'd)

- Part time worker

- in case of prescribed monthly wages:  
Prescribed wages/195

- In case of agreed monthly wages:

Agreed Monthly Wage x 12

52 x No. of working days per week x No. of working hours per day

# Payment of remuneration to Part Time Worker

- The hourly rate payable to part time worker need to be increased by 10% of the hourly rate payable to full time worker

# Payment of remuneration under cyclonic conditions

- A worker is entitled to his normal remuneration while being absent during the period a safety bulletin has been issued, as is the case while a cyclone warning class III or IV is in force.
- An employer is required to provide insurance policies in favour of his workers who will be required to work while -
  - an order has been issued by the National Crisis Committee
  - a cyclone warning class III or IV is in force

## Payment of remuneration under cyclonic conditions (Cont'd)

- The payment of an allowance of 3 times the basic rate per hour has been extended to workers drawing a monthly basic wage exceeding Rs50,000 while they are required to work while a cyclone warning class III or IV is in force.

## Accumulated Annual Leave

- A worker has an option to accumulate his outstanding annual leave at the end of the year in lieu of being refunded.
- The worker will be entitled to the refund of his accumulated annual leave, if any, in the event he ceases to be in employment whether on ground of termination of employment or otherwise.

## Leave to care for child, parents and grandparents with healthcare-related issues

- A worker may now opt to take leave with pay to be reckoned against his full annual/sick/vacation leave to care for his/her child with healthcare-related issues. (Previously limited to 10 days)
- A worker may also opt to take leave with pay, limited to 10 days, to be reckoned against his annual/sick/vacation leave to care for his/her parents or grandparents having healthcare-related issues.

# Childcare Facilities

An employer with more than 250 workers has an obligation to provide with free childcare (crèche) facilities, which need to be duly in compliance with the relevant Legislations, to his workers with children aged up to 3 years.

## Increase in payment of Fuel Allowance

- An employer need to ascertain that the 10% increase in fuel allowance granted to their eligible workers as from July 2022 or otherwise, is not less than Rs1,000 as from 01 July 2023.

# Increase in payment of Fuel Allowance (Example)

Scenario	Fuel Allowance paid in December 2021 (Rs)	Fuel Allowance paid in June 2022 (Rs)	Fuel Allowance paid in July 2022 (Rs)	Statutory Increase granted in July 2022 (Rs)	Fuel Allowance payable in July 2023 (Rs)	Statutory Increase to be granted in July 2023 (Rs)
A	5,000	5,000	5,500	500	6,000	500
B	5,000	6,000	6,000	NIL	6,000	NIL
C	8,000	8,500	8,800	300	9,000	200
D	10,000	10,000	11,000	1,000	11,000	NIL
E	10,000	10,500	11,000	500	11,000	NIL
F	25,000	25,000	27,000	2,000	27,000	NIL

# Disciplinary Committee

For cases of termination of employment on ground of poor performance and misconduct, it is mandatory for the employer to hold a disciplinary committee, despite having received any written explanation from the worker.

# Reinstatement

The claim of reinstatement will be referred to the Tribunal on the following basis:

- the worker has registered his complaint within 15 days of his termination of employment;
- the supervising officer is of opinion that the worker has a bona fide case;
- The complaint of reinstatement is referred to the Tribunal within 30 days of the date of complaint made by the worker.

# Extension of delay for the Redundancy Board to complete its proceedings

The delay for the Redundancy Board to complete its proceedings and to make its Order for cases referred to the Board for reduction of workforce/closure of enterprises has been extended to 60 days.

***(previously being 30 days)***

## **Portable Retirement Gratuity Fund (PRGF) – Alignment of contributions paid under private pension scheme to the contributions payable under PRGF**

- An employer is exempted from the monthly PRGF contribution for his workers covered under a private pensions scheme provided the amount of contributions paid by the employer to the scheme is not less than the amount payable by him under PRGF over a period of every 12 months as from 01 July 2023.
- The administrator or the governing body of a self-administered pension scheme need to ascertain that the amount of contributions paid by the employer under the pension scheme is not less than the amount of contributions payable under PRGF

## **Portable Retirement Gratuity Fund (PRGF) – Alignment of contributions paid under private pension scheme to the contributions payable under PRGF (Cont'd)**

- An employer will be issued with the certificate by the FSC certifying that he has a private pension scheme provided that the administrator or the governing body of a self-administered pension scheme has confirmed to the FSC that the monthly contributions paid by the employer to the private pension scheme is not less than the amount of contributions payable under PRGF.
- For cases where the FSC has already issued certificate to the employer and the amount of contributions paid by the employer to the pension scheme is less than the amount of contributions payable under PRGF, the administrator or the governing body of the self-administered pension scheme has a delay up to 31 December 2023 to adjust the contributions accordingly.

## **Portable Retirement Gratuity Fund (PRGF) – Payment of Gratuity on retirement and at death of a worker**

- An employer is required to submit a return to the Administrator of the PRGF and to the MRA within 15 days of the date of payment of the gratuity in cases of retirement and at death of a worker.

# Portable Retirement Gratuity Fund (PRGF) – Contributions for past services for workers whose length of service is not fully covered under a private pension scheme

- An employer is required to submit a return to the Administrator of the PRGF and to the MRA within 15 days of the date of payment of the gratuity in cases of retirement and at death.
- Where a worker is covered under a private pension scheme by his employer but contributions to the scheme has not been made as from the date of entry of the worker, the employer is required to pay contributions for past services to the MRA –
  - on the basis of 15 days' final remuneration per year or service from date of entry to start date of contribution to the pension scheme;
  - on the basis of 15 days' final remuneration per year or service as from 01 January 2020 to start date of contribution to the pension scheme.
- For cases of retirement and at death, the contributions for the length of service not covered under the pension scheme, calculated on the basis of 15 days' final remuneration per year or service from date of entry to start date of contribution to the pension scheme is payable directly to the worker or to the heirs/legal representative, as the case may be.

## **Portable Retirement Gratuity Fund (PRGF) – Contributions for past services for workers whose length of service is not fully covered under a private pension scheme (Cont'd)**

- For cases of retirement and at death, the contributions for the length of service not covered under the pension scheme, calculated on the basis of 15 days' final remuneration per year or service from date of entry to start date of contribution to the pension scheme, is payable directly to the worker or to the heirs/legal representative, as the case may be.

# **Standardization of mode of calculation of gratuity and lump sum payable to a full-time and part time worker**

The gratuity payable to a worker, including those covered under a private pension scheme for a full-time and part-time worker will be calculated on the basis of a month to consist of 26 days, irrespective of number of days worked by the worker in a week.

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