

GRATUITY

- Applies for every establishment with 10 or more employees.
- Once applied will continue to apply.
- Every employee is covered.
- Establishments with offices in more than one state – Appropriate Government Central Government.

- Gratuity upper limit Rs. 100000
- Continuous service not less than 5 years
- On superannuation, retirement, resignation
- On death or disablement 5 years not necessary.
- Payment to legal heirs / nominees

- Every completed year of service and part thereof in excess of 6 months
- 15 days wages last drawn per year
- For piece rated – average total wage received 3 months period.
- Overtime wages shall not be taken into account
- For seasonal employees 7 days wages per season

- $\text{Wage} / 26 * 15 * \text{years of service}$
- Wages does not include bonus, commission, HRA, OT and other allowances.
- Gratuity payable not liable to be attached.

- Forfeiture of Gratuity – terminated for riotous or violence or disorderly conduct
- One year time limit for claiming gratuity
- But delay can be condoned.
- Notice of opening and closing to be given to Labour Dept.
- Nomination to collected
- Display a notice of the act