



Bill Summary

The Payment of Gratuity (Amendment) Bill, 2007

- The Payment of Gratuity (Amendment) Bill, 2007 was introduced in the Lok Sabha on September 7, 2007. The Bill was introduced by the Minister of Labour and Employment, Shri Oscar Fernandes.
- The Payment of Gratuity Act, 1972 allows for payments of gratuity to employees in any establishment, factory, mine, oilfield, plantation, port, railway, company, or shop employing 10 or more workers. Employees are paid gratuity if they have provided at least five years of continuous service at the time of termination. The Act as it stands, does not include teachers in the definition of “employee.”
- This Bill changes the definition of employee to include ‘any person who is employed for wages in any kind of work’, provided that they are not holding central or state government posts and are not subject to any other rules or acts pertaining to payment of gratuity.
- The state governments are responsible for administering the provisions of this Bill. Employers are liable for the payment of gratuity. In the case of teachers who are employed by the central government, gratuity may come from the Consolidated Fund of India. The Bill does not provide an estimate of the funding allocation required from the Consolidated Fund of India.

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