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EMPLOYEE'S COMPENSATION (AMENDMENT) ACT 2017

Employee's Compensation (Amendment) Act 2017 has been introduced with effect from 15th May, 2017. Major changes in the Employee's Compensation (Amendment) Act 2016 are as follows:

➔ Every employer shall immediately at the time of employment of an employee, inform the employee of his rights to compensation under this Act, in writing as well as through electronic means, in English or Hindi or in the official language of the area of employment, as may be understood by the employee.

(In the Employee's Compensation Act, 1923 (8 of 1923) (hereinafter referred to as the principal Act), after section 17, the above provision is inserted as section 17A: Duty of employer to inform employee of his rights)

➔ The Act penalises an employer if he fails to inform his employee of his right to compensation as required under section 17A. As per the amendment, the penalty amount has been increased from a maximum of Rs. 5000 to a definite penalty which shall not be less than fifty thousand rupees but which may extend to one lakh rupees.

(Amendment in section 18A of the Employee's Compensation Act, 1923) (hereinafter referred to as the principal Act))

➔ As per the amended act, appeals can be made against orders related to compensation, distribution of compensation, award of penalty or interest, only if the amount in dispute is of Rs 10,000 or such higher amount as the Central Government may, by notification in



the Official Gazette, specify. The same has been revised from the earlier minimum amount of Rs. 300

(Amendment in section 30 of the Employee's Compensation Act, 1923) (hereinafter referred to as the principal Act))

- ➔ Any dispute related to an employee's compensation will be heard by a commissioner who will have the powers of a civil court. Appeals from the commissioner's order, related to a substantial question of law, will lie before the High Court. The Act has scrapped the rule as per which the employer could temporarily withhold any payments towards the employee in case the former had appealed against a commissioner's order.

(Amendment in section 30A of the Employee's Compensation Act, 1923) (hereinafter referred to as the principal Act))

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