**PAYMENT OF WAGES UNDER MGNREGA**



The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), also known as Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) was enacted on August 25, 2005 with an objective to enhance livelihood security in rural areas by offering 100 days of guaranteed wage employment to every adult volunteer from a household willing to do unskilled manual work.

**PROCESS AND TRANSFER OF WAGES:**

**STEP 1:** Firstly, the worker has to register at the Gram Panchayat (GP).

**STEP 2:** The GP provides the household with a job card that is a valid document, officially signed by the concerned officer, mandatory for opening a bank account under the Know Your Customer (KYC) norms.

**STEP 3:** The registered workers request for work at the GP, which is allocated and provided.

**STEP 4:** Attendance of the worker and amount of work done is taken into account seriously and wages are prepared accordingly.

**STEP 5:** Once work period is over, the details are recorded into the online server of MGNREGA.

**STEP 6:** On successful approval, the funds are transferred and credited directly to the respective bank accounts.

**AUTHORITY:**

The Payment Committee is constituted by the DPC (Chief Executive Officer of the District Panchayat) along with the concerned GP and PO (Program Officer) which comprises of the GP Head/Sarpanch or Traditional Tribal Head, two women SHG (Self Help Group) members, at-least three MGNREGA workers of which one should be a woman and at least one should be from SC/ST and School headmaster/teacher.

It is the duty of the appointed DPC or PO to identify step-wise and sub- processes that leads to payment of wages and to fix activity-wise maximum time limits.

**WAGES:**

MGNREGA wages are paid totally based on the work done. The actual wage is calculated based on the output of the worker. As per the Section 3(3) of the Act, disbursement (payment) of daily wages is positive on a weekly basis or in any case not more than a fortnight after the date on which work was done. Also, there shall be no discrimination in providing the wages on the grounds of gender under the provisions of the Equal Remuneration Act.

**COMPENSATION ON DELAY IN WAGES:**

As per the system, MGNREGA workers are entitled to receive delay compensation at a rate of 0.05 per cent of the unpaid wages per day for the duration of the delay beyond the sixteenth day.

**TO OBSTRUCT DELAY:**

MGNREGA continues to help millions of rural Indians economically. However, delays in payments may have an optimal impact and must be ceased to ensure the beneficiaries receive their compensation on time and meet their deeds.

* If the village council is unable to offer work within 15 days of request, then the state government is responsible for paying an [unemployment allowance](https://nrega.nic.in/Netnrega/WriteReaddata/Circulars/2390Annual_Master_Circular_2019-20.pdf" \t "https://www.microsave.net/2021/04/15/mgnrega-the-delay-in-wage-payments-part-i/_blank), that too ceases as soon as work gets allocated.
* Direct benefit transfer (DBT) is a program launched by the Government of India to transfer benefits of social welfare programs directly into the bank accounts of beneficiaries.
* Post office [accounts](https://www.thehindu.com/news/national/35-crore-mgnrega-post-office-accounts-can-now-be-used-for-cash-transfers/article4323891.ece" \t "https://www.microsave.net/2021/04/15/mgnrega-the-delay-in-wage-payments-part-i/_blank) are banking services offered by the Department of Post that is mapped with the beneficiary’s Aadhaar number and linked to their Job cards.
* e-FMS (electronic Fund Management System) is implemented across [28 states and UTs in India](http://164.100.24.220/loksabhaquestions/annex/175/AU3307.pdf" \t "https://www.microsave.net/2021/04/15/mgnrega-the-delay-in-wage-payments-part-i/_blank), to [receive funds under](http://ruraldiksha.nic.in/daily/sancrelease/RepNregaMotherSanc1617.asp?dept_code=rd&scheme_cod=26&financial_year=2020-2021" \t "https://www.microsave.net/2021/04/15/mgnrega-the-delay-in-wage-payments-part-i/_blank)MGNREGA from the central government.

So, MGNREGA serves as the growth engine for sustainable development of an agricultural economy. The Ministry of Rural Development (MRD), is responsible for keeping track of further implementations and has guaranteed strong social security for the vulnerable groups by giving them a backup employment source, when other alternatives are in vain. Thus, if effectively implemented, MGNREGA has the potential to transform the geography of poverty.

BY,

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