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**PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF**   
**SRI LANKA**

*————————*

**WAGES BOARDS (AMENDMENT)**

**A**

**BILL**

**to amend the Wages Boards Ordinance**

*——————*

*Presented by the Non Cabinet Minister of Labour and*   
*Trade Union Relations on 09th of July, 2019*

(Published in the Gazette on June 07, 2019)

*Ordered by Parliament to be printed*

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**[Bill No. 285]**

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*STATEMENT OF LEGAL EFFECT*

*Clause 2:* This clause amends section 4 of the Wages Boards Ordinance (Chapter 136) (hereinafter referred to as the “principal enactment”) and the legal effect of the section as amended is to impose an enhanced punishment on the defaulting employers.

*Clause 3:* This clause amends section 41 of the principal enactment and the legal effect of the section as amended is to require the employer to preserve the register of workers for a period of six years.

*Clause 4:* This clause amends section 44 of the principal enactment and the legal effect of the section as amended is to impose an enhanced punishment on the defaulting employers in respect of payment of wages.

*Clause 5:* This clause amends section 46 of the principal enactment and the legal effect of the section as amended is to increase the period of making a complaint in respect of recovery of sums due.

*Clause 6:* This clause amends section 48 of the principal enactment and the legal effect of the section as amended is to impose an enhanced punishment in respect of certain offences.

*Clause 7:* This clause amends section 50 of the principal enactment and the legal effect of the section as amended is to impose an enhanced punishment in respect of certain offences.

*Clause 8:* This clause amends section 51 of the principal enactment and the legal effect of the section as amended is to impose an enhanced punishment in respect of certain offences.

*Clause 9:* This clause amends section 56 of the principal enactment and the legal effect of the section as amended is to extend the period within which a suit could be instituted for the recovery of money.

*Clause 10:* This clause amends section 58 of the principal enactment and the legal effect of the section as amended is to impose an enhanced punishment in respect of certain offences.

*Clause 11:* This clause replaces section 59A of the principal enactment and the legal effect of the section as amended is to regulate the contract or work arrangement.

*Clause 12:* This clause inserts sections 59B, 59C and 59D in the principal enactment and provides for the establishment of a Special Employment Relations Tribunal.

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| *Wages Boards (Amendment)* | 1 |

L.D.—O. 55/2009

AN ACTTOAMENDTHE WAGES BOARDS ORDINANCE

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

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| **1.** | This Act may be cited as the Wages Boards | Short title. |

(Amendment) Act, No. of 2019.

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| 5 | **2.** | Section 4 of the Wages Boards Ordinance | Amendment |
| (Chapter 136) (hereinafter referred to as the “principal | | of section 4 |
| of Chapter |
| enactment”) is hereby amended as follows:— | |
| 136. |
| (1) | by the repeal of subsection (1) of that section and |

the substitution therefor of the following:—

10 “(1) Every employer who fails to comply with any provisions of this section of this Part shall be guilty of an offence and shall be liable to a fine not less than five thousand rupees and not exceeding ten thousand rupees or to imprisonment of either 15 description for a term not exceeding one year or to both such fine and imprisonment.”;

(2) in subsection (2A) of that section—

(*a*) in paragraph (*d*) of that section by the   
 substitution for the words “of such sum.”

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| 20 | (*b*) | of the words “of such sum;”; |
| by the addition immediately after |

paragraph (*d*) of that section of the   
following new paragraph:—

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| --- | --- | --- |
| 25 | “(*e*) | where such sum is in arrears for a |
| period exceeding twenty four |

2 *Wages Boards (Amendment)*

months a surcharge of ten *per*   
*centum* thereafter for each period   
of twelve months.”.

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| 5 | **3.** | Section 41 of the principal enactment is hereby | Amendment |
| of section 41 |
| amended in subsection (2) thereof by the substitution for | |
| of the |
| the words “four years commencing” of the words “six years | |
| principal |
| commencing”. | |
| enactment. |
| 10 | **4.** | Section 44 of the principal enactment is hereby | Amendment |
| amended by the repeal of subsections (1) and (2) of that | | of section 44 |
| of the |
| section and the substitution therefor of the following:— | |
| principal |
| “(1) Every employer who fails to pay wages to any | | enactment. |

worker in accordance with the provisions of section 21, shall be guilty of an offence and shall be liable to a fine not less than five thousand rupees and not exceeding 15 ten thousand rupees or to imprisonment of either description of a term not exceeding one year or to both such fine and imprisonment, and shall in addition, be liable to a fine not exceeding five hundred rupees for each day on which the offence is continued after 20 conviction.

(2) Every employer, other than an employer referred to in subsection (1), who fails to make to any worker, any payment in accordance with any provision of this Part of this Ordinance or of any decision of a Wages 25 Board, shall be guilty of an offence and shall be liable to a fine not less than five thousand rupees and not exceeding ten thousand rupees or to imprisonment of either description for a term not exceeding one year or to both such fine and imprisonment, and to a fine not 30 exceeding five hundred rupees for each day on which the offence is continued after conviction.”.

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| 35 | **5.** | Section 46 of the principal enactment is hereby | Amendment |
| amended in subseciton (1) of that section by the substitution | | of section 46 |
| for the words “during the four years”, of the words “during | | of the |
| principal |
| the six years”. | |
| enactment. |

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| 5 | *Wages Boards (Amendment)* | | | 3 | Amendment |
| **6.** | Section 48 of the principal enactment is hereby | | |
| amended in subseciton (1) of that section by the substitution | | | | of section 48 |
| for the words “to a fine not exceeding five hundred rupees”, | | | | of the |
| principal |
| of the words “to a fine not exceeding five thousand rupees”. | | | |
| enactment. |
| **7.** | Section 50 of the principal enactment is hereby | | | Amendment |
| 10 | amended in subseciton (1) of that section by the substitution | | | | of section 50 |
| for the words “not exceeding two hundred rupees” and the | | | | of the |
| principal |
| words “not exceeding three months”, of the words “not less | | | |
| enactment. |
| than five thousand rupees” and the words “not exceeding | | | |
| twelve months” respectively. | | | |
| 15 | **8.** | Section 51 of the principal enactment is hereby | | | Amendment |
| amended by the substitution for the words “not exceeding | | | | of section 51 |
| two hundred rupees” and the words “not exceeding three | | | | of the |
| principal |
| months” of the words “not less than five thousand rupees” | | | |
| enactment. |
| and the words “not exceeding twelve months” respectively. | | | |
| 20 | **9.** | Section 56 of the principal enactment is hereby | | | Amendment |
| amended in paragraph (*c*) of that section by the substitution | | | | of section 56 |
| of the |
| for the words “within four years” of the words “within six | | | |
| principal |
| years”. | | | |
| enactment. |
| **10.** | Section 58 of the principal enactment is hereby | | | Amendment |
| 25 | amended in the succeeding paragraph to paragraph (*g*) of | | | | of section 58 |
| of the |
| that section by the substitution for the words “not exceeding | | | |
| principal |
| one thousand rupees” and the words “not exceeding six | | | |
| enactment. |
| months” of the words “not less than twenty thousand rupees” | | | |
| and the words “not exceeding twelve months” respectively. | | | |
| 30 | **11.** | Section 59A of the principal enactment is hereby | | | Replacement |
| repealed and the following section substituted therefor:— | | | | of section |
| 59A of the |
| “Special  provisions  applicable  where  persons are  employed to do work  under any  arrangement made by way of trade or  any  commercial | | 59A. (1) Where any person enters into a contract or work arrangement expressed or implied, for trade or commercial purposes, with any other person who employs workers to perform work on a regular basis which is an integral part of the business activities of the first-mentioned person, and such person employs workers pursuant to the said contract or work arrangement, such contract or work arrangement shall be deemed to amount to a | |
| principal |
| enactment. |
| 35 |
| purpose. | disguised employment relationship. | | |

4 *Wages Boards (Amendment)*

(2) Where the Commissioner is of opinion, after due inquiries, that such contract or work arrangement is in fact a disguised employment relationship, he shall in writing direct the first-5 mentioned person referred to in subsection (1) to refrain from having such work executed under such contract or arrangement in respect of such workers.

(3) A person who has been aggrieved by a 10 directive made in respect of him under subsection (2) shall have a right to appeal to the Special Employment Relations Tribunal established under section 59B of this Act within thirty days of the making of such directive.

The Special Employment Relations Tribunal 15   
shall thereafter summon all parties concerned and make a determination affirming or rejecting the directive of the Commissioner.”.

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| 20 | **12.** | The following new sections are hereby inserted | Insertion of |
| immediately after section 59A of the principal enactment | | sections 59B, |
| 59C, and 59D |
| and shall have effect as sections 59B, 59C, and 59D of that | |
| in the |
| enactment:— | |
| principal |

enactment.

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| 25 | “Establishment | 59B. (1) There shall be established a Special |
| of a Special | Employment Relations Tribunal (hereinafter |
| Employment |
| referred to as the “Tribunal”) for the |
| Relations |
| determination of appeals made to the Tribunal |
| Tribunal. |
| by any aggrieved person in terms of subsection |

(3) of section 59A.

(2) The Tribunal shall consist of three 30 members to be appointed by the Minister. The three members shall be persons who have a wide knowledge and experience in the field of labour laws and one of whom shall be a retired Judge of the Supreme Court or Court of Appeal 35   
 of Sri Lanka who shall be the Chairman of the Tribunal.

*Wages Boards (Amendment)*  5

(3) A member of the Tribunal shall hold   
office for a period of three years and shall be   
eligible for reappointment.

(4) Any member may at any time resign his 5 office by a letter to that effect addressed to the Minister and such resignation shall take effect upon it being accepted by the Minister.

(5) Where any member vacates office by resignation, removal, death or of his inability 10 to hold office on account of ill health or absence from Sri Lanka or any other cause, the Minister may appoint another person in his place in terms of subsection (2) and the person so appointed may hold office for the unexpired 15 period of term of office of the member whom he succeeds.

(6) The Minister may remove any member   
of the Tribunal for reasons assigned.

(7) There shall be a Secretary to the Tribunal 20 appointed by the Commissioner who shall maintain records of the Tribunal and attend to any such other work assigned to him by the Tribunal and the Commissioner relating to functions of the Tribunal.

25 (8) The Commissioner may appoint such officers and servants as are necessary to facilitate the functions of the Tribunal.

(9) The members of the Tribunal may be paid such remuneration as the Minister may 30 determine in consultation with the Minister in charge of the subject of Finance.

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| 5 | 6 | *Wages Boards (Amendment)* |
| Power and | 59C. (1) The Tribunal shall hear and |
| functions of | determine the appeals made to it under |
| the Tribunal. |
| subsection (3) of section 59A in accordance |
| with the principles of natural justice. On making |
| a decision, the Chairman shall fourthwith |

inform the Commissioner and the parties of   
the decision.

(2) The Commissioner shall upon receipt of

|  |  |
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| 10 | the decision of the Tribunal, cause the same to be published in the *Gazette*. |

(3) The decision shall be effective as   
between the parties with effect from the date of   
publication in the *Gazette* or from such date as   
may be specified therein.

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| 15 | Power of | 59D. Any person who fails to comply with |
| Commissioner | any directive of the Commissioner under |
| to institute |
| section 59A, or does any act in violation of the |
| action. |
| decision of the Tribunal under section 59C shall |

be guilty of an offence and the Commissioner 20 or any person duly authorized by him in writing may institute action in the appropriate Magistrate’s Court against such person.”.

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| 25 | **13.** | In the event of any inconsistency between the | Sinhala text |
| Sinhala and Tamil texts of this Act, the Sinhala text shall | | to prevail in |
| case of |
| prevail. | |
| inconsistency. |

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| *Wages Boards (Amendment)* | 7 |

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