

PUNJAB VIDHAN SABHA

BILL NO.15-PLA-2025

THE PUNJAB LABOUR WELFARE FUND (AMENDMENT) BILL, 2025

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BILL

further to amend the Punjab Labour Welfare Fund Act, 1965.

BE it enacted by the Legislature of the State of Punjab in the Seventy-sixth Year of the Republic of India, as follows:-

1. (1) This Act may be called the Punjab Labour Welfare Fund (Amendment) Act, 2025.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

2. In the Punjab Labour Welfare Fund Act, 1965 (hereinafter referred to as the principal Act), in section 1, for sub-section (2), the following sub-section shall be substituted, namely:-

"(2) It shall extend to the whole of the State of Punjab."

3. In the principal Act, in section 2,-

(i) for clauses (1) and (2), the following clauses shall be substituted, namely:-

"(1) "Board" means the Punjab Labour Welfare Board established and constituted under section 4;

(2) "employee" means any person who is employed, directly by or through any agency (including a contractor) with or without the knowledge of the principal employer, for remuneration in any factory or establishment to do any work connected with its affairs, and getting wages under the Payment of Wages Act, 1936 (Central Act No. 4 of 1937), as amended from time to time;"

(ii) for clause (4), the following clause shall be substituted, namely:-

"(4) "establishment" means,-

(i) a factory;

(ii) a motor transport undertaking employing ten or more employees; or

(iii) any establishment as defined under the Punjab Shops and Commercial Establishments Act, 1958 (Punjab Act No. 15 of 1958) employing twenty or more employees. However, any

Short title and commencement.

Amendment in section 1 of Punjab Act 17 of 1965.

Amendment in section 2 of Punjab Act 17 of 1965.

establishment as defined under the said Act, employing less than twenty employees, shall be considered to be the part of this definition provided such establishment gives such an option suo-moto in a manner as may be specified;

(iv) a society registered under the Societies Registration Act, 1860, (Central Act No. 21 of 1860), and charitable or other Trust, which carries on any business or trade or any work connected therewith or ancillary thereto and has been employing on any working day during the preceding twelve months, more than twenty persons;

(v) contractor as defined in clause (c) of sub-section (1) of section 2 of the Contract Labour (Regulation and Abolition) Act, 1970 (Central Act No. 37 of 1970);";

- (iii) for clause (6), the following clause shall be substituted, namely:-
 "(6) "Fund" means the Labour Welfare Fund constituted under section 3 for the State of Punjab;"; and
- (iv) in clause (12) for the sign ".", the sign ";" shall be substituted and thereafter, the following clauses shall be added, namely:-

"(13) "principal employee" means principal employer as defined in clause (g) of sub-section (1) of section 2 of the Contract Labour (Regulation and Abolition) Act, 1970 (Central Act No. 37 of 1970); and

(14) "composition fee" means the fee paid under section 26-B of this Act for compounding of offences."

Amendment in section 3 of Punjab Act 17 of 1965.

4. In the principal Act, in section 3 in sub-section (2),-

- (i) in clause (f) the word "and" shall be omitted; and
- (ii) in clause (g) for the sign ".", the sign and word "; and" shall be

substituted and thereafter, the following clause shall be added, namely:-

"(h) "composition fee" realized from the employers."

Amendment in section 4 of Punjab Act 17 of 1965.

5. In the principal Act, in section 4 in sub-section (1), the words "or Haryana or the territory of Chandigarh as the case may be " shall be omitted.

6. In the principal Act, for section 9, the following section shall be substituted, namely:-

"9. Unpaid accumulations and claims thereto.

(1) All unpaid accumulations shall be deemed to be abandoned property.

(2) The employer shall ensure to deposit the unpaid accumulations as per section 3 of this Act within one year from the date of last payment made to the employee after giving due opportunity to the employee for the claims pending with the employer.

(3) The unpaid accumulations deposited shall be property of the Board and shall be the part of Fund itself.

(4) If the employer submits the unpaid accumulations before the above-mentioned period i.e. one year, the employer shall be solely responsible for the same and the employer cannot claim for any refund regarding this from the board.

(5) The employee may claim any unpaid accumulations from the Board within two financial years of the actual claim year. Such claim shall be considered and decided by the Board. If payment is to be made to the claimant, it shall be without any interest.

7. In the principal Act, in section 9-A,-

(i) in sub-section (1), for the words "five rupees" and "twenty rupees", the words "ten rupees" and "forty rupees" shall, respectively, be substituted; and

(ii) for sub-section (2), the following sub-section shall be substituted, namely:-

"(2) Every employer shall pay to the Fund both, his contribution and the contribution of the employee and submit return as specified by the Welfare Commissioner before the 15th day of October, for the period commencing from the 1st day of April to the 30th day of September every year, and before the 15th day of April, for the period commencing from the 1st day of October to the 31st day of March every year."

8. In the principal Act, after section 26, the following sections shall be inserted, namely:-

"26-A. If, in respect of any establishment there is any contravention of or non-compliance with any of the provisions of this Act, or of any rules made thereunder, the employer shall be guilty of an offence

General penalties for offences.

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and punishable with a fine of minimum twenty thousand rupees which may extend to fifty thousand rupees and if the contravention is continued after conviction, with a further fine which may extend to one thousand rupees per day for each day of the period such contravention is so continued.

26-B. Any offence punishable under this Act with fine, may, on an application of the accused, either before or after holding the enquiry, be compounded for a sum as mentioned in section 26-A of this Act, by such officer of the State Government as may be notified by the State Government in such manner, as may be prescribed. The composition fee imposed while compounding the offences shall be the part of the Fund itself.

Compounding
of offences.

26-C. (1) No Court shall take cognizance of any offence under this Act except on complaint by, or with the previous sanction in writing of, an Inspector.

Cognizance
of offences.

(2) No court below that of a Magistrate of the First Class shall try any offence punishable under this Act."



STATEMENT OF OBJECTS AND REASONS

The Punjab Labour Welfare Fund Act 1965 was enacted in 1965 as an Act of 17 of 1965. Several provisions of the Act are no longer in line with present-day needs. Keeping in view of the need and requirement of the day, amendments and insertion of new provisions in Punjab Labour Welfare Fund Act 1965 and Punjab Labour Welfare Fund Rules 1966 is required. The above amendments in The Punjab Labour Welfare Fund Act 1965 will improve the financial sources of the Board and introduction of Penalties for contraventions and non-compliances will lead to better implementation of the said Act and in turn will lead to ensuring benefits to needy employees whereas, the introduction of provisions regarding compounding of offences will simultaneously ensure that Ease of doing Business is not compromised.

Hence, the The Punjab Labour Welfare Fund (Amendment) Bill, 2025.

TARUNPREET SINGH SONDA,
Labour Minister, Punjab.

CHANDIGARH:
THE 10TH JULY, 2025

R.L. KHATANA
SECRETARY.

N.B. - The above Bill published in the Punjab Government Gazette (Extraordinary), dated the 10th July, 2025 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).