**Compensation**

Overtime Compensation

In accordance with the Factories Act 1948, normal working hours are 9 hours per day and 48 hours per week. Working hours for young workers are 4.5 hours per day.

Adult workers may be required to work beyond the stipulated working hours, i.e., 9 hours a day and 48 hours a week. The compensation for overtime work is twice the regular rate of his ordinary pay (200% of the regular wage rate). Ordinary rate of wages includes the basic wages plus such allowances, including the cash equivalent of the advantage accruing through the concessional sale to workers of food grains and other articles, as the worker is for the time being entitled to, but does not include a bonus and wages for overtime work.

The periods of work must be fixed in such a way that no period should exceed five hours (exemption can be granted to extend this period to 6 hours). A worker must get a rest interval of at least half an hour (30 minutes) after at most five hours of work. The total spread over (of working hours) inclusive of rest breaks and overtime cannot exceed ten and a half hours in any day. This means that an overtime of 2 hours is allowed per day. The Chief Inspector is authorized to extend this spread over, for reasons specified in writing, to 12 hours.

An employee may not be required to work overtime on short notice without prior intimation. Period of work, fixed in accordance with the provisions of Act, should be properly notified and displayed in the factory. Any proposed change should be notified to the Inspector, before the change is made.

Source: § 51-63 of Factories Act 1948

**Night Work Compensation**

In accordance with the Factories Act, night shift is a shift which extends beyond midnight. There is no special pay premium for employees working over night.

Source: §57 of Factories Act 1948

**Compensatory Holidays / Rest Days**

In extraordinary circumstances, workers may perform work on weekly rest days and public holidays. If workers lost their weekly rest days due to the exemption granted to an establishment under section 52 of the Factories Act, these workers must be provided with compensatory rest days within the following 2 months.

There is no provision for compensatory holiday for workers working on a public holiday.

Source: §53 of Factories Act, 1948

**Weekend / Public Holiday Work Compensation**

Workers may be required to work on weekly rest days and public holidays. There is no Central level legislation in this respect. Different State level Acts (National and Festival Holiday Acts) provide that in such circumstances when workers have to work on official holidays, they are entitled to receive wages at a premium rate of 200% of the normal hourly wage rate. Workers working on weekly rest days are entitled to premium pay at the rate of 200% of the normal wage rate. A worker may be provided twice the wages for working on a public holiday or may be provided with a substitute holiday with pay. A worker who is required to work on a rest day must be paid wages at the overtime rates (twice the rate of wages).

Source: §23 (4) of the Minimum Wages (Central) Rules 1950; §5 of the Karnataka Industrial Establishments (National and Festival Holidays) Act 1963; §5 of The Punjab Industrial Establishment (National and Festival Holidays and Casual and Sick Leave) Act 1965