

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
STARRED QUESTION NO. 37
TO BE ANSWERED ON 25.07.2024**

FORMULA FOR DETERMINING MINIMUM WAGES

37. SHRI ASHOKRAO SHANKARRAO CHAVAN:

Will the Minister of Labour and Employment be pleased to state:

- (a) the criteria/formula for determining minimum wages in the country;**
- (b) whether the said devised formula has not been revised since a long time;**
- (c) if so, the details thereof and the reasons therefor;**
- (d) whether Government proposes to replace the minimum wages formula with living wages and if so, the details thereof and the time by which it is likely to be done; and**
- (e) whether Government has held any deliberation or consultation with the stakeholders in this regard and if so, the details and the outcome thereof?**

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(DR. MANSUKH MANDAVIYA)**

(a) to (e): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF RAJYA SABHA STARRED QUESTION NO. *37 raised by SHRI ASHOKRAO SHANKARRAO CHAVAN DUE FOR REPLY ON 25.07.2024 REGARDING FORMULA FOR DETERMINING MINIMUM WAGES.

(a) to (e): The Minimum Wages Act, 1948 provides that minimum rate of wage may consist of, inter-alia, basic rate of wages and cost of living allowances.

The Central Government revises the cost-of-living allowance called as Variable Dearness Allowance (V.D.A.) on the basic rates of minimum wages under the Minimum Wages Act, 1948, every six months effective from 1st April and 1st October every year on the basis of Consumer Price Index for Industrial workers to protect the minimum wages against inflation.

The provisions of the Minimum Wages Act, 1948, have been rationalized and subsumed under the Code on Wages, 2019 and the components of minimum wages stipulated therein also provide for cost-of-living allowance. Further, the Code makes Minimum Wages universally applicable across employments and thus moves ahead from applicability of minimum wages limited to scheduled employments as provided for under the Minimum Wages Act, 1948.
