

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

LOK SABHA

**UNSTARRED QUESTION NO. 2437
TO BE ANSWERED ON 31.07.2017**

TAX-FREE GRATUITY

2437. SHRI B. VINOD KUMAR:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government proposes to double the ceiling of tax-free gratuity to Rs 20 lakh under the Payment of Gratuity Act and if so, the details thereof;**
- (b) whether there is also a proposal to remove the conditions of having at least 10 employees in an establishment and minimum five years of service for payment of gratuity and if so, the details thereof;**
- (c) whether the Government proposes to raise the rate of 15 days' wages for each completed year of service to 30 days' wages; and**
- (d) if so, the details thereof and if not, the reasons therefor?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)**

(a): The proposal to amend the Payment of Gratuity Act, 1972 to facilitate enhancement of gratuity ceiling is at inter-ministerial consultation stage.

(b): No, Madam.

(c) & (d): There is no proposal at present to raise from the existing rate of 15 days' wages to 30 days' wages as gratuity for each completed year of service.
