



Responsibilities under labour laws

Guidelines for Small Business owners and Managers



Labour & Human Resource Department
Government of the Punjab



Being the owner or manager of a small business, you play an important role in the economy of Pakistan. You create jobs. You provide the goods and services people need. It is in your interest to run the business in a way that it is a profitable and sustainable and your workers are satisfied. Labour laws are aimed at protecting the rights of employers workers and promoting a productive and better working conditions. These guidelines will help you understand your responsibilities in order to implement these laws and run your business in a sustainable and responsible manner.

What is shop?

Means any premises used wholly or in part for the whole sale or retail sales of commodities or articles either for cash or on credit or where services are rendered to customers, and include an office, motorcycle repair shop, store room, godown, provision store etc are called shops.

What is Commercial Establishment?

An establishment which carries on any trade or profession or any work in connection with any business, and includes advertising agency, insurance company, bank, residential hotel and restaurant, cinema, theatre, or other places of public amusement is called a commercial establishment.

Registration

It is a sole responsibility of employer to get the business houses registered with Labour Department. This registration certificate has to be renewed after two years. The purpose of this registration is to know about the data regarding total number of employees, address of the establishment, nature of work and name of employer or manager.

Health and Safety

For the safety of an employee every propelled machinery and shall be guarded at workplace. No child under fourteen years of age shall be permitted to work in any establishment. There should be a healthy environment so that the employee can do their best for the production of articles and goods. There are certain sections in law which prohibited / bar how these mechanical, electrical machineries can be guarded.

Wages

Every employee irrespective of any discrimination shall get his / her wages according to the prescribed wage rate. It is the responsibility of an employer to abide by law so that no employee can be deprived of his right.

Working hours

Restriction of working hours is really of a great importance for the employees



who cannot work continually unless they get some rest during working hours for the sake of good health and better results.

No employee shall work continuously in any shop / establishment for more than 6 hours in case of an adult employee age (above 17 years) and 3 ½ hours in case of a young person unless they have interval for rest for at least one hour. No woman or a young person age (14 to 17 years) can be called for a work before 9.00 AM or detain after 7.00 P.M. The normal working hours are 9 hour a day and 48 hours a week for an adult employee and 7 hours a day and 42 hours a week for a young person. When there is a demand for excess production of an article / goods the work of an adult employee does not spread over more than 10 hours in winter and 11 hours in summer and 8 hours in winter and 9 hours in summer in case of a young employee (age 14 17 years). For extra working hours an employee is entitled for over time at double the ordinary rate of wages. None of the establishment is allowed to remain open after 8.00 PM.

Leaves & holidays

Availing of leaves and holidays by the employee is their right and provision of it is responsibility of the employer. After of completion of one year's of continuous service of an employed person, shall avail 14 days annual leaves with full wages. If these leaves are not availed by employee, can be accumulated for 30 days in succeeding year. There are sick leaves with full wages for 8 days, can be accumulated for 16 days in succeeding year. The employees are also entitled for one weekly holiday (for whole day). Casual leaves with full wages for 10 days shall not be accumulated and 10 days festival holidays with full wages are mostly decided by the Government. The commercial establishments employing 20 or more employees (Workman) shall avail the same leaves and holidays except 16 days sick leaves on half pay or 8 days on full wages in a year. Any other holiday can be settled between employer and employee.

Financial benefits

The establishments where 20 or more persons are employed shall be benefitted with compulsory group insurance, bonus and gratuity.

Social Security Scheme

In commercial sector the Government has obliged the employers by decreasing contribution from 7% to 6%. Shops & Establishments at least 5 employees are covered under Social Security Scheme which also provides medical care to employees when they face any injury or disability.

Old Age Benefit Scheme

Currently the contribution by the employer has been decreased from 6% to 5%

on employee monthly salary. All employees drawing salary up to Rs.10,000/- per month shall be benefited by the scheme. If the least number of employee is 5 only are also covered under Old Age Pension Scheme for male and women employees.

Women Workers

All women employees shall have all such facilities as other male employees working in the same establishments. The women workers are compensated with maternity leaves and no woman can be terminated during this period.

Children and young workers

No child below the age of 14 years shall be allowed to work in any Establishment. Young employees who are approaching 14 to 17 years of age shall be encouraged more so that their potential and skill may be enhanced for serving his employer and as well as the country.

Freedom of Association

All employees are at liberty in expressing, discussing, sharing, and views with the Management about their problems and needs. A concept of joint work council is also there in which both employees and the management share with each other for the better of the establishment and as well as needs of employees.

For more information

visit: www.ciwce.org.pk

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