

## Employees' Compensation Act, 1923

The Workmen's Compensation Act, 1923 (Employees' Compensation Act, with effect from 31.05.2010) aims to provide financial protection to the workmen and/or their dependants in case of accident arising out of and in the course of employment and causing either death or disablement of the workman, come into force with effect from 1<sup>st</sup> July, 1924.

Besides, the Act has a provision of paying compensation to the workman for some occupational diseases contracted by them during the course of their employment.

### Provision and Scope of the Act

The Act applies to workers of the employees in any capacity specified in Schedule (ii) of the Act which includes mines, plantations, construction work and certain other and specific category of railway servers.

The amount of compensation payable to workman depends on the nature of the injury caused by the accident based on the monthly wages of the workman and age of the workman concerned.

In case of death, the minimum amount of compensation fixed is Rs.1.20 Lakh and maximum Rs.4.56 Lakh, whereas in case of permanent total disablement the minimum compensation fixed is Rs.1.40 Lakh and maximum Rs.5.48 Lakh.

### *This act does not apply to workmen covered by ESI Scheme*

#### F.A.Q.

1. Is there any wage limit for covering the worker under this Act?

**Ans.** No, there is no wage limit for coverage under this Act.

2. If the Factory is located under the Employees' State Insurance notified area whether this Act is applicable or not?

**Ans.** No, this Act will not be mandatory and will not be applicable to:

i) Person served in Defence and ii) workers covered under the Employees' State Insurance Act, 1948.

3. Once the Commissioner declared the compensation amount what will be the period for payment to the workman?

**Ans.** The compensation as will be declared is to be paid within a period of one month failing which penalty will be imposed on employers as per provision of the Act.

4. Whether the compensation will be paid to the workman if the injury caused due to his/her negligence or fault?

**Ans.** No compensation is payable if the injury not resulting in death, is caused by his/her fault arising from factories such as Alcoholic Drunks and Drugs, willful disablement of the workman to an order or rule, willful removal or declined of the workman by any specific safety device etc.