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Title: Need to issue Notification enhancing Ceiling of Gratuity to workers during the intervening period between January 2016 and March, 2018 from Rs. 10 Lakh to Rs. 20 Lakh

SHRI P.R.NATARAJAN (COIMBATORE): The 7th Central Pay Commission has enhanced ceiling of gratuity to Rs.20 lakhs from 1.1.2016 for the Government servants. However, on persistent demand from the workers for payment of gratuity at par with Government employees, the Payment of Gratuity Act was modified by issuing the Notification only on 29th March, 2018 that the amount of gratuity shall not exceed Rs.20 lakhs but it is done prospectively, instead of from 1.1.2016. Hence, for the workers who retired during this intervening period of 27 months, and whose eligibility of gratuity is more than Rs 10 L, their gratuity is restricted to Rs.10 lakh, For earning a gratuity of Rs.10 lakh, the worker should be at least drawing salary of Rs,57,777 and for getting up to Rs.20 lakh, his salary should be above Rs. 1,15,550 per month, Therefore, there will be very few workers or employees who would be entitled for the gratuity ranging between Rs. 10 lakh and 20 lakh. Therefore, I demand that the ceiling limit of gratuity should be enhanced to Rs.20,00,000 during the intervening period between January, 2016 and March, 2018. It would also not impinge on the finance of the companies, since there will be very few people. Even some employers are also ready to pay enhanced gratuity as they will get tax relief but since the ceiling has been fixed, they are not able to do so.

Hence, I request the Hon'ble Minister of Labour to take the initiative by notifying the provision for the intervening period also.