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KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2nd FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI
BENGALURU - 560 004
Reg. No. TU 507 / 20-3-1962

Date : 04-12-2017

CIRCULAR No.121/2017

To
All Members of the Association

Sub: Deduction and Remittance of Labour Welfare Fund Contribution for the year 2017

The Government of Karnataka has amended Section 7A, Sub-section (2) of the Karnataka Labour Welfare Fund Act and enhanced the Contribution towards the Welfare Fund. KEA has issued Circular in this regard vide Circular No.74/2017 dated 30.05.2017 along with Karnataka Government Notification.

Now, this is to inform all the members, that as per Section 7A of the **Karnataka Labour Welfare Fund Act, 1965**, Employers have to deduct the Welfare Fund contribution at the rate of **Rs.20/- per employee**, out of the salary/wages payable for the month of December. Employers are also required to add their contribution of **Rs.40/- per employee** and remit the total contribution to the Labour Welfare Commissioner. The contribution shall be made along with a statement in **Form 'D'** prescribed under the Karnataka Labour Welfare Fund Act & Rules. For the benefit of members the relevant provisions of the Act is summarized below:

1. The Karnataka Labour Welfare Fund Act, 1965 is applicable to Factories, Motor Omni Bus Services, Plantations and Workshops, Shops and Commercial Establishments, Charitable Trusts, Societies registered under Karnataka Societies Registration Act 1960, who employ **more than fifty persons on any working day** during the preceding twelve months.
2. The deductions as above to be made in respect of those employees who are doing skilled or unskilled, manual or clerical work. **It is not applicable to Supervisors, Managers, and other Officers.**
3. Every employee [including casual, temporary, badali] whose names are borne in the Register of the Establishment as on 31st December, shall have to contribute Rs.20/- per annum to the fund and the employer shall have to contribute Rs.40/- per employee, and remit the total **amount of Rs.60/-** to the Welfare Commissioner.
4. The contribution for the calendar year 2017 has to be paid on or before 15.01.2018 through crossed cheque or DD drawn in favour of the "Welfare Commissioner, Karnataka Labour Welfare Board, Bengaluru" in respect of

every employee whose name stands in the register of the establishment as on 31.12.2017.

5. Under Section 7B any delay in payment of contribution and in violation of said provisions, will attract penal interest at the rate of 18% on the amount due.
6. Further, any employer who "contravenes" any of the said provisions shall be prosecuted in the appropriate Court of Law and on conviction be punished with fine ranging from Rs.500/- to upto Rs.1000/- and also imprisonment, which may extend to three months to one year or with both.

It is the Employer's duty and responsibility to collect employee's contribution. The remittance of contribution [i.e., both Employee's and Employer's] must be made to the Karnataka Labour Welfare Board **on or before 15th January 2018**. The contribution may be remitted either by cheque, money order or cash along with a Statement. The expenses of remitting the contribution shall be borne by the Employer himself. The employees' contribution shall be deducted from the wages payable for the month of December 2017. If through inadvertence or otherwise deduction is not made from the wages of December 2017, it can be made from the subsequent month or months with permission in writing of the Inspector having jurisdiction under the Act.

We, therefore, draw the attention of all the Member employers' to pay Labour Welfare Fund Contribution for the year 2017 within the due date to the:

**Welfare Commissioner,
Karnataka Labour Welfare Board,
Karmika Kalyana Bhavan,s
No.48, 2nd Floor, Mathikere Main Road,
(Behind RTO Office),
Bengaluru - 560 022.
Phone No. 080-23570266 Website:- [www. Labour.kar.nic.in](http://www.Labour.kar.nic.in).**

for KARNATAKA EMPLOYERS' ASSOCIATION

**sd/-
(B.C. PRABHAKAR)
PRESIDENT**