

CIRCULAR

CIRCULAR No – 110 / 2022

Date: 29.11.2022

To
All Members of the Association

DEDUCTION AND REMITTANCE OF LABOUR WELFARE FUND CONTRIBUTION FOR THE YEAR 2023

This is to inform all the members, that as per Section 7A of the Karnataka Labour Welfare Fund Act, 1965, Employers will have to deduct the Welfare Fund contribution at the rate of **Rs. 20/- per employee whose names stands in the register of an establishment on December 31**, 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. This 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, employing **fifty or more persons on any working day** during the preceding twelve months.
2. The deductions as above are 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, badli] whose names are borne in the Rolls of the Establishment as on 31st December, shall contribute Rs.20/- per annum to the fund and the employer shall contribute Rs.40/- per employee, and remit the amount to the Welfare Commissioner.
4. The compulsory contribution for the year 2023 and all arrears of contribution and un-paid accumulation for the previous years, if any, have to be remitted on or before 15.01.2024 through crossed cheque or DD drawn in favor of the "Welfare Commissioner, Karnataka Labour Welfare Board, Bangalore" in respect of every employee who are on the rolls of the establishment.
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 up to Rs.1000/- and also imprisonment, which may extend to three months to one year or with both.

It is the Employer's responsibility to collect employee's contribution and remit the contribution [i.e., both Employee's and Employer's] to the Karnataka Labour Welfare Board **on or before 15th January 2024 through cheque or demand draft**. 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 2023. If through inadvertence or otherwise deduction is not made from the wages of December 2023, it can be made from the subsequent month or months with permission in writing of the Inspector having jurisdiction under the Act.





The members are also advised to submit extract of form B the register of unclaimed wages and fines to the Welfare Fund Commissioner on or before 31st of January 2024.

We, therefore, draw the attention of all the Member employers to pay Labour Welfare Fund Contribution for the year 2023 within the due date to the:

Welfare Commissioner,
Karnataka Labour Welfare Board,
Karmika Kalyana Bhavana
No.48, 2nd Floor, Mathikere Main Road,
(Behind RTO Office),
Bengaluru – 560 022.

Phone No. 080-23570266 Website: - www.Labour.kar.nic.in

welfarecommissioner123@gmail.com / www.klwb.karnataka.gov.com

For KARNATAKA EMPLOYERS' ASSOCIATION
Sd/-
[B.C. PRABHAKAR]
PRESIDENT