

FININ2MIN SUMMARY - CHAPTER IN 2 MINUTES

Chapter V - Gratuity

This chapter turns gratuity into an operational control file. It covers Payment of gratuity, Continuous service, Nomination, Determination of amount of gratuity; the practical sequence is to classify coverage and event date, apply the provision and mapped Rule, complete the form/register, calculate the entitlement or exposure, and retain evidence for inspection, claim or appeal.

Who is covered

Employers, employees, unorganised workers, gig/platform workers, beneficiaries and social-security authorities must identify the applicable chapter, establishment threshold and scheme.

Main obligations / rights

- Section 53: Payment of gratuity
- Section 54: Continuous service
- Section 55: Nomination
- Section 56: Determination of amount of gratuity
- Section 57: Compulsory insurance

Key thresholds / timelines

- Use only the threshold, rate and limitation period effective on the event date; verify the Central/State instrument before acting.

Forms / evidence

- Nomination
- Classification, calculation, approval, acknowledgement and payment/filing proof

Employer risk snapshot

Highest practical risks: wrong continuous-service test, wage base, nomination, forfeiture or delayed payment.

Employee / worker remedy

determination and timely payment of gratuity, nomination rights and interest/remedy for delay. Confirm authority, limitation and appeal route.

Old law / transition

Map the event date and savings position against: Employees' Compensation Act, 1923; Employees' State Insurance Act, 1948; EPF and MP Act, 1952; Employment Exchanges Act, 1959; Maternity Benefit Act, 1961.

Five-point professional checklist

- Freeze the event date, establishment, location and person/worker classification.
- Identify the controlling section/paragraph, mapped Rule, notification and appropriate Government.
- Reperform the calculation or decision test and document every exception or approval.
- Complete the prescribed form/register/portal step and retain acknowledgement, payment and communication evidence.
- Record the remedy, forum, limitation, appeal path and State variation before sign-off.

Finin2min takeaway: for gratuity, the defensible answer is not a policy label - it is the event-date law, the mapped procedure, the calculation and a complete evidence trail.

Source status: OFFICIAL SOURCE VIEWER / LOCAL ANALYTICAL MAP | Rules: Mapped; exact extracts where retained | Review date: 18 July 2026
Educational and professional reference. Verify the event-date Act/Code, Rules, notifications, State instruments, portal procedure and later judgments before acting.