Finin2min
Labour Publication Series
Labour & Manpower Law Publication Series

Chapter V - Gratuity

Code on Social Security, 2020 | Detailed statutory, Rule, compliance, remedy and evidence guide.

Review date: 2026-07-18Authors: CA Nikhil Gupta & Kajri SinghSections: 53-58Central Rules mapped: 4Local source-hashed Act text + linked Rules and implementation analysis
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On this page

> Code on Social Security, 2020 Gratuity four-step compliance flowchart
> Finin2min decision flow — identify the law, complete the statutory process and preserve evidence.

Publication-source status: Every mapped section of the parent Code is embedded locally from the retained official India Code PDF and carries the source SHA-256. Linked 2026 Central Rules, forms, notifications and operational analysis remain subject to the official Gazette and subsequent amendments.

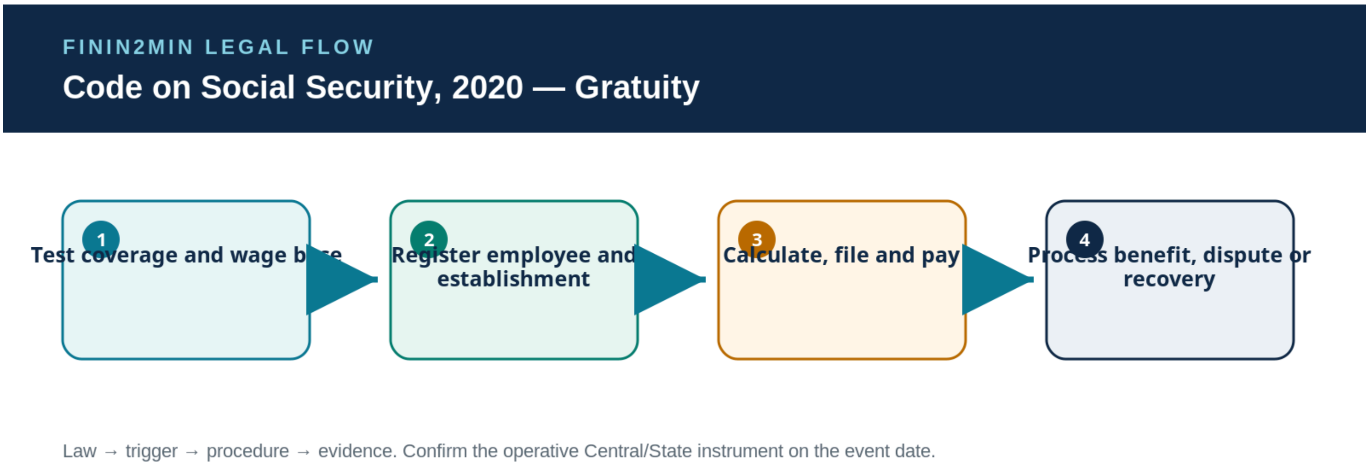
Chapter decision flow

Classify establishment & person→Fix event date→Apply section and Rule→Complete form/record→Retain evidence & remedy file

Finin2min Summary - Chapter in 2 Minutes

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.

Chapter V - Gratuity



Use this flow with the chapter provision map, implementation controls, evidence checklist, limitation/forum review and remedy framework. Confirm the operative Central and State instruments on the event date.

Chapter V - Gratuity

Finin2min implementation explanation

Maintain a controlled implementation file for Chapter V - Gratuity: coverage and event date, operative Central/State instrument, responsible owner, approval and authority, form/portal step, due date, calculation basis, supporting evidence, exception, escalation and closure proof. Reconcile payroll, HR, finance, contractor and legal records before sign-off.

Practical example

Classify the worker and establishment, identify the operative provision and notified instrument on the event date, compute the entitlement or exposure from source records, obtain approval, complete the filing/payment/action, and retain evidence. Do not use a portal value or payroll label as a substitute for the statutory test.

Calculation / control template

Control calculation: verified population or transaction base × applicable notified rate/amount × eligible period, adjusted for statutory inclusions, exclusions, ceilings, interest, compensation and prior payments. Reperform the calculation from retained source data.

Current-law control: verify the operative Central/State instrument, notification, form, portal and binding judgment on the event date. Numerical amounts in examples are illustrative unless expressly sourced.

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 and rights

- Section 53: Payment of gratuity
- Section 54: Continuous service
- Section 55: Nomination
- Section 56: Determination of amount of gratuity
- Section 57: Compulsory insurance
- Section 58: Competent authority

Key thresholds and timelines

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

Forms, registers and evidence

- Nomination
- Retain classification, calculation, approval, communication, 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 snapshot

Core protection: determination and timely payment of gratuity, nomination rights and interest/remedy for delay. Confirm the authority, limitation and appeal route stated in this chapter.

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

1. Freeze the event date, establishment, location and person/worker classification.
2. Identify the controlling section/paragraph, mapped Rule, notification and appropriate Government.
3. Reperform the calculation or decision test and document every exception or approval.
4. Complete the prescribed form/register/portal step and retain acknowledgement, payment and communication evidence.
5. 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.

Download one-page Finin2min cheat sheet

Section-by-section provision map

Provision	Subject	Implementation focus
Section 53	Payment of gratuity	Trigger, linked Rule/form, evidence, consequence and remedy
Section 54	Continuous service	Trigger, linked Rule/form, evidence, consequence and remedy
Section 55	Nomination	Trigger, linked Rule/form, evidence, consequence and remedy
Section 56	Determination of amount of gratuity	Trigger, linked Rule/form, evidence, consequence and remedy
Section 57	Compulsory insurance	Trigger, linked Rule/form, evidence, consequence and remedy
Section 58	Competent authority	Trigger, linked Rule/form, evidence, consequence and remedy

Section 53: Payment of gratuity

Current statutory text

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53. Payment of gratuity.— (1) Gratuity shall be payable to an employee on
employment after he has rendered continuous service for not less than five

    (a) on his superannuation; or
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(b) on his retirement or resignation; or

(c) on his death or disablement due to accident or disease; or

(d) on termination of his contract period under fixed term employmen

(e) on happening of any such event as may be notified by the Centra

Provided that in case of working journalist as defined in clause (f) o Journalists and Other Newspaper Employees (Conditions of Service) and Mi 1955 (45 of 1955), the expression “five years” occurring in this sub-secti years:

Provided further that the completion of continuous service of five yea the termination of the employment of any employee is due to death or disab term employment or happening of any such event as may be notified by the C

Provided also that in the case of death of the employee, gratuity paya nominee or, if no nomination has been made, to his heirs, and where any su the share of such minor, shall be deposited with the competent authority a

By Corrigenda dated 29-9-2020.

appropriate Government who shall invest the same for the benefit of such m financial institution, as may be prescribed by the appropriate Government,

(2) For every completed year of service or part thereof in excess of s gratuity to an employee at the rate of fifteen days' wages or such number Central Government, based on the rate of wages last drawn by the employee

Provided that in the case of a piece-rated employee, daily wages shall the total wages received by him for a period of three months immediately p employment, and, for this purpose, the wages paid for any overtime work sh

Provided further that in the case of an employee who is employed in a is not so employed throughout the year, the employer shall pay the gratuit for each season:

Provided also that in the case of an employee employed on fixed term e employee, the employer shall pay gratuity on pro rata basis.

(3) The amount of gratuity payable to an employee shall not exceed suc the Central Government.

(4) For the purpose of computing the gratuity payable to an employee w disablement, on reduced wages, his wages for the period preceding his disa wages received by him during that period, and his wages for the period sub be taken to be the wages as so reduced.

(5) Nothing in this section shall affect the right of an employee to r

any award or agreement or contract with the employer.

(6) Notwithstanding anything contained in sub-section (1),—

(a) the gratuity of an employee, whose services have been terminat or negligence causing any damage or loss to, or destruction of, proper shall be forfeited to the extent of the damage or loss so caused;

(b) the gratuity payable to an employee may be wholly or partially

(i) if the services of such employee have been terminated f or any other act of violence on his part, or

(ii) if the services of such employee have been terminated offence involving moral turpitude, provided such offence is commit employment.

Explanation 1.— For the purposes of this Chapter, employee does not in holds a post under the Central Government or a State Government and is gov any rules providing for payment of gratuity.

Explanation 2.— For the purposes of this section, disablement means su an employee for the work which he was capable of performing before the acc such disablement.

Explanation 3.— For the purposes of this section, it is clarified that employee, the fifteen days' wages shall be calculated by dividing the mont him by twenty-six and multiplying the quotient by fifteen.

Finin2min clause-by-clause decode

1. Legal test 1
2. Test qualifying service, category of cessation, fixed-term treatment, death/ disablement exceptions and the statutory wage base.
3. Implementation control
4. Trigger
5. Document the facts that activate section 53: payment of gratuity.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for gratuity eligibility, nomination, determination, insurance and appeal; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: No direct Central Rule mapped in the repository concordance | Official source: section 53.

Section 54: Continuous service

Current statutory text

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54. Continuous service.—For the purposes of this Chapter,—

    (A) an employee shall be said to be in continuous service for a period
uninterrupted service, including service which may be interrupted on accou
absence from duty without leave (not being absence in respect of which an
break in service has been passed in accordance with the standing orders, r
employees of the establishment), lay-off, strike or a lock-out or cessatio


the employee, whether such uninterrupted or interrupted service was render
commencement of this Code;
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(B) where an employee (not being an employee employed in a seasonal es
continuous service within the meaning of clause (A), for any period of one
deemed to be in continuous service under the employer—

(a) for the said period of one year, if the employee during the pe
preceding the date with reference to which calculation is to be made,
employer for not less than—

(i) one hundred and ninety days, in the case of any employe
mine or in an establishment which works for less than six days in a

(ii) two hundred and forty days, in any other case;

(b) for the said period of six months, if the employee during the
preceding the date with reference to which the calculation is to be ma
employer for not less than—

(i) ninety-five days, in the case of an employee employed b
establishment which works for less than six days in a week; and

(ii) one hundred and twenty days, in any other case.

Explanation.— For the purposes of this clause, the number of days o
actually worked under an employer shall include the days on which—

(i) he has been laid-off under an agreement or as permitted
Industrial Employment (Standing Orders) Act, 1946 (20 of 1946), o
Act, 1947 (14 of 1947), or under any other law applicable to the e

(ii) he has been on leave with full wages, earned in the p

(iii) he has been absent due to temporary disablement caus
the course of his employment; and

(iv) in the case of a female, she has been on maternity leav
of such maternity leave does not exceed twenty-six weeks;

(C) where an employee, employed in a seasonal establishment, is not in
meaning of clause (A), for any period of one year or six months, he shall
service under the employer for such period if he has actually worked for n
of the number of days on which the establishment was in operation during s

Finin2min clause-by-clause decode

1. Legal test 1
2. Continuous service includes deemed-service rules; absence, lay-off, leave and seasonal establishment treatment must be reconstructed from records.
3. Implementation control
4. Trigger

5. Document the facts that activate section 54: continuous service.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for gratuity eligibility, nomination, determination, insurance and appeal; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: No direct Central Rule mapped in the repository concordance | Official source: section 54.

Section 55: Nomination

Current statutory text

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55.  Nomination.—(1) Each employee, who has completed one year of service,
nomination within such time, in such form and in such manner, as may be pr
Government.

    (2) An employee may, in his nomination, distribute the amount of gratu
Chapter amongst more than one nominee.

    (3) If an employee has a family at the time of making a nomination, th
favour of one or more members of his family, and any nomination made by su
person who is not a member of his family shall be void.

    (4) If at the time of making a nomination the employee has no family,
favour of any person or persons but if the employee subsequently acquires
forthwith become invalid and the employee shall make, within such time as
appropriate Government, a fresh nomination in favour of one or more member

    (5) A nomination may, subject to the provisions of sub-sections (3) an
at any time, after giving to his employer a written intimation in such for
prescribed by the appropriate Government, of his intention to do so.


    (6) If a nominee predeceases the employee, the interest of the nominee
who shall make a fresh nomination, in the form prescribed by the appropria
such interest.

    (7) Every nomination, fresh nomination or alteration of nomination, as
by the employee to his employer, who shall keep the same in his safe custo
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Finin2min clause-by-clause decode

1. Legal test 1
2. Nomination does not replace the substantive right of legal heirs where the Code says otherwise; family status changes require fresh action.
3. Implementation control
4. Trigger
5. Document the facts that activate section 55: nomination.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for gratuity eligibility, nomination, determination, insurance and appeal; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

Central Rule 31: Rule 31 — Gratuity invested for benefit of minor

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Central Rule 32: Rule 32 — Nomination, fresh nomination and modification

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 31, Rule 32 | Official source: section 55.

Section 56: Determination of amount of gratuity

Current statutory text

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56. Determination of amount of gratuity.—(1) A person who is eligible for
this Chapter or any person authorised, in writing, to act on his behalf sh
employer, within such time and in such form, as may be prescribed by the a
payment of such gratuity.
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(2) As soon as gratuity becomes payable, the employer shall, whether a section (1) has been made or not, determine the amount of gratuity and giv to whom the gratuity is payable and also to the competent authority specif determined.

(3) The employer shall arrange to pay the amount of gratuity within th payable to the person to whom the gratuity is payable.

(4) If the amount of gratuity payable under sub-section (3) is not pai specified in sub-section (3), the employer shall pay, from the date on whi to the date on which it is paid, simple interest at such rate, not exceedi Government from time to time for repayment of long term deposits:

Provided that no such interest shall be payable if the delay in the pa employee and the employer has obtained permission in writing from the comp payment on this ground.

(5) (a) If there is any dispute as to the amount of gratuity payable t as to the admissibility of any claim of, or in relation to, an employee fo person entitled to receive the gratuity, the employer shall deposit with t as he admits to be payable by him as gratuity.

(b) Where there is a dispute with regard to any matter or matters spec or employee or any other person raising the dispute may make an applicatio the form prescribed by the appropriate Government for deciding the dispute

(c) The competent authority shall, after due inquiry and after giving reasonable opportunity of being heard, determine the matter or matters in inquiry any amount is found to be payable to the employee, the competent a employer to pay such amount or, as the case may be, such amount as reduced deposited by the employer.

(d) The competent authority shall pay the amount deposited, including deposited by the employer, to the person entitled thereto.

(e) As soon as may be after a deposit is made under clause (a), the co amount of the deposit—

(i) to the applicant where he is the employee; or

(ii) where the applicant is not the employee, to the nominee or such nominee or heir of the employee if the competent authority is sat to the right of the applicant to receive the amount of gratuity.

(6) For the purpose of conducting an inquiry under sub-section (5), th the same powers as are vested in a court, while trying a suit, under the C 1908), in respect of the following matters, namely:—

(a) enforcing the attendance of any person or examining him on oat

(b) requiring the discovery and production of documents;

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        (c) receiving evidence on affidavits;

       (d) issuing commissions for the examination of witnesses.

    (7) Any inquiry under this section shall be a judicial proceeding with
section 228 and for the purpose of section 196 of the Indian Penal Code (4

    (8) Any person aggrieved by an order under sub-section (5) may, within
receipt of the order, prefer an appeal to the appropriate Government or su
specified by the appropriate Government in this behalf:

    Provided that the appropriate Government or the appellate authority, a
satisfied that the appellant was prevented by sufficient cause from prefer
period of sixty days, extend the said period by a further period of sixty

    Provided further that no appeal by an employer shall be admitted unles
appeal, the appellant either produces a certificate of the competent autho
has deposited with him an amount equal to the amount of gratuity required
section (5), or deposits with the appellate authority such amount.

    (9) The appropriate Government or the appellate authority, as the case
parties to the appeal a reasonable opportunity of being heard, confirm, mo
the competent authority.
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Finin2min clause-by-clause decode

1. Legal test 1
2. Employer determination, notice, payment, deposit of disputed amount, competent-authority application and appeal are separate controls.
3. Implementation control
4. Trigger
5. Document the facts that activate section 56: determination of amount of gratuity.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for gratuity eligibility, nomination, determination, insurance and appeal; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

Central Rule 31: Rule 31 — Gratuity invested for benefit of minor

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Central Rule 33: Rule 33 — Application for gratuity and appeal, etc.

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 31, Rule 33 | Official source: section 56.

Section 57: Compulsory insurance

Current statutory text

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57. Compulsory insurance.—(1) With effect from such date as may be notifie
Government in this behalf, every employer, other than an employer or an es
under the control of, the Central Government or a State Government, shall,
section (2), obtain an insurance in the manner prescribed by the Central G
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payment towards the gratuity under this Chapter, from any insurance compan
as defined under clause (b) of sub-section (1) of section 2 of the Insuran
Authority Act, 1999 (41 of 1999):

    Provided that different dates may be appointed for different establish
or for different areas.

    (2) The appropriate Government may, subject to such conditions as may 
Government, exempt any employer who had already established an approved gr
employees and who desires to continue such arrangement, and every employer
more persons who establishes an approved gratuity fund in the manner presc
Government from the provisions of sub-section (1).

    (3) For the purposes of effectively implementing the provisions of thi
within such time as may be prescribed by the Central Government get his es
competent authority in the manner prescribed by the appropriate Government
registered under the provisions of  this  section unless he has taken an i
sub-section (1) or has established an approved gratuity fund referred to i

    (4) The appropriate Government may provide for the composition of the 
approved gratuity fund and for the recovery by the competent authority of 
to an employee from the insurer with whom an insurance has been taken unde
case may be, the Board of Trustees of the approved gratuity fund, in such 

    (5) Where an employer fails to make any payment by way of premium in r
referred to in sub-section (1) or by way of contribution to an approved gr
sub-section (2), he shall be liable to pay the amount of gratuity due unde
if any, for delayed payments) forthwith to the competent authority.

    Explanation.— In this section, “approved gratuity fund” shall have the
in sub-section (5) of section 2 of the Income-tax Act, 1961 (43 of 1961).
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Finin2min clause-by-clause decode

1. Legal test 1
2. Where compulsory insurance applies, policy/trust coverage must match the statutory liability and remain funded.
3. Implementation control
4. Trigger
5. Document the facts that activate section 57: compulsory insurance.
6. Coverage and jurisdiction
7. Identify establishment, employee/worker category, appropriate Government, First Schedule threshold and territorial authority.
8. Decision owner
9. Assign a named owner for gratuity eligibility, nomination, determination, insurance and appeal; identify HR, payroll, finance, legal, contractor and authorised-signatory roles.
10. Evidence pack

Applicable Central Rules immediately below the provision

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: No direct Central Rule mapped in the repository concordance | Official source: section 57.

Section 58: Competent authority

Current statutory text

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58. Competent authority.—(1) The appropriate Government may, by notificati
of that Government having such qualifications and experience as may be pre


be a competent authority for implementation of any provision of this Chapt
specified in the notification.

    (2) Where more than one competent authority has been appointed for any
Government may, by general or special order, regulate the distribution of

    (3) Any competent authority may, for the purpose of deciding any matte
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under this Chapter, choose one or more persons possessing special knowledg
matter under reference to assist him in holding the inquiry relating there
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                    CHAPTER VI
                      MATERNITY BENEFIT
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Finin2min clause-by-clause decode

1. Legal test 1
2. This section allocates legal responsibility for competent authority within the Gratuity Chapter.
3. Legal test 2
4. Identify the statutory trigger, person obligated, authority, timing, exceptions and documentary output before applying the provision.
5. Legal test 3
6. Read every subsection, proviso, explanation and linked Schedule in the official text; the heading alone is not the legal test.
7. Implementation control
8. Trigger
9. Document the facts that activate section 58: competent authority.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 33: Rule 33 — Application for gratuity and appeal, etc.

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Central Rule 34: Rule 34 — Qualifications and experience of competent authority

Rule mapping is retained; read the official 2026 Gazette for the exact sub-rule text and forms.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 33, Rule 34 | Official source: section 58.

Rules, forms, registers, portals and due dates

Rule	Subject	Text/control status
31	Rule 31 — Gratuity invested for benefit of minor	Source-controlled mapping
32	Rule 32 — Nomination, fresh nomination and modification	Source-controlled mapping
33	Rule 33 — Application for gratuity and appeal, etc.	Source-controlled mapping
34	Rule 34 — Qualifications and experience of competent authority	Source-controlled mapping

Forms and registers must be confirmed from the appended 2026 Central Rules and the live portal applicable to the appropriate Government. A form is not treated as current merely because an earlier law used the same number.

Notifications and effective-date history

Control	Required action
Enactment	Record Act number, assent and Gazette publication.
Commencement	Use the provision-specific commencement notification; the four Codes became broadly operative from 21 November 2025 subject to earlier partial commencement and corrigenda.
Central Rules	

	Read the applicable 2026 Central Rules from their Gazette date and verify subsequent amendments.
State instrument	Check final State Rules, authority notifications, forms and rates where the State is appropriate Government.

Old-law/new-Code concordance

Predecessor law	Transition control
Employees’ Compensation Act, 1923	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.
Employees’ State Insurance Act, 1948	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.
EPF and MP Act, 1952	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.
Employment Exchanges Act, 1959	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.
Maternity Benefit Act, 1961	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.
Payment of Gratuity Act, 1972	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.
Cine Workers Welfare Fund Act, 1981	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.
BOCW Welfare Cess Act, 1996	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.
Unorganised Workers’ Social Security Act, 2008	Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.

Practical calculations and control file

Calculation sequence

1. Freeze the employee/worker population and event date.

2. Apply the statutory wage/benefit base and notified threshold.
3. Reconcile attendance, service, payroll and contractor records.
4. Calculate principal amount, interest/damages and any statutory compensation separately.
5. Obtain legal/payroll approval and retain the versioned worksheet.

Three-owner sign-off

- **Employer/HR:** facts, classification, communication and workflow.
- **Employee/worker:** notice, records, nomination/claim and acknowledgement.
- **Professional:** source, formula, forum, limitation and evidence reconciliation.

Binding and highly relevant case-law principles

Older cases are included for principles only. Their continued application must be tested against the current Code wording, repeal-and-savings clause and later judgments.

Decision	Principle and present-use caution
Regional Director, ESI Corporation v. Ramanuja Match Industries	Social-security legislation is beneficial, but coverage and contribution liability still turn on statutory definitions and evidence.
Organo Chemical Industries v. Union of India	Social-security defaults may attract compensatory and deterrent consequences; separate principal contribution, interest, damages and prosecution.
Jeewanlal (1929) Ltd. v. Appellate Authority	Gratuity is a statutory terminal benefit; eligibility and forfeiture require strict application of the governing text.
Municipal Corporation of Delhi v. Female Workers	Maternity protection is interpreted purposively, while present claims must be tested under the Code and current Rules.

State-law variation alerts

- Confirm whether the Central or State Government is the appropriate Government.
- Central Rules do not automatically displace valid State Rules, rates, registers, authorities or portal procedures.
- Minimum-wage rates, holidays, working-hours permissions, licences and local welfare obligations require State-specific verification.
- Record Gazette number, effective date and supersession status in the location compliance register.

Practical transaction application

Use the chapter in hiring, payroll migration, contractor onboarding, M&A diligence, business transfer, employee exits, death/injury claims, gratuity, maternity, gig/platform arrangements and benefit-fund reconciliations. Test coverage and contribution periods at employee and establishment level.

Authority, consent and execution controls

Assign responsibility among the employer, principal employer, payroll owner, authorised officer, nominee/claimant, social-security organisation and competent authority. Board approval or employee consent does not replace statutory registration, contribution, nomination, deposit or claim procedure.

Stamp duty and registration alerts

Contribution records and statutory returns ordinarily do not require registration, but nominations, settlements, assignments, security documents and business-transfer instruments may have separate State stamp or registration implications. Preserve the distinction between benefit filing and instrument validity.

Evidence and document-retention checklist

Retain the operative law/rule version, classification note, approvals, signed instruments, statutory forms, portal acknowledgements, registers, calculations, bank proof, correspondence, inspection records, service proof, decision and appeal file. Apply the longer of the statutory retention rule, litigation hold, tax/audit need and contractual requirement; restrict access to personal and sensitive data.

Performance, delivery and payment controls

Reconcile employee master, wage base, contribution file, challan, bank debit, return, nomination and benefit claim. For exits, deaths, injuries and transfers, create an event-date checklist with owner, statutory clock, documentary dependency and payment evidence.

Breach, loss, mitigation and remedy framework

On detecting a breach, stop continuing exposure, preserve evidence, quantify employee and government dues, identify affected persons, make lawful corrective payment/filing, notify the authorised decision-maker, assess self-disclosure or compounding where available, and reserve contractual recovery against responsible vendors without delaying statutory remediation.

Limitation and forum controls

Use the designated social-security authority, competent authority, tribunal or appellate forum. Track assessment, determination, recovery, benefit rejection and appeal dates independently; a contractual forum clause cannot defeat the statutory remedy.

Arbitration and mediation interface

Mediation may narrow factual or computation disputes but cannot waive mandatory contributions, statutory benefit eligibility, recovery powers or offences. Any settlement must identify what remains subject to authority approval or statutory adjudication.

Company, partnership, GST and tax overlays

For a company, align board/delegation and officer-in-default controls; for an LLP or partnership, identify the designated partner/partner and authorised employer representative. Labour dues can affect transaction price, indemnities, director/partner exposure and insolvency claims. Salary/TDS, perquisite, contractor TDS, GST on outsourced services and accounting provisions must be reconciled without treating tax treatment as proof of labour-law classification.

Finin2min Q&A

Which law and version should be applied?

Use the current text of Code on Social Security, 2020, the commencement notification, the applicable Central or State Rules and any later instrument effective on the event date.

How is the appropriate Government identified?

Classify ownership/control, sector, establishment and contractor relationship before selecting the Central or State authority.

Can a company policy override the statutory protection?

No. A policy may improve a benefit or control, but it cannot contract out of a mandatory statutory floor.

What evidence should be retained?

Retain the classification memo, source instrument, form/portal record, calculation, approval, employee communication, acknowledgement and payment or authority proof.

Do the Central Rules apply to every establishment?

No. They govern the Central sphere. State Rules and State notifications must be checked where the State is the appropriate Government.

How should a historical event be tested?

Apply the law and subordinate instrument effective on the event date, then use the repeal-and-savings provision for pending rights and proceedings.

What happens when portal practice conflicts with the statute?

Record the conflict, follow the higher legal instrument, seek authority clarification where necessary and preserve screenshots and correspondence.

Can criminal and monetary consequences arise together?

They may. Separate wages/benefits, interest, damages, civil penalty, prosecution, compounding and director/officer liability.

Is a contractor arrangement enough to shift liability?

No. Principal-employer and contractor liabilities depend on the specific provision and facts; the contract should allocate evidence and recovery without diluting worker rights.

What is the first professional review step?

Freeze the event date and facts, identify the applicable provision, then map Rules, forms, notification status, authority, limitation and evidence.

What is the operational focus of section 53 - Payment of gratuity?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 54 - Continuous service?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 55 - Nomination?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 56 - Determination of amount of gratuity?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 57 - Compulsory insurance?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is the operational focus of section 58 - Competent authority?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is review control 17 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

What is review control 18 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

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