

# EMPLOYEE COMPENSATION ACT, 1923

## CHECKLIST

### Applicability

All over India  
**Sec.1**

### Coverage of Workmen

All employees irrespective of their status or salaries either directly or through contractor or a person recruited to work abroad. **Sec.1 (3)**

### Employer's liability to pay compensation to a workman

On death or personal injury resulting into total or partial disablement or occupational disease caused to a workman arising out of and during the course of employment.

**Sec.3**

### Amount of compensation

- Where death of a workman results from the injury
  - An amount equal to fifty per cent of the monthly wages of the deceased workman multiplied by the relevant factor on an amount of eighty thousand rupees, whichever is more.
- Where permanent total disablement results from the injury.
  - An amount equal to sixty per cent of the monthly wages of the injured workman multiplied by the relevant factor or an amount of ninety thousand rupees, whichever is more

### Procedure for calculation

#### Higher the age – Lower the compensation

- Relevant factor specified in second column of Schedule IV giving slabs depending upon the age of the concerned workman.
- Example: In case of death.
  - Wages Rs.3000 PM • Age 23 years
  - Factor as schedule IV Rs.19.95
  - Amount of compensation Rs.329935
  - In case of total disablement Rs.395910.

**Sec. 4**

### When an employee is not liable for compensation

- In respect of any injury which does result in the total or partial disablement of the workman for a period exceeding three days.
- In respect of any injury, not resulting in death or permanent total disablement caused by an accident which is directly attributable to-
  - The workman having been at the time thereof under the influence of drink or drugs, or
  - Willful disobedience of the workman to an order expressly given, or to a rule expressly framed, for the purpose of securing the safety of workmen, or
  - Willful removal or disregard by the workman of any safety guard or other device which he knew to have been provided for the purpose of securing the safety of workman.

**Sec.3 (a) & (b)**

### Wages

When the monthly wages are more than Rs.4000 per month it will be deemed Rs.4000.

**Sec.4 Exh.b**

### Notice Accident

As soon as Practicable

**Sec. 10**

### Report of accident Rule 11 Form EE

Report of fatal Accident and Serious Injury within 7 days to the Commissioner (not application when ESI Act applies).

**Sec.10B**

### Bar upon contracting out

Any workman relinquishing his right for personal injury not permissible.

**Sec.14**

### PENALTY

- In case of default by employer
- Deposit of Compensation

- 50% of the compensation amount + interest to be paid to the workman or his dependents as the case may be.
- Within one month with the Compensation Commissioner

**Sec.4A**