

**THE PUNJAB EMPLOYEES SPECIAL ALLOWANCE (PAYMENT)  
ACT, 1988  
(II of 1989)**

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**TEXT**

**<sup>1</sup>THE PUNJAB EMPLOYEES SPECIAL ALLOWANCE (PAYMENT) ACT, 1988  
(II of 1989)**

*[31<sup>st</sup> December, 1988]*

**An  
Act**

*to provide for payment of a Special Allowance to employees.*

**Preamble.**— Whereas it is expedient to provide for payment of a Special Allowance to employees and for matters ancillary thereto, in the manner hereinafter appearing;

It is hereby enacted as follows:-

**1. Short title, extent and commencement.**— (1) This Act may be called the Punjab Employees Special Allowance (Payment) Act, 1988.

(2) It shall extend to the whole of the Punjab.

(3) It shall come into force at once and shall be deemed to have taken effect on and from the first day of May, 1988.

**2. Definitions.**— In this Act unless there is anything repugnant to the subject or context:

(a) “employee” means any person employed, whether directly or through or by any other person for wages to do any skilled or unskilled, intellectual, technical, clerical, manual or other work in, or in connection with the affairs of, an undertaking, under any contract of service or apprenticeship, whether written or oral, express or implied and includes such a person when laid off;

(b) “employer” in relation to an undertaking means any person who employs, either directly or through or by any other person, any employees, and includes-

(i) a body of persons, whether incorporated or not;

(ii) a person who has ultimate control over the affairs of an undertaking, including the owner of the undertaking or where the affairs of any undertaking are entrusted to any other person (whether called a Managing Agent, Director, Manager, Agent, Superintendent, Secretary, Representative of the owner or by any other name), such other person, or in any other case, any person responsible to the owner for supervision and control of an employee or for payment of his wages; and

(iii) an heir, successor, administrator or assignee, as the case may be, of such person or association of persons;

(c) “Government” means the Government of the Punjab;

(d) “Special Allowance” means an amount payable under the provisions of this Act;

(e) “Undertaking” means—

(i) an establishment to which the West Pakistan Shops and Establishments Ordinance, 1969, for the time being applies, and notwithstanding anything contained in section 5 thereof, includes Clubs, Hotels and Messes not

<sup>1</sup> This Act was passed by the Punjab Assembly on 28th December, 1988; assented to by the Governor of the Punjab on 31st December, 1988; and, was published in the Punjab Gazette (Extraordinary), dated 5th January, 1989, Pages 21-24.

maintained for profit or gain and establishment for the treatment or care of the sick, infirm and destitute or mentally unfit persons;

- (ii) a construction industry to which the West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, for the time being applies;
- (iii) a factory as defined in the Factories Act, 1934;
- (iv) a mine as defined in the Mines Act, 1923;
- (v) a Road Transport Service as defined in the Road Transport Workers Ordinance, 1961; and
- (vi) a newspaper establishment as defined in the Newspaper Employees (Conditions of Service) Act, 1973; and

includes any class of establishments which Government may by notification in the Official Gazette, declare to be undertakings for the purposes of this Act;

- (f) "wages" means remuneration for services, payable in cash to an employee without taking account of deductions for any purpose, under a contract of service or apprenticeship, written, oral, express or implied and includes any dearness allowance or other addition in respect of the cost of living payable under any law for the time being in force; but does not include:-
  - (i) any payment for overtime; or
  - (ii) any sum paid to an employee to defray special expenses entailed by the nature of his employment; or
  - (iii) contribution of Provident Fund; or
  - (iv) any gratuity payable on discharge; or
  - (v) any sum paid as bonus, house rent, medical allowance, conveyance allowance, travelling allowance or any other allowance.

**3. Special Allowance.**— Every employee whose wages, in respect of his employment on or after the 1st day of May, 1988 does not exceed one thousand four hundred and fifty rupees shall with effect from the said date be paid by his employer as a Special Allowance—

- (a) equal to fifty rupees per month, if his wages do not exceed one thousand four hundred and fifty rupees; or
- (b) at such rate as, together with his wages, makes a total of one thousand and five hundred rupees per month if his wages are more than one thousand four hundred and fifty rupees.

**4. Further Special Allowance.**— Every employee whose wages, in respect of his employment on or after the 1st day of July, 1988 do not exceed one thousand three hundred and fifty rupees shall, with effect from the said date, in addition to the Special Allowance under Section 3, be paid by his employer a Special Allowance—

- (a) equal to one hundred rupees per month, if his wages do not exceed one thousand three hundred and fifty rupees; or
- (b) at such rate as, together with his wages, makes a total of one thousand and five hundred rupees per month if his wages are more than one thousand three hundred and fifty rupees.

<sup>1</sup>**[4-A. Special Allowance.—** Every employee whose wages, in respect of his employment on or after the first day of May, 1990 do not exceed two thousand nine hundred rupees shall, with effect from the said date, be paid by his employer a special allowance—

- (a) equal to one hundred rupees per month, if his wages do not exceed two thousand nine hundred rupees; or
- (b) at such rate as, together with his wages, makes a total of three thousand rupees per month if his wages are more than two thousand nine hundred rupees.]

<sup>2</sup>**[4-B. Additional Special Allowance.—** Every employee whose wages, in respect of his employment on or after the first day of December, 1990 do not exceed two thousand five hundred and eighty-five rupees shall, with effect from the said date, be paid by his employer an Additional Special Allowance—

- (a) equal to two hundred rupees per month, if his wages do not exceed two thousand five hundred and eighty-five rupees; or
- (b) at such rate as, together with his wages, makes a total of two thousand seven hundred and eighty-five rupees per month if his wages are more than two thousand five hundred and eighty-five rupees.]

**5. Responsibility for payment of Special Allowance.—** Every employer shall be responsible for the payment of the Special Allowance required to be paid under this Act.

**6. Time for payment of Special Allowance.—** The Special Allowance shall be paid alongwith wages in accordance with any custom, usage, practice or law applicable to the undertaking.

**7. Claim for recovery or delay in payment of Special Allowance.—** Where contrary to the provisions of this Act, the Special Allowance of any employee has been withheld or delayed, such worker himself or through any other person authorised by him in this behalf may apply—

- (a) in the case of an establishment to which the West Pakistan Shops and Establishments Ordinance, 1969 for the time being applies, to the authority appointed under sub-section (1) of Section 12 thereof having jurisdiction and the provisions of the said Section and Sections 11, 13, 21, 23, 30 and 32 of that Ordinance shall, so far as may be and with necessary modifications, apply for the purposes of recovery of the Special Allowance; and
- (b) in any other case, to the authority appointed under sub-section (1) of Section 15 of the Payment of Wages Act, 1936, having jurisdiction and the provisions of the said Section and Sections 6, 16, 17, 18, 19, 22, 23 and 26 of the said Act shall so far as may be and with necessary modifications, apply for the purposes of recovery of the Special Allowance.

**8. Special Allowance not to form part of wages.—** Notwithstanding anything contained in this Act or any other law for the time being in force, the Special Allowance under Sections 3, 4 and 4A shall not form part of the wages of a worker for the purposes or any other law, including the purposes of contribution to provident fund, gratuity, bonus and calculating wages for overtime work.

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<sup>1</sup> Added by the Punjab Employees Special Allowance (Payment) (Amendment) Act, 1991 (IV of 1991).

<sup>2</sup> Subs. section 4B Punjab Employees' Special Allowance (Payment) (Amendment) Ordinance, 1992 (VIII of 1992), s. 2[Punjab Gaz., Extra., Feb. 24, 1992] for old s. 4B inserted by Punjab Act X of 1991, s. 2.

**9. Penalty.**— Any employer who contravenes any provision of this Act shall be punishable with simple imprisonment for a term which may extend to nine months or with fine which may extend to two thousand rupees, or with both.

**10. Cognizance of offenses.**— No court shall take cognizance of any offence under this Act save on a complaint made by an aggrieved employee or by an officer of a registered trade union of which such employee is a member or by any person authorised in this behalf by Government.

**11. Repeal.**— The Punjab Employees' Special Allowance (Payment) (Second) Ordinance, 1988 (IV of 1988) and the Punjab Employees' Special Allowance (Payment) (Amendment) Ordinance, 1988 (V of 1988) are hereby repealed.