


ADVISORY TO EMPLOYERS IN THE WAKE OF COVID-19 PANDEMIC

INTRODUCTION

The spread of corona virus will likely affect the economic growth of the country. With a view to mitigate a further fall out that would be prejudicial to employees/ workers across the country, the Ministry of Labour and Employment, Government of India has issued a circular on 20 March 2020 (“**Circular**”). Similar circulars have also been issued by various state governments as well.

GOVERNMENT DIRECTIVES



Several measures have been taken over the last few weeks to contain the spread of the virus, including measures requiring citizens to stay at home and restricting access to public transport etc. and as of 25th March 2020 – a 21 day lockdown. In the Circular, it is recognised that companies/establishments may look to terminate the contract of workers on the pretext of the Covid-19 pandemic or may force their employees to go on leave without pay. The termination of employees from the job or reduction in wages in this scenario would further deepen the crisis and will not only weaken the financial condition of the employee but also hamper their morale to combat their fight with this epidemic.

In light of the above, the Circular states that :

- All the employers of public or private companies/establishments must be advised to extend their co-operation by not terminating employment (especially in respect of casual or contractual workers) of employees from their jobs or reduce their wages;
- If any worker takes leave, he/she must be considered deemed to be on duty without any consequential deduction in wages for this period;
- If the place of employment is to be made non-operational due to the Covid-19 pandemic, then the employees of such a unit will be considered deemed to be on duty.

The Circular also directs Employers’ Associations to issue necessary advisories in this regard to its members. A similar circular issued by the Commissioner of Labour, Maharashtra State

directs labour authorities and labour welfare boards to issue such advisories to employers falling under their jurisdiction.

CONCLUSION

While formal directives may be issued preventing employers from terminating employment for absence under these circumstances or reduction of wages as a fall out of the Covid – 19 pandemic, the Circular should be treated as guidance by employers as they chart out their future course of action.

Parinam is set up to work remotely and provide the necessary assistance / advice should you have any queries.

DISCLAIMER

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