

INFORMATION NOTE

Wage Adjustment Regulations 2024

[Government Notice No. 261 of 2024]

1. It is brought to the attention of Members that the Wage Adjustment Regulations 2024 have been made on 27 December 2024 and have come into operation as from 1 July 2024.
2. The Regulations provide for adjustment of wages in respect of employees working in sectors not covered by Remuneration Regulations and drawing a monthly basic wage of up to Rs50,000 in December 2023.
3. The main Provisions of the Regulations are as follows:

(A) Wage Adjustment for full time employees

- (i) Where an employee was drawing a basic wage less than Rs20,000 in December 2023, his employer is required to adjust his basic wage with effect from 1 July 2024, with an amount equivalent to:

Basic wage of the employee for the month of December 2023 + Rs4,925	less	his basic wage for the month of January 2024, inclusive of payment of annual remuneration 2024.
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- (ii) Where an employee was drawing a basic wage not less than Rs20,000 and up to Rs50,000 in December 2023, his employer is required to adjust his basic wage with effect from 1 July 2024, by an amount of Rs2,925.
- (iii) Where an employer has granted a salary increase to his employees, other than by way of increment, during the period January to June 2024, he may deduct the amount of salary increase granted from the amount of salary adjustment payable to the employees.
Whereas where the salary increase granted to the employees is greater than the amount of salary adjustment payable, the employer is not required to make any wage adjustment, that is, the employees will retain their actual basic wage.

(Examples of salary adjustments are illustrated as per Annex)

(B) Salary adjustment for Part Time employees

- Where a part time employee was drawing a basic wage less than Rs20,000 in December 2023, his employer is required to adjust his basic wage with effect from 1 July 2024, with an amount equivalent to:

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$ \begin{aligned} &\text{Basic wage for the month of December 2023} \\ &+ \\ &(\text{Rs}4,925 \times \text{No. of hours worked per month of a} \\ &\quad \text{part time employee}) \\ \hline &\text{No. of hours worked per month by a full time} \\ &\quad \text{employee)} \end{aligned} $	less	$ \begin{aligned} &\text{Basic wage for the month} \\ &\text{of January 2024, inclusive of} \\ &\text{payment of additional} \\ &\text{remuneration 2024} \end{aligned} $
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- Where a part time employee was drawing a basic wage of not less than Rs20,000 and not more than Rs50,000 in December 2023, his employer is required to adjust his basic wage with effect from 1 July 2024, with an amount equivalent to:

$ \begin{aligned} &(\text{Rs}2,925 \times \text{No of hours worked per month of a part time employee}) \\ \hline &\text{No of hours worked per month by a full time employee)} \end{aligned} $
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(C) Minimum Basic Wage for Occupations/Grade/Job Position requiring Diploma or Degree qualifications

- An employer is required to pay minimum monthly basic wage of Rs23,000, with effect from 1 July 2024, to an employee possessing a diploma or an equivalent qualification performing a job which requires such qualifications.
- An employer is required to pay minimum monthly basic wage of Rs25,000, with effect from 1 July 2024, to an employee possessing at least a post-HSC first degree or an equivalent qualification performing a job which requires such qualifications.

(D) Prescribed delay for the wage adjustment and payment of arrears

- An employer is required to adjust the wages of his employees, wherever applicable, at latest by end of January 2025.
- An employer has a delay up to 31 March 2025 to pay any arrears due to his employees for the month of July to December 2024.

(E) Keeping of records

An employer is required to keep a separate record on the monthly wage adjustment payable to his employees with effect from July 2024 and to provide a copy of the record to the Director-General in accordance with Section 7 of the Social Contribution and Social Benefits Act 2021.

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Annex

Computation of Wage Adjustment for Full time Employees

Scenario	1 Basic wage (December 2023)	2 Additional Remuneration 2024	3 Annual Increment (payable wef 1 Jan 2024)	4 Basic wage (January 2024)	5 Salary Increase granted, other than by way of increment (Jan – June 2024)	6 Existing Basic wage as at 1 July 2024	7 Wage Adjustment	8 New Adjusted Basic wage wef 1 July 2024 (No. 6 + No. 7)
A	Rs18,000	Rs1,800	-	Rs19,800	-	Rs19,800	Rs3,125 (Rs18,000+Rs4,925 Less Rs19,800)	Rs22,925
B	Rs17,000	Rs1,700	Rs500	Rs19,200	-	Rs19,200	Rs3,225 (Rs17,000+Rs4925 Less (Rs19,200 - Rs500))	Rs22,425
C	Rs17,000	Rs1,700	Rs500	Rs19,200	Rs1,000	Rs20,200	Rs2,225 [(Rs17,000+Rs4925 Less (Rs19,200 - Rs500))] less Rs1,000	Rs22,425
D	Rs19,000	Rs1,900	-	Rs20,900	Rs1,500	Rs22,400	Rs1,525 [(Rs19,000+Rs4,925 Less Rs20,900)] less Rs1,500	Rs23,925
E	Rs25,000	Rs2,000	-	Rs27,000	-	Rs27,000	Rs2,925	Rs29,925
F	Rs30,000	Rs2,000	-	Rs32,000	Rs2,000	Rs34,000	Rs925 (Rs2,925 – Rs2,000)	Rs34,925
G	Rs25,000	Rs2,000	-	Rs27,000	Rs4,500	Rs31,500	NIL	Rs31,500

Computation of Wage Adjustment for Part time Employees

Scenario	Basic wage (December 2023)	Additional Remuneration 2024	Basic wage (January 2024)	Wage Adjustment	New Adjusted Basic wage wef 1 July 2024
A	Rs6,000	Rs600	Rs6,600	Rs1,168 (Rs6,000+(Rs4,925*70/195 Less 6,600)	Rs7,768
B	Rs25,000	Rs2,000	Rs27,000	Rs1,050 Rs2,925*70/195	Rs28,050

Note: It is assumed that the part time employee is working 70 hours in a month