

Minimum Wage/Salary, 2016 (2072)

The Government of Nepal has recently amended the minimum wage under Labor Act, 1992 (2048) ("**Labor Act**") by publishing a notices in Nepal Gazette Part 5, Volume 63, Number 43, dated February 01, 2016 (2072-10-18) ("**Gazette Notice**").

Separate minimum wage has been fixed for the workers / employees working in tea estate ("**Tea Estate Minimum Wage**") and the workers / employees working in enterprises other than tea estate ("**Other Enterprises Minimum Wage**").

The minimum wage is applicable to all workers / employees irrespective of status of the employment or the length of service. Section 21(4) of the Labor Act prohibits an employer from entering into an agreement with its employee for paying salary / wage and benefits that are less than what is prescribed by the Government of Nepal. Therefore, the prescribed minimum wage is mandatorily applicable.

A. Tea Estate Minimum Wage:

Different rates of minimum wage / salary have been prescribed for the period (1) commencing on the date of publication of the Gazette Notification (i.e. February 01, 2016) and ending on July 15, 2016 (2073-03-31) ("**Current Fiscal Year**"), and (2) commencing on July 16, 2016 (2073-04-01) and ending on July 15, 2017 (2074-03-31) ("**Post Fiscal Year**").

1. Minimum salary / wage prescribed for the Current Fiscal Year

S.N.	Nature of Payment	Minimum Monthly Salary/Wage	Remarks
1.	Minimum Salary	Rs. 6,375/-	
2.	Daily Wages	Rs. 228/- per day	
3.	Daily Allowances for the workers working at Tea Refinery and Tea Factories and Sardar, Naik and Gatekeeper working in the Tea Estate	Rs 30 per day	Such allowances are not applicable to workers who are paid monthly salary.

2. Minimum salary / wage prescribed for Post Fiscal Year

S.N.	Nature of Payment	Minimum Monthly Salary/Wage	Remarks
1.	Monthly Salary	Rs. 7075/-	
2.	Daily Wage	Rs. 253/- per day	
3.	Daily Allowances for the workers working at tea refinery and tea factories and Sardar, Naike and gatekeeper working in tea estate	Rs. 30/- per day	Such allowances are not applicable to workers who are paid monthly salary.

B. Other Enterprise Minimum Wage:

1. Minimum salary / wage

S.N	Nature of Payment	Minimum Monthly Salary/Wage	Dearness Allowances per Month	Total
1.	Monthly Salary	Rs. 6205/-	Rs. 3495/-	Rs. 9700/-
2.	Daily Wages	Rs. 395/-	Rs. 395/-

2. Effective Date

The Other Enterprise Minimum Wage is effective from the date of publication of the Gazette Notice (February 01, 2016).

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