

NOVEMBER 30, 2023

Implementation of Revised Minimum Wage in Pakistan's Punjab Region

THE ISSUE

How should FLA members respond to the revised minimum wage adjustment notification issued by the government of Punjab on November 2, 2023?

BACKGROUND

On September 19, 2023, the government of Punjab issued a Minimum Wage Notification adjusting the minimum wage to 32,000 Pakistani rupees (PKR) per month. Factories in the region promptly complied, raising wages effective September 1. Payments based on this new minimum wage were initiated in October, incorporating adjustments to various compensation elements such as overtime premiums, paid holidays, leaves, and bonuses.

However, nearly two months later, the government of Sindh issued its own regional Minimum Wage Notification. In contrast to Punjab, the Sindh government declared an effective implementation date of July 1, 2023, and requested retrospective payments for workers. On November 2, 2023, the government of Punjab published an update, aligning the effective implementation date of the new minimum wage with Sindh, now set on July 1.

As most factories had initially followed the effective implementation date of the first notification, workers in the Punjab region began receiving the new minimum wages from September 1, rather than the revised date of July 1. FLA has received updates from the region and observed that some factories are yet to announce the changes to their workers and initiate retrospective payments for wage arrears covering the period between July 1 and September 1.

FLA RECOMMENDATIONS

In compliance with the recent revision and announcement by the government of Punjab, FLA requests its member companies to verify with their suppliers whether they have adjusted their employees' wages in line with the revised minimum wage effective July 1, 2023, or if they are still following the original mandate.

It is crucial to highlight that suppliers who have not implemented the new minimum wage as of July 1 should promptly recalibrate and disburse all wage components. This includes the minimum wage, overtime premiums, compensation for work on weekends and public/national holidays, and any other related wage elements, all effective from July 1. These adjustments should be clearly explained and reflected in the November paychecks to the relevant workers.

Please contact info@fairlabor.org for more information about this update.

Members should note that the FLA's [Third Party Complaint Procedure](#) is open to all workers and their advocates, including trade unions and civil society organizations, who work in a factory supplying to an FLA member company or university licensee.

FLA CODE ELEMENTS

FLA COMPENSATION BENCHMARKS

C.2: Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher, for regular working hours (not including overtime). Workers should also be informed about the legal minimum wage.

C.4: All wages, including payment for overtime, shall be paid within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month.

C.5: All payments to workers, including hourly wages, piecework, fringe benefits and other incentives shall be calculated, recorded, and paid accurately.

ABOUT FAIR LABOR ASSOCIATION

Fair Labor Association (FLA) promotes human rights at work. We are an international network of companies, universities, and civil society organizations collaborating to ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being.