



## ERGO

*Analysing developments impacting business*

### PAYMENT OF GRATUITY (AMENDMENT) ACT 2018 NOW IN FORCE

3 April 2018

#### Introduction

The Payment of Gratuity (Amendment) Act, 2018 (Gratuity Amendment Act) has received the Presidential assent on 28 March 2018 and has been notified on 29 March 2018. Our previous update pertaining to the Gratuity Amendment Act can be accessed [here](#).

The Ministry of Labour and Employment, Government of India has, by the Official Gazette notification dated 29 March 2018 (Notification), appointed the date of Notification as the date on which the Gratuity Amendment Act shall come into force.

#### Amendment as per the Notification

According to the Notification, the Central Government has specified that the amount of gratuity payable to an employee shall not exceed INR 2,000,000 (Indian Rupees Two Million).

Further, for the purposes of calculation of continuous service for the payment of gratuity to employees who are on maternity leave, the Central Government has specified that the total period of maternity leave shall not exceed 26 (twenty-six) weeks.

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