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Workmen's Compensation Act, 1923

Scope and Application

The Workmen's Compensation Act, 1923 is spread over 35 Sections and is supported by four schedules. It has four Chapters dealing with subjects such as 'Preliminary', 'Workmen's Compensation', 'Commissioners' and 'Rules' and extends to the whole of Pakistan.

Definitions

[Section 2]

Minor

A person who is under the age of 15 years is considered a minor.

Adult

A person who has achieved the age of 15 years is considered an adult.

Dependant

Dependant means any of the following relatives of a deceased workman:

1. a widow, minor legitimate son and unmarried legitimate daughter, or a widowed mother; and
2. if wholly or in part dependant on the earnings of the workman at the time of his death, a widower, a parent other than a widowed mother, a minor illegitimate son, an unmarried illegitimate daughter, a daughter legitimate or illegitimate if married and a minor or widowed, a minor brother, an unmarried or widowed sister, a widowed daughter-in-law, a minor child of a deceased son, a minor child of a deceased daughter where no parent of the child is alive, or, where no parent of the workman is alive, a paternal grand-parent.

Employer

This term includes any body of person whether incorporated or not, any managing agent of an employer and the legal representatives of a deceased employer or a person to whom the services of the worker were temporarily lent and the workman was working for him.

Partial Disablement

It means, where the disablement is of a temporary nature, such disablement as reduces the earning capacity of a workman in any employment in which he was engaged at the time of the accident resulting in the disablement, and, where the disablement is of a permanent nature, such disablement as reduces his earning capacity in every employment which he was capable of undertaking at that time; provided that every injury specified in Schedule I shall be deemed to result in permanent partial disablement.

Total Disablement

It means disablement, whether of a temporary or permanent nature, as incapacitates a workman for all work which he was capable of performing at the time of the accident result in such disablement.

It is provided that permanent total disablement shall be deemed to result from the permanent total loss of the sight of both eyes or from any combination of injuries specified in Schedule I where the aggregate

percentage of the loss of earning capacity, as specified in that Schedule against those injuries, amounts to one hundred per cent.

Wages

Wages include any privilege or benefit which is capable of being estimated in money, other than a traveling allowance or the value of any traveling concession or a contribution paid by the employer of a workman towards any pension or a provident fund or a sum paid to a workman to cover any special expenses entailed on him by the nature of his employment.

Employer's Liability for Compensation

[Section 3]

If personal injury is caused to a workman by an accident arising out of or in the course of his employment, his employer shall be liable to pay compensation in accordance with the provisions of Chapter 2.

A proviso has been attached to the above section which requires that the employer shall not be so liable in the following cases:

1. In respect of any injury which does not result in the total or partial disablement of the workman for a period exceeding four days;
2. In respect of any injury, not resulting in death, caused by an accident which is directly attributable to
 - (a) the workmen having been at the time thereof under the influence of drink or drugs, or
 - (b) the willful disobedience of the workman to an order expressly given, or to a rule expressly framed for the purpose of securing the safety of workmen, or
 - (c) the willful removal or disregard by the workman of any safety guard or other device which he knew to have been provided for the purpose of securing the safety of workmen.

The amount of compensation shall be as follows:

1. Where death results from the injury to a workman in receipt of monthly wages falling within the limits shown in the first column of Schedule IV the amount shown against such limits in the second column thereof;
2. Where permanent total disablement results from injury to a workman in receipt of monthly wages falling within the limits shown in the first column of Schedule IV—the amount shown against such limits in the third column thereof;
3. Where permanent partial disablement results from the injury—
 - (a) in the case of an injury specified in Schedule I, such percentage of the compensation which would have been payable in the case of permanent total disablement as is specified therein as being the percentage of the loss of earning capacity caused by that injury, and
 - (b) in the case of an injury not specified in Schedule I, such percentage of the compensation payable in the case of permanent total disablement as is proportionate to the loss of earning capacity permanently caused by the injury.

Explanation

Where more injuries than one are caused by the same accident, the amount of compensation payable under this head shall be aggregated but not so in any case as to exceed the amount which would have been payable if permanent total disablement had resulted from the injuries.

4. Where temporary disablement, whether total or partial, results from the injury, a half-monthly payment payable on the sixteenth day after the expiry of waiting period of four days from the date of the disablement, and thereafter half-monthly during the disablement, or during a period of two years, whichever period is shorter in the case of a workman in receipt of monthly wages falling within the limits shown in the first column of Schedule IV of the sum shown against such limits in the fourth column thereof.

In the case of a workman whose injury resulted in death and lump sum compensation is to be paid. The amount will be deposited with the Commissioner to be distributed. Any sum which is paid directly will not be counted towards its payment. The receipt of the Commissioner for the deposit will be regarded as the discharge of the payment.

Schedules

Four Schedules have been annexed to the Workmen's Compensation Act, 1923. These are listed below.

Schedule I

List of injuries deemed to result in permanent total disablement.

Schedule II

List of persons who are in the definitions of workmen.

Schedule III

List of occupational diseases.

Schedule IV

Compensation payable in certain cases.

SCHEDULE I

*[See Sections 2 (1) and 4]

LIST OF INJURIES DEEMED TO RESULT IN PERMANENT TOTAL DISABLEMENT

Description of injuries	Percentage of loss of earning capacity
1. Loss of both hands or amputation at higher sites	100
2. Loss of a hand and a foot	100
3. Double amputation through leg or thigh or amputation through leg or thigh on one side and loss of other foot	100
4. Loss of sight to such an extent as to render the claimant unable to perform any work for which eye-sight is essential	100
5. Very severe facial disfigurement	100
6. Absolute deafness	100

* Subs. By Labour Laws (Amendment) Act, V of 1972.

Amputation Cases—Upper limbs (either arm)

1. Amputation through shoulder joint	90
2. Amputation below shoulder with stump less than 8" from tip of acromion	80
3. Amputation from 8" from tip of acromion to less than 4 ½" below tip of olecranon	70
4. Loss of a hand or of the thumb and four fingers of one hand or amputation from 4 ½" below tip of olecranon	60
5. Loss of thumb	30
6. Loss of thumb and its metacarpal bone	40
7. Loss of four fingers of one hand	50
8. Loss of three fingers of one hand	30
9. Loss of two fingers of one hand	20
10. Loss of terminal phalanx of thumb	20

Amputation Cases—Lower limbs

11. Amputation of both feet resulting end-bearing stumps	90
12. Amputation through both feet proximal to the metatarso-phalangeal joint	
13. Loss of all toes of both feet through the metatarso-phalangeal joint	80
14. Loss of all toes of both feet proximal to the proximal inter-phalangeal joint	30
15. Loss of all toes of both feet distal to the proximal inter-phalangeal joint	20
16. Amputation at hip	90
17. Amputation below hip with stump not exceeding 5" in length measures from tip of great trochanter	80
18. Amputation below hip with stump exceeding 5" in length measured from tip of great trochanter but not beyond middle thigh	70
19. Amputation below middle thigh to 3 ½" below knee	60
20. Amputation below knee with stump exceeding 3 ½" but not exceeding 5"	50
21. Amputation below knee with stump exceeding 5"	40
22. Amputation of one foot resulting in end-bearing	30
23. Amputation through one foot proximal to the metatarso-phalangeal joint	30
24. Loss of all toes of one foot through the matatarso-phalangeal joint	20
Other injuries	
25. Loss of one eye, without complications, the other being normal	40
26. Loss of vision of one eye without complication or disfigurement of eyeball, the other being normal	30

- (viii) employed in the construction, repair or demolition of:
 - (a) any building or structure; or
 - (b) any dam or embankment which is twenty feet or more in height from its lowest to its highest point; or
 - (c) any road, or tunnel or
 - (d) any wharf, quay, sea-wall or the marine work including any moorings of ship; or
- (ix) employed in setting up, repairing, maintaining, or taking down any telegraph or telephone line or post of any overhead electric line or cable or post or standing for the same; or
- (x) employed * [...] in the construction, working, repair or demolition of any aerial, ropeway, canal pipeline, or sewer; or
- (xi) employed in the service of any fire; or
- (xii) employed upon a railway as defined in clause (4) of Section 3, and sub-section (1) of Section 148 of the Railways Act, 1890 (IX of 1890), either directly or through a sub-contractor, by a person fulfilling a contract with the railway administration; or
- (xiii) employed as an inspector, mail guard, sorter or van peon in the Railway Mail Service, or employed in any occupation ordinarily involving outdoor work in the Posts and Telegraphs Department; or
- (xiii-a) employed as treasure clerks performing outdoor duties in the Pakistan Posts and Telegraphs Department in Baluchistan and the Karachi Division;
- (xiv) employed **[...] in connection with operations for winning natural petroleum or natural gas; or
- (xv) employed in any occupation involving blasting operations; or
- (xvi) employed in the making of excavation in which on anyone day of the preceding twelve months more than twenty-five persons have been employed or explosive or have been used, or whose depth from its highest to its lowest point exceeds twenty feet; or
- (xvii) employed in the operation of any ferry boat capable of carrying more than ten persons; or
- (xviii) employed **[...] on any estate which is maintained for the purpose of growing cinchona, coffee, rubber or tea, and on which on anyone day in the preceding twelve months twenty-five or more persons have been so employed; or
- (xix) employed **[...] in the generating, transforming, or supplying of electrical energy or in the generating or supplying of gas, or
- (xx) employed in a lighthouse as defined in clause (d) of Section 2 of the Lighthouse Act, 1927 (XVII of 1927); or
- (xxi) employed in producing cinematograph pictures intended for public exhibition or in exhibiting such pictures; or
- (xxii) employed in the training, keeping, or working of elephants or wild animals; or

* Words omitted by Workmen's Compensation (Amendment) Act, XIV of 1973, Section 6(c).

** Words omitted by Workmen's Compensation (Amendment) Act, XIV of 1973.

- (xxiii) employed in the tapping of palm trees or the felling or logging of trees, or the transport of timber by inland waters, on the control or extinguishing of forest fires; or
- (xxiv) employed in operations for the catching or hunting of elephants or other wild animals; or
- (xxv) employed as a diver; or
- (xxvi) employed in the handling or transport of goods in, or within the precinct of:
- any warehouse or other place in which goods are stored, and which on any one day of the preceding twelve months ten or more persons have been so employed; or
 - any market in which on anyone day of the preceding twelve months one hundred or more persons have been so employed; or
- (xxvii) employed in any occupation involving the handling and manipulation of radium or X-rays apparatus, or contact with radioactive substances.

Explanation

In this Schedule 'the preceding twelve months' relates in any particular case to the twelve months ending with the day on which the accident in such case occurred.

*(xxviii) employed as drivers, cleaners, conductors and checkers by Road Transport Service as defined in sub-section (7) of Section 2 of the Road Transport Workers Ordinance, 1961 (Ordinance XXVIII of 1961)]

SCHEDULE III

[See Section 3]

LIST OF OCCUPATIONAL DISEASES

Occupational Disease	Employment
	Part A
Anthrax	Any employment <ol style="list-style-type: none"> involving the handling of wool, their, bristles or animal carcasses or parts of such carcasses, including hides, hoofs and horns; or in connection with animals infected with anthrax; or involving the loading, unloading or transport of any merchandise.
Compressed air illness or its sequelae	Any process carried on in compressed air.
Poisoning by lead tetra-ethyl	Any process involving the use of lead tetra-ethyl.
Poisoning by nitrous fumes	Any person involving exposure to nitrous fumes.

* Clause (xxviii) added in the amendment to West Pakistan Notification 1-1-L-IV/65 (11) of 13 December 1965

Occupational Disease	Employment
Lead poisoning or its sequelae excluding poisoning by lead tetra ethyl.	Any process involving the use of lead or any of its preparations or compounds except lead tetra-ethyl.
Phosphorous poisoning or its sequelae	Any process involving the use of phosphorus or its preparations or compounds.
Mercury poisoning or its sequelae	Any process involving the use of mercury or its preparation or compounds.
Poisoning by benzene and its homologues, or the sequelae of such poisoning	Handling benzene or any of its homologues and any process in the manufacture or involving the use of benzene or any of its homologues.
Chrome ulceration or its sequelae	Any process involving the use of chromic acid or bichromic of ammonium, potassium, or sodium, or their preparations.
Arsenical poisoning or its sequelae	Any process involving the production liberation or utilization of arsenic or its compounds.
Pathological manifestations due to (a) radium and other radioactive substances; (b) X-rays.	Any process involving exposure to the action of radium, radio active substances, or X-rays.
Primary epitheliomatous cancer of the skin	Any process involving the handing or use of tar, pitch, bitumen, mineral oil, paraffin, or the compounds products, or residues of these substances.
Silicosis	Any process involving the grinding, cleaning, fettling, casting and crushing of stones.

SCHEDULE IV*

[See Section 4]

COMPENSATION PAYABLE IN CERTAIN CASES

Monthly wages of the work man injured	Amount of compensation for		Half-monthly payment as compensation for temporary disablement
	Death	Permanent total disablement	
More than	But not more than		1/2 of the monthly wages during the period of disablement or a period of one year, reckoned from the date of injury, whichever is less, and thereafter only in case of chronic lung diseases 1/3 of the monthly wages during the period of disablement or for a period of 5 years, reckoned from the date of injury, whichever is less.
Rs	Rs	Rs	
0	6,000**	1,00,000	1,00,000

Amendment made by the Finance Act, 2007

Definition of Workman

[Section 2, Clause (n) (II)]

Monthly wages ceiling to be classified as workman of Rs 3,000 has been removed.

* Schedule IV has successively been amended by Act XV of 1933, Section 23, the Workmen's Compensation (Amendment) Act I of 1946, Section 3 (with effect from 28 February 1946), the Workmen's Compensation (Amendment) Act II of 1957, Section 11 (with effect from 15 March 1957), the Labour Laws (Amendment) Ordinance, IX of 1972, Section 2 and Sch. (with effect from 13 April 1972), the Workmen's Compensation (Amendment) Act XIV of 1973, Section 7 (with effect from 7 February 1973), the Labour Laws (Amendment) Act, XVII of 1977, Section 2 and Schedule I Labour Laws (Amendment) Act, XI of 1994.

** Amendment made through Finance Act, 2007