

Retirement at 60 yrs in private sector gets Cabinet okay

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The Karnataka Cabinet on Friday approved a proposal to raise the retirement age for private sector employees to 60 years from the present 58 years.

Schedule – 1 of Karnataka Industrial Employment (Standing Orders) rules 1961 will be amended to give effect to the proposal. The new rule does not apply to IT and ITES companies, according to sources in the Law department.

Madhu Damodaran, head of legal operations at Simpliance, a labour law compliance firm said, “From the mid-1990s, IT, BT and BPO firms have been exempt from the rules as far as retirement age is concerned.”

The raise in retirement age is seen as an attempt by the ruling Congress to please the private sector employees ahead of 2018 assembly elections. The Cabinet meeting was chaired by the Chief Minister.

“Karnataka Industrial Employment (Standing Orders) Act, 1946 was enacted with an aim to ensure that employers make the conditions of employment precise and definite for the employees in their establishment. The Karnataka government framed the rules in 1961 for the implementation of the provisions of the Act,” the Cabinet note prepared by the Labour department stated.

“In Schedule - 1 of the said rules, retirement or superannuation of employees is fixed at 58 years or such other age as may be agreed upon between the employer and the workmen by any agreement, settlement or award which may bind on employers and workmen under any law for time being in force. In the present context and

in the backdrop of trade unions demanding enhancement of age limit to 60 years, there is a need to make the amendment," the note added.