PART IV

DEDUCTIONS FROM WAGES

Lawful deductions

24. (1) No deductions shall be made by an employer from the wages of an employee otherwise than in accordance with this Act.

(2) It shall be lawful for an employer to make the following deductions:

(a) deductions to the extent of any overpayment of wages made during the immediately preceding three months from the month in which deductions are to be made, by the employer to the employee by the employer's mistake;

(b) deductions for the indemnity due to the employer by the employee under subsection 13(1);

(c) deductions for the recovery of advances of wages made under section 22 provided no interest is charged on the advances; and

(d) deductions authorized by any other written law.

(3) The following deductions shall only be made at the request in writing of the employee:

(a) deductions in respect of the payments to a registered trade union or co-operative thrift and loan society of any sum of money due to the trade union or society by the employee on account of entrance fees, subscriptions, instalments and interest on loans, or other dues; and

(b) deductions in respect of payments for any shares of the employer's business offered for sale by the employer and purchased by the employee.

(4) The following deductions shall not be made except at the request in writing of the employee and with the prior permission in

writing of the Director General:

(a) deductions in respect of payments into any superannuation scheme, provident fund, employer's welfare scheme or insurance scheme established for the benefit of the employee;

(b) deductions in respect of repayments of advances of wages made to an employee under section 22 where interest is levied on the advances and deductions in respect of thepayments of the interest so levied;

(c) deductions in respect of payments to a third party on behalf of the employee;

(d) deductions in respect of payments for the purchase by the employee of any goods of the employer's business offered for sale by the employer; and

(e) deductions in respect of the rental for accommodation and the cost of services, food and meals provided by the employer to the employee at the employee's request or under the terms of the employee's contract of service.

(5) The Director General shall not permit any deduction for payments under paragraph (4)*(e)* unless he is satisfied that the provision of the accommodation, services, food or meals is for the benefit of the employee.

(6) Where an employee obtains foodstuff, provisions or other goods on credit from a shop the business of which is carried on by a co-operative society registered under the Co-operative Societies Act 1993 [*Act 502*], it shall be lawful for his employer, at the request in writing of the employee and with the agreement of the manager of the co-operative shop, to make deductions from the wages of the employee of an amount not exceeding the amount of the credit and to pay the amount so deducted to the manager in satisfaction of the employee's debt.

(7) Notwithstanding subsections (2), (3), (4) and (6) the Director General, on an application by an employer or a specified class or classes of employers, may permit any deduction for a specified purpose from the wages of an employee or a specified class or classes of employees subject to such conditions as he may deem fit to impose.

(8) The total of any amounts deducted under this section from the wages of an employee in respect of any one month shall not exceed fifty per centum of the wages earned by that employee in that month.

(9) The limitation in subsection (8) shall not apply to—

(a) deductions from the indemnity payable by an employer to an employee under subsection 13(1);

(b) deductions from the final payment of the wages of an employee for any amount due to the employer and remaining unpaid by the employee on the termination of the employee's contract of service; and

(c) deductions for the repayment of a housing loan which, subject to the prior permission in writing of the Director General, may exceed the fifty per centum limit by an additional amount of not more than twenty-five per centum of the wages earned.

PART V

SYSTEM OF PAYMENT OF WAGES

Wages to be paid through financial institution

25. (1) The entire amount of wages earned by, or payable to, any employee in respect of any work done by him less any lawful deductions, shall be actually paid to him through payment into an account opened by a financial institution, being an account in the name of the employee or an account in the name of the employee jointly with one or more other persons as stipulated by the employee.