



GOVERNMENT OF KERALA

No.66791/DD2/14/LSGD

Local Self Government(DD)Department,
Thiruvananthapuram,

Dated: 06.02.2015

CIRCULAR

Sub: Local Self Government Department – MGNREGS - Issuing guidelines for Delay compensation – reg.

Ref: 1. Revised Schedule II of Mahatma Gandhi National Rural Employment Guarantee Act.
2. Letter No.4425/EGSC/2014/CRD dated 13.10.2014 from the Mission Director, Mahatma Gandhi National Rural Employment Guarantee Scheme.

Mahatma Gandhi National Rural Employment Guarantee Act Sec.3(3) stipulates that the disbursement of daily wage shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done. As per para 29 of revised Schedule II of Mahatma Gandhi National Rural Employment Guarantee Act, the labourers shall be entitled to receive the payment of compensation @ 0.05% of the unpaid wages per day of delay beyond the 16th day of closure of muster roll in the case of the payment of wages is not made within the period specified under the scheme. In order to operationalise the delay compensation, the guidelines prepared on payment of compensation for delay in wage payment under Mahatma Gandhi National Rural Employment Guarantee Scheme is enclosed for strict compliance.

RAMANKUTTY.C.
DEPUTY SECRETARY

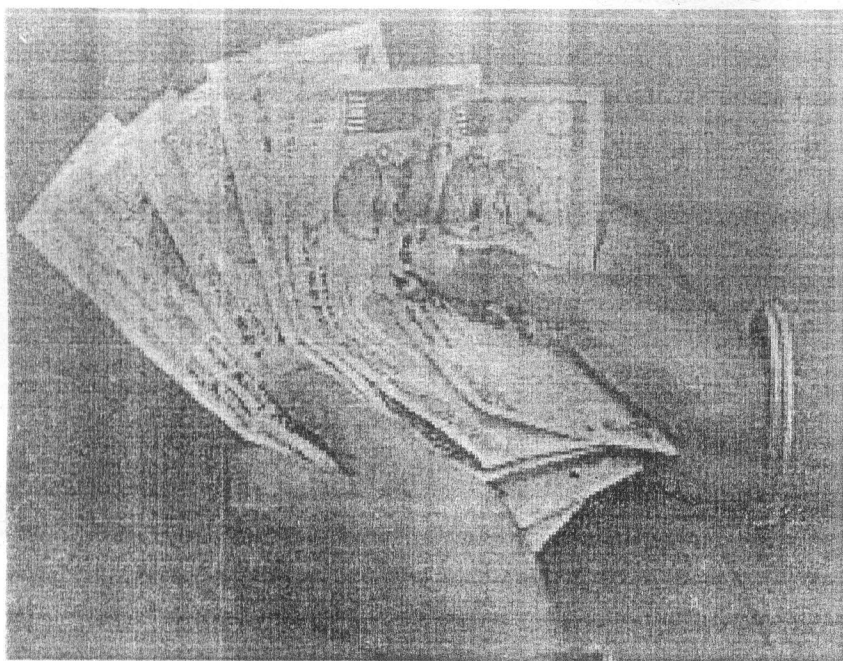
Forwarded/By Order

Section Officer

To

1. The Commissioner for Rural Development, Thiruvananthapuram.
2. The Director, Panchayat, Thiruvananthapuram.
3. The Mission Director, MGNREGS, Thiruvananthapuram.
4. The DCs/DPCs, All Districts
5. The Executive Director, Kudumbasree, Thiruvananthapuram.
6. The Principal Accountant General(Audit), Thiruvananthapuram.
7. The Accountant General(A&E), Thiruvananthapuram.
8. The Director, Information Kerala Mission, Thiruvananthapuram.
9. Stock File/Office Copy.

2014



Delay Compensation System in Kerala: Guidelines

Mission Director

Mahatma Gandhi NREGS

State Mission

7/10/2014

Guidelines for payment of compensation for delay in payment of wages

1. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship programme of Government of India. The Act was notified initially in 200 most backward districts of the country w.e.f. February 02, 2006 and subsequently extended all over the country in two phases. The programme aims at enhancing livelihood security of the rural poor by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Act seeks to create productive assets and strengthen the livelihood resource base of the rural poor. The choice of works suggested in the Act address causes of chronic poverty like drought, deforestation, soil erosion, etc. so that the process of employment generation is on a sustainable basis.
2. Sec 3(3) of the Mahatma Gandhi NREG Act stipulates that the disbursement of daily wages shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done. As per Para 29 of the revised Schedule II of the Mahatma Gandhi NREGA, the labourers shall be entitled to receive payment of compensation @ 0.05% of the unpaid wages per day of delay beyond the sixteenth day of closure of muster roll in case the payment of wages is not made within the period specified under the Scheme.
3. A closer examination of the processes involved and the time consumed to complete each process reveal that the workers accounts get credited normally after 30 to 40 days after the date on which such work was done. In the case of a few Grama Panchayats, the mates take two to three musters in order to avoid two to three journeys to the Block HQ.

In such cases, the musters will be returned on 16th or 22nd day. This means the delay will get extended to another 7 to 14 days.

4. An analysis of the issue reveals that the delay lies in
 - i. *Mates failing to submit muster on the eighth day*
 - ii. *Delay in measurement of works*
 - iii. *Delay in check measurement of works*
 - iv. *Approval of payment at the GP level*
5. *New role for the technical Assistants:* - So far, mates were entrusted to bring back the filled musters. Instead, it is suggested to assign the GP level Engineer/Overseer to collect the musters from the field. Though the Engineers/Overseers at the GP level are working in the Grama Panchayat, the Block Programme Officer can, after reviewing the work pattern, relegate the service of the technical staff in a GP to another GP within his/her jurisdiction so that the weekly distribution and collection of musters go uninterruptedly.
6. To ensure timely supply & collection of musters and measuring/taking valuation, a movement Register of technical staff may be placed which shall be inspected every month by the GP Secretary and Block Programme Officers
7. The final report of the V & MC shall be enclosed with the work file on or before the 17th day from which the muster is issued (the date on which the work file goes for approval of the Assistant Secretary/ Grama Panchayat Secretary). In case, the Certificate of V & MC is not enclosed the file should be processed for payment. Subsequently, the Certificate should be obtained and duly enclosed in the work file. The Registration Officer shall ensure that later the certificate of V & MC is enclosed in the work file in case the bills are paid without the report of V & MC.
8. The system of Electronic Muster Management System/Engineers and Overseers going to the field to collect musters and record measurements, Valuation based part payment

system, allowing measurements of minor works by the mates and directing the technical assistants to collect the musters from the field will be pursued in the year 2014 15 so that the process from filling of eMR to final payment of wages are completed within a period of 15 days. Simultaneously, the Rules for payment of compensation for delayed Payment will be notified for the purpose of ensuring accountability in payment of wages and to calculate culpability of various functionaries or agencies.

9. The Para 29 of the Schedule II specifically stipulate the processes leading to determination and payment of wages into various stages such as-

- I. Measurement of work;
- II. Computerizing the muster rolls;
- III. Computerizing the measurements;
- IV. Generation of wage lists; and
- V. uploading Fund Transfer Orders (FTOs)

and specifies stage-wise maximum time limits along with the functionary or agency which is responsible for discharging the specific function. The new Amendments for Sch II of the Act also envisage that the computer system shall have a provision to automatically calculate the compensation payable based on the date of closure of the muster roll and the date of deposit of wages in the accounts of the wage seekers. The State Government shall pay the compensation upfront after due verification within the time limits as specified above and recover the compensation amount from the functionaries or agencies that are responsible for the delay in payment. The District Programme Coordinator or Programme Officer shall ensure that the system is operationalised.

10. The NREGASoft has a provision to automatically calculate the compensation payable to the Mahatma Gandhi NREGA workers based on the date of closure of the MR and the date of generation of the pay order for paying wages. The details of compensation payable in each case are displayed on www.nrega.nic.in automatically updated daily.

11. Hence, the following processes incidental to the payment of wages may be adopted with the time line for each such activity along with the Official/Agency responsible so as to ensure that the Payment of wages are effected within 15 days from the date of closure of Musters.

Sl No	Works shall start only on 2 specific days in a week Activity	Days needed to complete the process	Date on which the process to be completed	Responsible Official/ Agency
1	2	3	4	5
1	Henceforth, only one muster for a period of 7 days (Including one holiday) will be issued. The muster will be distributed at the work site and collected by the Engineer/Overseers	7 Days (Closure of muster roll)	8 th day	Engineer/ Overseers
2	The Overseer/Engineer collecting the Muster will also measure the work done in the week and record it in the reverse of the muster. Thereafter, the Muster, bills and vouchers will be brought to the GP and record the measurements in the Valuation Certificate/MB (In case of last week of the work)	2 days	10 th day	Engineer/ Overseers
3	The measured Valuation Certificate/ M Book shall be sent to the next higher officer for check measurement	2 days	12 th Day	A Ex E/AE
4	The check measured Valuation Certificate/ M Book shall be handed over to the Data Entry Operator for data entry of muster entries in the MIS	2 days	14 th Day	Data Entry Operators
5	The work file goes for approval of the Assistant Secretary/ Grama Panchayat Secretary	3 Days	17 th Day	GP Secretary/ Assistant Secretary
6	The Data Entry Operator generates Wage List and transfers it to the Secretary Log in	1 Day	18 th Day	Data Entry Operators
7	Secretary verifies the Wage list, create FTO and sends it to president Log in – (In case, the Secretary rejects the Wage list, the DEO shall rectify it and send it back to Secretary the same day)	1 Day	19 th Day	GP Secretary/ Data Entry Operators
8	President signs the FTO	1 Day	20 th Day	GP President

12. The delay wage payment logic of NREGASoft examines the following in order to arrive at the compensation payable to Mahatma Gandhi NREGA workers:

- Date of payment of wages
- Date of closure of MR
- The duration of such delay
- Total wage payable

e) Rate of compensation (i.e. 0.05%)

13. Every Programme Officer (PO) shall, within 15 days from the date the delay compensation became due, decide whether the compensation that has been automatically calculated by the NREGASoft is payable or not. The PO(s) will ensure that compensation claims are settled during this time and such claims will not be allowed to be accumulated without decision. The DPC will monitor this regularly. For the above purpose, compensation payable shall be decided by the PO and rejection may be possible in case of the following circumstances:

1. Funds are not available at the paying authority level.
2. Compensation not due: (wages have been paid in time, but details not entered in MIS).
3. Incorrect calculation (details to be given)
4. Natural calamities

14. In all cases of rejection, the PO shall give detailed reason(s) for rejection in the NREGASoft. All cases approved for payment of compensation as stated above shall be moved for generation of wage slip (compensation) followed by uploading of Fund Transfer Order (FTO) in the same manner as the wages are paid.

15. The State Government shall be responsible for identifying various processes to be completed between the time muster is closed and wage payment is made and notifying the (a) process (b) functionary / agency responsible for completing the process and the (c) period for completing the process. These details are to be uploaded in NREGASoft so that the IT system automatically calculates the liability of each functionary/agency in case of a delayed payment.

16. The compensation shall be met from the State Employees Guarantee Fund (State Component) upfront, which shall then be subject to recovery from the functionaries/agencies concerned. For accounting for the compensation paid, a separate account within SEGF shall be maintained and reflected in the MIS under eFMS.

17. It shall be the duty of the designated DPC or PO to follow the extant recovery procedure to recover the compensation amount so paid under the system from the functionaries/agencies responsible for such delay in payment of wages. The amount so recovered shall be deposited into the account opened for the purpose of payment of compensation.

18. For accounting for the compensation paid, a separate account within SEGF and in the Nodal Bank/Banks shall be maintained and reflected in the MIS under eFMS.

19. These directions supersede the earlier Circular No.17508/DD2/2011/LSGD dated.09/05/2011.