

NO EMPLOYER CAN WITHHOLD THE GRATUITY AMOUNT OF A RETIRED EMPLOYEE: MADRAS HC

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In a recent Madras High Court verdict, it was Ordered that no employer can withhold the Gratuity amount of a retired employee. The judge stated that Section 13 of the Act did not permit attachment of gratuity amount in execution of any decree or order of any civil, revenue or criminal court and added that even Section 14 of the Act provides overriding effect over other laws.

This was not a blanket order against forfeiture gratuity since Section 4 (6), the only provision which provides for forfeiture of gratuity amount to the extent of damage or loss caused to the employer, states that the money could be withheld only if the services of the employee had been terminated for wilful omission or negligence.

While there exist other methods of recovery of money through civil procedures, it is not the case of an Employer that loss on account of the misappropriation or damage cannot be recovered.