The 2019 Code on Wages: Truth versus Hype

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This paper critically analyzes the provisions of the Code on Wages of 2019 to identify the differences between the Code and the existing legislations on regulating wages and unveil the truth versus hype with respect to the 'propaganda' around the Code and its efficient enforcement by the state machinery. True, the Code has simplified while consolidating the four existing wage legislations, there are numerous shortcomings in the Code that need to be addressed once it gets enforced. The paper highlights several fallacies, from having two different sets of beneficiaries, two meanings of the term wage, different benefits applicable to different sets of beneficiaries, retaining thresholds for eligibility, and criteria for determining wages.

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Introduction

Keeping in line with the unfinished 'reforms agenda' of merging several labor laws into four distinct codes for boosting ease of doing business, the present NDA government in its 2nd term stubbornly enacted the Code on Wages ('Wage Code' in short). The government designed the Wage Code, one of the four codes that subsumed the existing four wage laws. As per government sources, the Wage Code has been examined, reviewed, and revised several times since August 2017 when the government tabled it in Parliament for the first time. To iron out the differences between stakeholders from different segments including the trade unions and rescind the gaffes in the previous versions, the government at breakneck speed with the Parliamentary Standing Committee's help straightened out some of its ill-advised attempts whimsically made in the earlier drafts of the Wage Code. Those attempts were found unfitting by the Committee given the amorphous federalism that was expected to uphold them. In 2019, the government tabled the final draft, and upon receiving the Presidential assent, the Ministry notified the first among the four Codes on 8 August 2019. As per the government, the

Wage Code that it enacted is way ahead of the first draft in inclusivity and responsiveness. However, with the enforcement of stringent labor laws a country from the Newly Industrialized Economies did witness an upsurge in outflows of investment over a period where domestic firms began investing abroad instead of concentrating in the home country (Lai & Sarkar, 2019). From that point of view, ease of doing business could be perhaps achieved with the new Codes.

Nevertheless, the codification that has been masqueraded by the government as a simplification and rationalization of antiquated laws has remained a point of debate for labor researchers and scholars. Members in labor camp have vigorously contested the controversial codes. They argued against the much-celebrated 'labor laws reforms', which, according to them, is nothing less than a debilitating endeavor to amalgamate the existing laws (Sarkar, 2019). For example, the Wage Code replaced the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976. However, from the initial reactions gathered, the promoters of the market economy also hold the Wage Code analogous to four laws except for minor cosmetic changes such as a single definition each for an employee, worker, employer, establishment, and wage. As if the softer stand of the government could not appease them, perhaps, they expected more flexibility especially given the declining union density in the country (Sarkar & Chakraborty, 2021) and changes introduced by employers since economic liberalization to counter collectivism at workplaces across sectors by adopting different approaches (Sarkar, 2008; 2009; Sarkar & Huang, 2012).

The Wage Code has broadened the meaning of employer and employee, included informal sector workers, introduced a universal minimum wage, removed thresholds.

How different is the Wage Code of 2019 from the existing four wage laws? Is the reformed regulation a gift only to employers or will the labor benefit if they are different? By being soft on employers, is the consolidation one more step in the direction of liberalization or a measure of widening wage laws' applicability to bring more workers under its ambit? To those who defended rationalization and labelled the exercise as one that brings more than uniformity of definitions, the Wage Code has broadened the meaning of employer and employee, included informal sector workers, introduced a universal minimum wage, removed thresholds, and so on. All that has been the part of the government's partisan rhetoric is not a reliable sign of the true nature of the Code. Hence, we went all out to examine the Code to differentiate between truths and hypes.

We had reason to be skeptical. For instance, under the Equal Remuneration Act of 1976, any gender-based discrimination in recruitment, service conditions, and wages is forbidden. Leaving the first two crucial items, the government, by

going against the Parliamentary Standing Committee's recommendation, decided at one point in time to retain only the wage (Shyam Sundar, 2019). The very 'wage' does not comprise certain components for certain benefits like a statutory bonus. Still, it will include them while regulating the timely payment of wages or non-discrimination in payment of wages across gender. This is pertinent as it has been found that large firms with longer working hours and higher wages have offered lesser employment opportunities to female workers post labor reforms (Lai & Sarkar, 2016).

"One Code for All" is a fallacy.

Moreover, by enforcing a law to counter inequality, even if the state could narrow the gender pay gap, it had adverse employment implications (Lai & Sarkar, 2017a). Likewise, benefits to which workers are entitled to are not available to managers, administrators, officers, and supervisors with wage more than Rs. 15,000. So, "One Code for All" is a fallacy. Besides, the Wage Code has supposedly made four laws available to millions of workers from informal sectors. How the benefits will reach these workers, have not been rationalized. Rather, the government chose to dump the minutiae in the Rules to be made by the Central or State government, as the case may be. Thus, the ambivalence present in the Wage Code left us to critique the reformed legislation with an iota of skepticism. In this paper, we exactly do that while analyzing the Code to expose its 'fallacies'.

One Law, Two Beneficiaries

Typically, legislation has its own single set of beneficiaries. However, Wage Code is one of its kind that has two groups of beneficiaries. Besides, we should come to terms that every establishment, employee, worker, and employer will not benefit from the Wage Code equally and similarly, although lawmakers affirmed so. As said before, "One Code for All" is a fallacy concerning beneficiaries' entitlement to four benefits promised under Wage Code, viz., minimum wage, statutory bonus, equal pay, and timely payment of wages and deduction from wages as per stipulated limits.

The Code specifies independent definitions of two beneficiaries—one for an 'employee' and other for 'worker'. Upon reading Sec 2(k) that defines an 'employee'[1], prima facie, the Wage Code appears to be covering every employee. Notwithstanding the type of employment/ occupation that s/he is practicing, wage s/he is drawing, or the kind of establishment in which s/he is employed, the Code covers her/him.

But that is far from the truth. For example, Sec 26 of the Code reads that annual statutory bonus shall be paid by employers to every employee, drawing wages not exceeding such amount per month, as determined by the government. Therefore, a wage threshold does exist.

[1] One employed to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work.

Similarly, while interpreting Code's provisions and reading Sec 2(z) that defines "worker", we get familiarized with the second beneficiary of the Code that categorically excludes a manager, officer, and supervisor[2], drawing more than Rs. 15,000 per month. So, not only a wage threshold but types of jobs do matter. So, an employee who can be either of the three is not entitled to every benefit of the Code. Certain benefits are available only to workers and not to managers and supervisors. An employee is different from a worker. Besides, the latter is not a sub-set of the former.

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The employer's obligation to pay minimum wage or make deductions from wages within a stipulated limit set under the Code or timely payment of wages is towards his employees, including managers, officers, and supervisors regardless of the wage these three categories of employees are drawing. That is not the case with payment of statutory bonus for which a wage ceiling exists. The type of establishment or work or location where they work (geography) is a criterion to decide whether these three categories of the workforce shall be paid minimum wage? So, when those who defended the reformed legislation said that there is no threshold any more under the Wage Code, whether it is about wage, the number of employees, schedule of employment or industry, etc., that is a fallacy. They were not referring to four benefits all at once. Rather, they have pointed to one or two of the four.

The other contradiction is surrounding Sec 14[3]. Suppose the Code extends employers' legal obligation relating to the payment of overtime to every 'employee'. In that case, every person including a manager, supervisor, and officer in an establishment will claim overtime as there is seemingly no wage threshold, unlike in the Act of 1936. Will that be tenable, or is that what the Code intended?

Besides, what remains a hiatus is the interchangeability in the usage of 'worker' and 'employee'. For instance, the minimum wage as notified by the government shall be paid by the employers to an *employee* under Sec 5, where the government (state government) shall fix the rate as prescribed under Sec 6. Until this point, the obligation to receive minimum wage is not contingent upon a person's designation, roles, responsibilities, present wage, or type of establishment where s/he is employed, or the kind of work/employment s/he performs. But Sec 6(6), lays down specific criteria for state government, viz., the skill, working conditions, and geographic area of a *worker* to fix minimum wages. It creates some am-

[2] Sec 2(z)(ii)(c) and (d) categorically kept all three of them out of the ambit of the term "worker".

[3] Sec 14, states that "where an employee whose minimum rate of wages has been fixed under this Code.... works in excess of.... a normal working day.... the employer shall pay him overtime".

bivalence. It could mean that three criteria (viz., skill, working conditions, and geographic area) shall be applicable when the government decides the minimum wage rate for workers only. For employees, there shall be no such criteria. It could also mean that the government shall fix minimum wages only for 'workers', which is not the case as the Labor Secretary in an interview shared that every beneficiary of the Code, including employee and worker, will be entitled to minimum wage.

Interestingly, in both the provisions related to payment of minimum wages and payment of wages, as per the Code a manager, officer, and supervisor are entitled to receive minimum wages. They shall also receive overtime payment. And, shall receive the bonus if they are drawing wage within the notified threshold. Are these ambiguities going to remain? Is the government going to leave it to the respective state government to whom the power to make Rules for the state is conferred to decide? Should not the government have spent more time prescribing 'who is entitled to what' under the Wage Code because, in place of simplification, the Code has brought a bundle of confusions (Gupta, 2019)? A well-paid manager of an establishment can claim overtime and bonus, which is antithetical to the overall philosophy behind drafting Wage Code. The Code in principle aims to extend the minimum benefits of existing wage laws to a maximum number of beneficiaries rather than make maximum benefits available to a small number of beneficiaries.

Serious about Informal Sector Workers?

Since there remained a considerable amount of variance so far as the applicability of four laws, a so-called amalgamation typically allows for broader coverage. Especially when nine out of ten workers in the country's labor market are currently not benefited by any wage legislation (Krishnan, 2019) and 60% of the total workforce is not entitled to a minimum wage. If the government rallied for simplification to include the maximum number of beneficiaries, should not the emergent workforce like out-workers, gig workers, platform workers, home-based workers, etc., explicitly have proximity to either 'workers' or 'employees' under Wage Code?

The majority of the emergent workforce is not covered under any labor laws, including those who have not recently formed a part of the labor force such as out-workers.

Regrettably, one of the drawbacks of the government's straight jacket approach is its rashness in separating traditional from non-traditional forms of an employer-employee relationship. Despite knowing that the presence of an emergent workforce is felt more than ever, the government ignored categorizing non-traditional forms of an employer-employee relationship further. Among the non-traditional employees are gig workers, platform workers, out-workers, contract workers, etc. The majority of the

emergent workforce is not covered under any labor laws, including those who have not recently formed a part of the labor force such as out-workers.

Who is an out-worker? S/he is not a contract-labor under the Contract Labor (Regulation and Abolition) Act (or CLRA) of 1970 since s/he does not perform work on the principal employer's premise. However, her/his work is incidental to and connected with the principal employer's trade or business. In such a case, a phraseology, such as "employed by an establishment," in the Wage Code begets limitations. It restricts the Code's applicability only to 'employees' and 'workers' employed by establishments. It does not include those who would form a majority with the "future of work" turning reality. It does not benefit those who are not employed by the establishment, not even by/through contractors like home-based workers.

Besides, over 90% of informal sector workers do not have documentary evidence to establish an employment contract. So, by incorporating "implied contract" in the definition of 'employee', the Code has almost made an agreement redundant and inadvertently added to the informal sector workforce's woes. Most informal sector workers do not know how to establish an employment contract while claiming minimum wage in the office of Labor Commissioner or the court of law. It would also not be easy to mandatorily link an employee's wage account with her/his *Aadhaar*, which will be disputed by employees/workers and their federations. As per the verdict of the Honorable Supreme Court in *Justice KS Puttaswamy (Retd.) vs Union of India* in 2018, Sec 7 of the Aadhaar Act of 2016 cannot be made applicable for making an employee eligible to receive benefits earned under terms of the contract of her/his employment. Some of the documentary pieces of evidence used in the office of Commissioner or court of law by labor NGOs working in the informal sector include worker's bank passbook, postal correspondence by the employer to worker's permanent address, co-worker's statement, accident report, and so on. Nevertheless, these organizations' withering presence and inherent challenges to informal sector workers' collectivization would make the Wage Code's applicability in the sector preposterous and create more confusion.

Further, employers under Wage Code include contractors (see Sec 2(l)(iii)). When the contractors are compliant with the reformed regulation, the provision has to remain in sync with the Code on working conditions and social security. Only, then, the meaning of an employer will not vary. However, by treating a contractor as an employer, the Wage Code to an extent absolves the principal employer from his liability under Sec 21(4) of the CLRA to pay minimum wages to contract labor on time in case the contractor fails to do so, leaving the contract labor in a lurch. In other words, with the enforcement of Wage Code, tomorrow if the contractors do not pay wages to contract labors, the latter has to raise a dispute against the contractor without making the principal employer a party to such dispute. It contradicts the Honorable Su-

preme Court's decision in the case of *Senior Regional Manager FCI vs Tulsi Das Bauri,* 1997.

We are also skeptical of having a range of wage periods. If the Wage Code allows the employer to fix the wage period from one calendar month to one day, one week, or a fortnight, it aids in bringing unprovoked labor market flexibility. So, Wage Code indirectly leaves the door ajar for the government to allow employers to have a greater number of the contingent workforce in place of the monthly waged regular workforce. This could inadvertently benefit those firms in industrial sectors where wage dispersion is already high due to greater concentration of foreign firms (Lai & Sarkar, 2011, 2017b).

Determining Wage

As defined under Sec 2(y) of the Wage Code, wage has three sections, viz., inclusion, statutory exclusions, and a section on conditions to regulate the extent to which one can exclude the wage component[4]. Let us liken this definition with the existing definition of wage from any of the four existing wage legislation, such as the Payment of Wage Act of 1936[5]. The definition of 'wage' in the Wage Code does not include those components like overtime, HRA, and conveyance allowance devoid of any explanation. That is why, the proviso to the definition suggests that for equal remuneration to all genders and payment of wages on time, the three components viz., overtime, HRA, and conveyance allowance shall be deemed to be part of the wage.

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But the Code has nowhere explained why there should be two meanings of the same term under one Code. When we use 'wage' for calculating overtime, statutory bonus, wage threshold to receive the bonus, and wage under other Codes such as the Code on Social Security[6], etc., only basic and dearness allowance shall be ideally considered. This is a deterrent since employers will compute bonuses and minimum wages, assuming the basic wage only since in most private establishments, the employers have not kept the component of dearness allowance in their employees' salary.

However, as per Wage Code, for calculating wages under Sec 2(y), if the employer's payments to the employee under excluded sub-clauses exceed one-half of all remuneration calculated, the amount that exceeds such one-half shall be deemed to be remuneration. One shall

[4] Wage includes basic pay, dearness allowance, and retaining allowance but excludes several components like a statutory bonus, the value of house accommodation and utilities, HRA, overtime, conveyance allowances, commission, gratuity, retrenchment compensation, and special allowances besides employer contribution to provident fund/ pension.

[5] Wage under the Act of 1936 applies to more than one legislation (e.g., the CLRA).

[6] Wage threshold and contribution to provident fund, wage threshold and contribution under the Employees State Insurance Act of 1948.

add the same to wages under Sec 2(y). The government may have taken this measure to trounce the employer's trick of condensing basic and dearness allowance and outweighing it by increasing overtime and allowances such as conveyance, HRA, etc., to reduce the employer's contribution to the provident fund.

Still, the definition is not unblemished. First, the list carrying statutory exclusion (excluded sub-clauses) from 'wage' under Sec 2(y) is not exhaustive. There are numerous allowances, paid regularly by a firm to its employees and workers as an outcome of the firm's HR innovations, which the Code has not considered. Secondly, let us consider where the employer's payment to an employee under excluded sub-clauses exceeds one-half of all remuneration calculated. We add the amount that exceeds such one-half and ends up finding the remuneration for having exceeded the current wage ceiling as notified by the government under the Payment of Bonus Act of 1965. The current definition of wage under the Payment of Bonus Act is such that it leaves ample scope for the employer to manipulate wage slip by inflating those allowances that are not included in the definition of wage under the Act of 1965 but are included in the excluded sub-clauses under the Code. In such a case, the employee who was otherwise receiving a statutory bonus shall not be eligible to receive a bonus anymore as her/his wage exceeds such amount as notified by the government, which is currently Rs. 21,000/-. It would impact several thousand employees who are presently entitled to receive the statutory bonus under the Act of 1965 and would defeat the basic purpose for which the government moved to codify wage laws.

When the Minimum Wage Is No Minimum

Like two beneficiaries, the Wage Code has two rates of determining wages. The Code has provisions for minimum wage, a state subject matter, and a floor wage, ideally lower than the minimum wage, which is to be decided by the central government in consultation with a Central Advisory Body. Two different governments shall decide two rates, which causes some ambivalence.

The genesis of dual rates lies in the present NDA government's idea of introducing a "national minimum wage" back in 2017. Regrettably, it was a non-binding guideline viz., a non-statutory wage. Different governments have been trying to plug holes in the existing minimum wage legislation for some time. The method adopted for calculating the minimum wage was at the center of controversy for a long. A standard set of criteria had originated long back from a tripartite proceedings of the Indian Labor Conference in 1957 that was echoed and broadly approved by the Honorable Supreme Court of India in *Express Newspapers (P) Ltd. v. Union of India, 1959 followed by Standard Vacuum Refining Co. of India v. Its Workmen & Anr., 1961,* and subsequent judgment delivered in 1992 by the Honorable Supreme Court in *Workmen Represented by Secretary*

vs Management of Reptakos Brett. & Co Ltd brought further clarity. Per these guidelines, minimum wage brought together the minimum expenses on food with non-food items like clothing and housing. But the law was not amended either based on the guidelines of the 1957 ILC or the Apex Court.

At most, different bodies have arrived at varying estimates for these expenditures over a period. It made the exercise of the calculation of minimum wage a cumbersome process. Then comes the Wage Code of 2019, which introduced a 'universal minimum wage' and conferred power on the central government to set a national floor wage rate under Sec 9 of the Code. While the criteria for determining the floor wage were left to the Advisory Board's judgment, the Code lays down guidelines for fixing minimum wages. But the concept of national floor rate may over a time counter a structural problem since it can destabilize the federal structure unless the Advisory Board[7] consults state governments while determining the rate instead of consulting only the Central Government.

According to the present NDA government, in place of factoring in occupation (the type of employment), skill levels, and geographical area in determining the minimum wage, under the Code, leaving the first criterion, the other two have been retained as it is. The Wage Code has dropped "type of employment" only. The minimum wage per Sec 6 may also vary depending on any arduousness. The arduousness of work shall vary based on humidity, temperature, hazardous occupations or processes, or underground work. However, the arduousness introduced ambiguity. It is left to the judgment of appropriate government (mostly the state governments) to determine what can be considered as arduous conditions of work for an area (see Sec 6(6)(b) of the Wage Code). "Accounting for such hard to measure factors strengthens the power of the wage setters. It could lead to lobbying, as seen in the case of the Goods and Services Tax, where industries lobbied for lower taxes" (Jayaram, 2019).

For all practical purposes, the Centre does not have a role to play in determining the minimum wage. Or, in the words of Labor Minister, the "government does not want to thrust wage rates on any state". After a long haul, the government could not fix one minimum wage rate for the entire country, which they called 'national minimum wage' back in 2017. In its place, they brought the concept of the floor wage rate.

So, in place of having a 'national minimum wage', a non-binding and non-statutory rate, the government decided to introduce floor wage rates (*plural emphasized*). The Wage Code provides a statutory national floor wage rate, below which no state or employer can fix minimum wages. This guarantees a floor wage to workers to those who supported codification. Interestingly, such a floor wage rate will vary from one geographical area to another or depend on work-

[7] Central Advisory Board is a body to fix a national floor wage (see Sec 9(3)).

ers/employees' skills. The Code identified four skill levels viz., unskilled, semi-skilled, skilled, and highly-skilled, while geography can be plains, hilly and undulated, coastal, urban, and rural, and so on. So, even if the number of states, occupation, employment, and industry-wise minimum wage rates will come down under the Wage Code, but there will still be no single 'national minimum wage rate' as promised while codifying wage laws. Different floor wage rates are likely to prevail. "One Country One Floor Wage" is a fallacy.

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However, we failed to understand that when Sec 6(1) states that the government shall not discriminate employees based on their skills. Still, the discrimination prevails under the same section (Sec 6(6)) that introduces conditions like skills, geographical area, arduousness, etc., on which the minimum wage shall be decided for workers. Even the Honorable Supreme Court, on several occasions, has suggested that the minimum wage should not be related to the wage earner's skills and should only be appropriate to meet her/his basic needs. The Code has not taken cognizance of these judgments and fixed the minimum wage based on the worker's skills under the Wage Code.

Moreover, there were speculations considering the 7th Pay Commission recommendation of setting the minimum wage at Rs. 18,000 as the notional basis for the criteria to set the floor wage in recent times. Despite recommendations by the Parliamentary Committee on criteria to decide the floor wage rate, the government decided to keep the floor wage below what has been recommended by the Committee at Rs. 9,750. Considering such a conservative position taken by the Central Government while setting the floor wage rate at Rs. 9,750 for the first time, what if the respective state governments to gain comparative advantage, drop the plan to raise the state's minimum wage rate above the floor wage rate? What if the respective state governments, decide to maintain their minimum wage at par with the floor wage rate, thus making the floor wage rate an 'equilibrium wage rate' (Shyam Sundar, 2019)?

Over and above these, there is no clarity on the formulae to calculate the minimum wage. So, there is every possibility of having two sets of criteria and two formula to calculate the wage, one for minimum wage and another for floor wage, envisaged by the Apex Court in the *Reptakos Brett. & Co Ltd* case. For instance, what if the government under the Wage Code continues with the difference in the criteria used for setting floor wage and minimum wage? According to the requirements for minimum wages, it must consider a net intake of 2700 calories per day consumption unit, and 66 meters cloth per year per family. Over and above these are house rent, which is 10% of minimum wages, fuel, household electricity, spending on children's education, medical needs, and recreation besides expenditures on emergencies, which will constitute 25% of the minimum wages. Whereas, for the floor

wage, the Advisory Body has considered an equivalent of three adult consumption units, including food, clothing, housing, and any other factors deemed appropriate by the Central Government from time to time. Nevertheless, instead of maintaining a separate minimum wage and what can be called a "desperate wage," not having one wage rate under Wage Code whose purpose was consolidation is a fallacy. Especially when floor wage ideally includes a percentage of spending on not just food but clothing, education, house rent, fuel, electricity, and other necessities.

Wage Code a Complete Statute?

Although the Wage Code claims to be a complete code or statute, it is not. In the event of non-payment of wages or any discrepancy concerning payment of minimum wages, bonus, timely payment of wages, etc., both rights and remedies are not available in the Wage Code. Unlike the Acts of 1948, 1936, and 1965, where an aggrieved party must raise a dispute under other statutes like the Industrial Disputes Act of 1947, the Wage Code initially appears to be a complete statute since there is a provision for an appellate authority to hear the grievances. The appellate authority's decision can be challenged or submitted for review under the Industrial Disputes Act of 1947, making the provision of an appellate tribunal superfluous and ad hoc.

However, to ensure the firmness of minimum remedies available under the Wage Code, the Code does not allow any Court to entertain any lawsuit so long as the sum claimed could be recovered under the Code. Such a case could be for the recovery of minimum wages, disputes related to a deduction from wages, discrimination in the payment of wages, and payment of bonuses. The Wage Code even prohibits Courts from taking cognizance of an offence that is punishable under the Wage Code. These even include the one raised by a trade union, which indirectly points to the government's plan to weaken the country's declining unionization further.

Wage Code even prohibits Courts from taking cognizance of an offence that is punishable under the Wage Code.

Concluding Remark

When four laws get subsumed into one, the government tends to squeeze and condense the result to streamline the significant yet common elements. So, the mandate for the NDA government was to simplify through unification. Nevertheless, in squeezing and condensing, if the agenda were to universalise, standardise, and uniformise, besides facilitating easier compliance and reducing litigation and compliance cost, one can afford to forgo the details. Unfortunately, the NDA government seems to have failed in achieving it. Either we can call the exercise of codification of wage laws a patchwork or sheer amalgamation that has created more confusion than simplification of wage laws.

The government staged the Wage Code as one legislation that has enlarged the coverage and applicability of wage laws in the country by having all-encom-

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passing definitions of employee, worker, and establishment. "One nation one wage" was emphasized and enforcing the floor wage rate as the threshold was overstated. But, while analyzing the Wage Code thoroughly, we came across several fallacies from having two different sets of beneficiaries, two meanings of the term wage, different benefits applicable to different sets of beneficiaries, retaining thresholds for eligibility, and criteria for determining wages. Above all, there is no "One Code for All", no "One nation one wage", and no "national minimum wage". There are two rates at which minimum wage is proposed to get determined – the floor wage that is a threshold and the minimum wage that is enforceable.

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