

Migrant Worker Wages & Payslips

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ILO Convention 95 on the Protection of Wages sets out basic standards for wage payment and protection and prohibits arbitrary deductions, including “direct or indirect payment for the purpose of obtaining or retaining employment.”

The Importance of Timely and Accurate Wage Payment

Most people who migrate for employment do so in order to earn a better wage than is available to them in their home countries. Many will use their salaries to send remittances back to their families. In many migration corridors migrant workers will pay large recruitment fees to secure employment abroad. All of these factors make it critical that migrant workers are paid what they expect, regularly, and on time. As well as serious economic impacts, late or non-payment of wages has a major and damaging psychological effect on workers, and is very often at the heart of labour disputes.

What Should Businesses Do?

- Workers should receive **equal pay for equal work** irrespective of their nationality, gender, ethnic origin, race, religion or legal status.
- Pay workers **regularly, in full, and on time**.
- Pay wages in **legal tender** - payment in goods or promissory notes, vouchers or coupons should be prohibited.
- Pay workers **electronically** into bank accounts that facilitate simple, quick and inexpensive international transfers.
- Ensure that salaries are based on occupational **skill category** and individual **merit**, not nationality, religion, gender, or other demographic characteristics.
- Provide all workers with a **detailed, written payslip** in a language they understand.
- Include **contractual provisions** on issues that affect wage payment to ensure subcontractors will pay their employees on time.
- **Prohibit forced saving schemes** or payments by workers of financial bonds.
- Ensure all **wages still due** are paid in full and on time at the end of any contract.

What Should be in a Payslip?

Guidance and rules on payslips varies across jurisdictions, but the following principles are common:

- all employees should receive a **printed** payslip, even in cases where wages are paid electronically
- payslips should be printed in workers’ **native language** where practical
- payslips should **clearly state** rates of pay and overtime pay and the number of hours worked at each rate
- payslips should **list all deductions** by type and value



Forced Labour and Wages

Non-payment of wages is often an indicator of forced labour. Workers may be obliged to remain with an abusive employer while waiting for the wages that are owed to them. Some employers will initiate forced savings schemes for workers with a proportion of wages held back - effectively bonding the worker to that employer. Wages being systematically and deliberately withheld as a means to compel the worker to remain, and deny him or her of the opportunity to change employer, is an indicator of forced labour.

Wage Payment Protection Systems

Wage payment protection systems have been set up in some countries to monitor payment of workers' wages. These are an important step for ensuring timely and correct payment of wages. Electronic payment allows workers to prove if they have not been paid and, in principle, to seek compensation if they have not. A [report](#) by Engineers Against Poverty (EAP) has however highlighted limitations to such systems, finding that they are unlikely to guarantee either payment or remedy unless some or all the following complementary laws and mechanisms are in place:

- **prompt payment legislation**, e.g the 2011 EU Late Payment Directive
- domestic legislation **banning "pay when paid" clauses** in contracts
- **rapid adjudication** mechanisms to resolve contractual disputes
- **project bank accounts (PBAs)** to protect against insolvency in the supply chain
- **joint liability** of clients and principal contractors for payment

Businesses should not rely solely on Wage Protection Systems to guarantee that the workers in their supply chain have been or will be paid correctly and on time.

Digital Payments and Better Banking

The Better Than Cash Alliance - a partnership of governments, companies, and international organisations that seek to accelerate the transition from cash to digital payments - have found that digitising payments can increase:

- **profitability** and **productivity**
- factory worker **well-being**
- supply-chain **transparency**

The use of banks can also reduce transaction costs for worker remittances and reduce the time required to send money through private financial intermediaries such as Western Union. The Probashi Kallyan Bank initially set up in Bangladesh was established for migrant workers to receive wage payments and to facilitate remittances that family members at home can access directly.

Dhaka Principles for Migration with Dignity



Principle 5: Wages are paid regularly, directly and on time

Migrant workers should be paid what they are due on time, regularly and directly.

Visit the Dhaka Principles website to access the full [Implementation Guide](#).

The Employer Pays Principle

No worker should pay for a job - the cost of recruitment should be borne not by the worker but by the employer.