

2026-07-21

Bill as amended

### OBJECTS AND REASONS

This Bill would

- (a) reform the law on the protection of wages;
- (b) strengthen the powers of the Chief Labour Officer in relation to claims by employees for the non-payment of wages;
- (c) repeal the *Protection of Wages Act*, Cap. 351; and
- (d) provide for related matters.

*Arrangement of Sections*

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### 33. Commencement

## **BARBADOS**

A Bill entitled

An Act to provide for the protection of wages.

ENACTED by the Parliament of Barbados as follows:

### **Short title**

- 1.** This Act may be cited as the *Protection of Wages Act, 2026*.

## **Interpretation**

2.(1) In this Act,

“authorised dealer” has the meaning assigned to it by section 2(1) of the *Exchange Control Act*, Cap. 71;

“complaint” has the meaning assigned to it by section 2(1) of the *Employment Rights Act, 2012* (Act 2012-9);

“contract of employment” has the meaning assigned to it by section 2(1) of the *Employment Rights Act, 2012* (Act 2012-9);

“currency” means notes and coins issued by the Central Bank of Barbados, whether in fiat, digital or other format;

“employee” has the meaning assigned to it by section 2(1) of the *Employment Rights Act, 2012* (Act 2012-9);

“employer” has the meaning assigned to it by section 2(1) of the *Employment Rights Act, 2012* (Act 2012-9);

“financial institution” includes a commercial bank, a credit union, a trust company, a finance company, a merchant bank, a payment service provider licensed under the *National Payment System Act, 2021* (Act 2021-1) and a brokerage house;

“foreign currency” has the meaning assigned to it by section 2(1) of the *Exchange Control Act*, Cap. 71;

“public officer” or “officer” has the meaning assigned to it by section 2 of the *Public Service Act*, Cap. 29;

“Tribunal” has the meaning assigned to it by section 2(1) of the *Employment Rights Act, 2012* (Act 2012-9);

“wages” has the meaning assigned to it by section 2(1) of the *Employment Rights Act, 2012* (Act 2012-9).

(2) This Act shall be read together with the *Employment Rights Act, 2012* (Act 2012-9) and words defined in that Act and used in this Act have, unless a contrary intention is expressed in this Act, the same meaning.

(3) Where in applying or administering this Act a conflict arises between this Act and the *Employment Rights Act, 2012* (Act 2012-9), this Act shall prevail and the *Employment Rights Act, 2012* (Act 2012-9) shall be construed with such modification and adaptation as may be necessary for giving effect to this Act.

**Wages to be paid in legal tender etc.**

3.(1) The payment of wages in any form other than in currency that is legal tender in Barbados is illegal, null and void.

(2) A contract of employment which provides for wages to be payable otherwise than in currency that is legal tender in Barbados is illegal, null and void.

(3) An employer shall

- (a) establish for an employee a recurring pay period and a recurring pay day; and
- (b) pay wages earned by the employee during the pay period, no later than on the pay day for the period and on a normal working day.

(4) A contract of employment shall provide for the entire amount of wages of an employee for a pay period to be paid directly to the employee in respect of all work done by him for the period.

(5) An employer shall pay the entire amount of wages to the employee in currency that is legal tender in Barbados as follows:

- (a) once every week, where the wages are fixed on an hourly, daily or weekly basis;
- (b) not less than once every fortnight, where the wages are fixed on a fortnightly basis; or

- (c) not less than once in every month, where the wages are fixed on a monthly, quarterly, semi-annual or annual basis.
- (6) Notwithstanding subsection (4), an employer shall determine the method by which the wages of an employee under a contract of employment are paid to the employee from among the following methods:
- (a) by cash;
  - (b) by bank draft;
  - (c) by cheque drawn on an account held at a financial institution and negotiable, on the established pay day, for currency that is legal tender in Barbados;
  - (d) by money order;
  - (e) by postal order;
  - (f) by wire transfer; or
  - (g) into a deposit account held at a financial institution.
- (7) Where an employer determines the method by which the wages of an employee under a contract of employment are to be paid, the employee shall provide to the employer, in writing, the information required to facilitate the payment of his wages.
- (8) Where an employer proposes to change the method by which the wages of an employee are to be paid, the employer shall
- (a) give the employee at least 2 weeks' written notice of the change; and
  - (b) ensure that the change is at no cost to the employee and does not impose a burden on the employee.
- (9) Where the wages of an employee are to be paid into a deposit account held at a financial institution, the employee shall determine the financial institution to be used for the payment of the wages.

(10) Where an employee proposes to change the financial institution through which his wages are paid

(a) the employee shall

(i) give his employer at least 2 weeks' written notice of the change; and

(ii) provide to the employer, in writing, the information required to facilitate the payment of his wages through the proposed financial institution; and

(b) the employer shall comply with the change by the next pay period following that in which the notice referred to in paragraph (a)(i) was given.

(11) Where an employer pays wages to an employee by

(a) cash, the employer shall pay no more than \$10.00 of the wages in coins issued by the Central Bank of Barbados; and

(b) a method other than cash, including through a deposit account held at a financial institution, the employer shall allow the employee a reasonable period to convert the payment to cash at a financial institution during the usual hours of business of the financial institution.

#### **Exception to wages paid in legal tender**

4.(1) Notwithstanding section 3, an employer who holds a foreign currency permit in accordance with the *Foreign Currency Permits Act, 2025* (Act 2025-5) may enter into a contract of employment for wages to be paid to an employee in a foreign currency.

(2) Wages payable to an employee in accordance with subsection (1) shall be paid into a foreign currency deposit account held at an authorised dealer.

**Agreements as to place and manner of spending wages illegal**

5. No employer shall impose in a contract of employment any term as to the place at which, or the manner in which, or the person with whom wages paid to an employee are to be expended; and a contract between an employer and an employee containing such a term is illegal, null and void.

**Payment of wages where employee absent**

6. Where wages become payable to an employee who is absent from the proper or usual place for their payment, the employer shall pay the wages due to the employee to a person authorised in writing by the employee to receive the payment on his behalf.

**Deduction of wages for advancement by employer**

7.(1) An employer may deduct from the wages payable to an employee under a contract of employment any money advanced by way of loan to the employee by the employer at the request of the employee in anticipation of the regular period of payment of his wages.

(2) The amount which may be deducted from the wages of an employee under subsection (1) shall not, in any pay period, exceed one-third of the wages of the employee for the pay period.

(3) Subsection (2) and section 10 do not apply where an employer is a financial institution, credit union or another entity that provides loans or credit facilities in the ordinary course of its business and the loan or credit facility to the employee is given as such.

(4) In this section,

“credit union” has the meaning assigned to it by section 193 of the *Co-operative Societies Act*, Cap. 378A;

“financial institution” has the meaning assigned to it by section 2 of the *Financial Institutions Act*, Cap. 324A.

**Deduction of wages for payment or assignment to third party**

**8.** An employer may deduct from the wages payable to an employee under a contract of employment any money to be paid to another person

- (a) as contributions to provident or pension funds or schemes agreed to by the employee or required by another enactment; or
- (b) at the request of the employee
  - (i) in anticipation of the regular period of payment of his wages; or
  - (ii) where the employee assigns a part of his wages to the person,

and the employer shall pay the deducted money to the person.

**Consent for deductions pursuant to section 7 or 8**

**9.(1)** Notwithstanding sections 7 and 8, monies shall not be deducted from the wages payable to an employee without the written consent of the employee, unless the deduction is required by another enactment.

(2) Where an employee gives consent to his employer to deduct part of his wages, the employee may have the deductions varied by written agreement between him and the employer.

(3) Where an employee intends to vary the terms of an agreement to have monies deducted from his wages, the employee shall notify his employer, in writing, of his intention; and the period of notice shall be no less than that of his pay period.

**Interest on advances prohibited**

**10.** No employer shall make a deduction by way of discount, interest or similar charge on account of an advance of wages made to an employee in anticipation of the regular period of payment of such wages.

### **Illegal advances to be irrecoverable**

**11.** An advance made otherwise than in accordance with this Act or regulations made under this Act is unlawful and shall be irrecoverable in a court whether by way of counterclaim, set-off or otherwise.

### **Advance not to be construed as means to satisfy judgment debt**

**12.** During the period of his contract of employment, an employee receiving an advance under this Act shall not, by reason only of such advance, be deemed to have or to have had means and ability to pay any sum due by him under any judgment of a court.

### **Prohibitions and procedures and regarding certain deductions**

**13.(1)** Except where otherwise expressly permitted by this Act or any other enactment, an employer shall not

- (a) deduct, or make an agreement with an employee for a deduction, from the wages to be paid by the employer to the employee for
  - (i) a payment to the employer by the employee; or
  - (ii) another benefit to the employer or a person connected with the employer;
- (b) deduct from the wages of an employee any sum in respect of
  - (i) a fine;
  - (ii) bad or negligent work; or
  - (iii) damage to the materials or other property of the employer except where the damage is occasioned by the wilful misconduct or negligence of the employee.

(2) Where an employer proposes to make a deduction from the wages of an employee, otherwise than pursuant to section 7 or 8, the employer shall notify the employee, in writing, of his intention to make the deduction.

- (3) Notice given under subsection (2), shall
  - (a) be no less than
    - (i) one week, where the employee is paid hourly, daily or weekly;
    - (ii) 2 weeks, where the employee is paid fortnightly; or
    - (iii) one month, where the employee is paid monthly; and
  - (b) state
    - (i) the reason for the deduction;
    - (ii) the amount to be deducted; and
    - (iii) the procedure for the employee to appeal the decision of the employer to make the deduction.
- (4) The amount which may be deducted from the wages of an employee under subsection (2) shall not, in any pay period, exceed one-third of the wages of the employee for the pay period.

**Employer may recover overpaid wages or benefits**

- 14.(1) An employer who overpays wages to an employee may recover the amount of the overpayment from any wages to which the employee subsequently becomes entitled.
- (2) Where an employee receives payments of a benefit in accordance with Part II of the *National Insurance and Social Security (Claims and Payments) Regulations* (S.I. 1984 No. 148), or under any other enactment, and continues to receive his wages in full from his employer, the employer may recover the amount of the benefit received from any wages to which the employee subsequently becomes entitled, provided that the amount so recovered does not exceed the amount paid by the employer to the employee as wages for the period to which the benefit relates.
- (3) Notwithstanding subsections (1) and (2), an employer shall not recover more than one-third of the wages payable to an employee in any pay period.

(4) An employer shall not recover an overpayment under subsection (1) or (2) unless he

- (a) notifies the employee, in writing, of his intention to recover the amount of the overpaid wages or benefits and the period of notice is no less than that of the employee's pay period; and
- (b) commences the recovery within one year of the date of the overpayment.

**Remuneration other than wages**

15.(1) Notwithstanding any other provision of this Act, an employer may by agreement with an employee provide to the employee as remuneration, in addition to any monetary wages, allowances other than monetary allowances in accordance with subsection (2).

(2) The allowances referred to in subsection (1) shall

- (a) be of personal benefit to the employee and his family;
- (b) be of a fair and reasonable value; and
- (c) not be in the form of intoxicating liquor, noxious drugs, illegal narcotic drugs or any other illegal substance or thing.

**Wages not to be paid on certain premises**

16. No employer shall pay wages to an employee at or within

- (a) a retail shop or premises on which spirits, wine, beer or other spirituous or fermented liquor is offered for sale; or
- (b) premises used for entertainment or gambling,

unless the employer owns or occupies, and the employee is employed at, the retail shop or premises.

**Wages in case of bankruptcy or insolvency**

**17.** Where an employer

- (a) is in receivership and the receiver has realised the assets of the employer and is making a distribution to creditors in accordance with the *Companies Act*, Cap. 308;
- (b) who is an insolvent debtor makes a proposal to his employees as creditors and the proposal is approved by the court in accordance with the *Bankruptcy and Insolvency Act*, Cap. 303; or
- (c) is bankrupt and there is a distribution of the proceeds realised from the estate of the bankrupted employer in accordance with the *Bankruptcy and Insolvency Act*, Cap. 303;

his employees shall be treated as preferred creditors with respect to any wages that are due to them for any work done by them prior to the filing of an assignment by the employer.

**Payment of wages on termination of employment**

**18.** Where a contract of employment has ended, the employer shall pay to the employee all wages and other amounts due to the employee no later than the pay day of the next pay period had the employee's contract of employment continued.

**Notice by other methods**

**19.** Notwithstanding any other provision of this Act, an employer shall ensure that an employee with special needs is given notice by a method of communication that readily permits the employee to receive and understand the notice.

### **Complaint on breach of Act**

**20.(1)** An employee who alleges that an employer has breached a provision of this Act may, within 3 months of the alleged breach, make a complaint to the Tribunal in accordance with this Act and the *Employment Rights Act, 2012* (Act 2012-9).

(2) Notwithstanding subsection (1),

- (a) a complaint may also be made under this section by a trade union or another representative group on behalf of the employee;
- (b) where a group of employees, having the same or substantially the same interests, has a complaint, one employee may make the complaint in a representative capacity or the complaint may be made by a trade union or another representative group on behalf of the group of employees; and
- (c) where the Tribunal is satisfied that it was not reasonably practicable for a complaint to be presented within the period prescribed in that subsection, the Tribunal may hear and determine the complaint where the complaint is presented within such further period as the Tribunal considers reasonable in the circumstances.

### **Complaint to Tribunal to be made through Chief Labour Officer**

**21.(1)** A complaint to be made to the Tribunal under this Act shall be made through the Chief Labour Officer.

(2) A complaint shall be taken to have been made to the Tribunal on the date that it is presented to the Chief Labour Officer.

### **Action by Chief Labour Officer and Tribunal upon receipt of a complaint**

**22.** Sections 43 and 44 of the *Employment Rights Act, 2012* (Act 2012-9) apply, with such modifications and adaptations as may be

necessary, to a complaint under this Act in the same manner as those sections apply to a complaint under that Act.

### **Determination of complaint by Tribunal**

23. Where the Tribunal finds that a complaint under this Act is well founded, the Tribunal shall

- (a) make a declaration to that effect; and
- (b) order the respondent to pay compensation to the complainant.

### **Functions of Chief Labour Officer generally in relation to administration and enforcement of Act**

24. Sections 5 and 45 of the *Employment Rights Act, 2012* (Act 2012-9) apply to the administration and enforcement of this Act, with such modifications and adaptations as may be necessary, as those sections apply to that Act.

### **Offences and penalties**

25.(1) An employer or his agent who

- (a) enters into an agreement or contract or gives any remuneration for employment contrary to this Act or declared by this Act to be illegal;
- (b) makes any deduction from the wages of any employee or receives any payment from any employee contrary to this Act;
- (c) fails to pay wages to any employee; or
- (d) contravenes section 18,

commits an offence and is liable on summary conviction to a fine of \$20 000 or to imprisonment for 12 months or to both.

(2) An employer or his agent who makes any deduction from the wages of any employee or receives any payment from any employee for the benefit of another person and fails to pay the wages deducted to that person commits an offence

and is liable on summary conviction to a fine of \$30 000 or to imprisonment for 3 years or to both.

(3) The Chief Labour Officer may institute proceedings in his own name against an employer for any offence under this Act and may appear and conduct the proceedings.

(4) Where a magistrate finds an employer guilty of an offence under subsection (1)(c) or (2), the magistrate may, in addition to the fine or sentence imposed, order the employer to pay to the employee concerned any payment due to him; and the payment shall be subject to such rate of interest as the magistrate considers appropriate in the circumstances.

(5) For the avoidance of doubt, this section and section 27 apply notwithstanding any monetary limit on the jurisdiction of a magistrate under the *Magistrate's Courts Act*, Cap. 116A.

(6) No prosecution for an offence under this Act shall be instituted after the expiration of 3 years from the date of commission of the offence.

#### **Exemption of employer on conviction of actual offender**

**26.(1)** Where an employer is charged with an offence under this Act, he shall be entitled, upon information duly laid by him, to have any other person whom he charges as the actual offender brought before the court at the time appointed for hearing the charge, and if, after the commission of the offence has been proved, the employer proves to the satisfaction of the court that he has used due diligence to enforce this Act and that the other person has committed the offence in question without his knowledge, consent or connivance, the other person shall be summarily convicted of such offence and the employer shall be exempt from any penalty.

(2) Where it is made to appear to the satisfaction of the Chief Labour Officer at the time of discovering the offence that the employer has used due diligence to enforce this Act and also the person by whom such offence has been committed, and also that it has been committed without the knowledge, consent or connivance of the employer, then the Chief Labour Officer shall proceed against the person

whom he believes to be the actual offender in the first instance without first proceeding against the employer.

**Power of magistrate in relation to unlawful deductions**

27.(1) Where with the lodging of an information charging an offence under section 25(1)(b) a notice in the prescribed form is served by the informant in the prescribed manner on the employer, the magistrate may, on the offence being proven, order the employer to pay to the employee concerned the part of the wages found to have been deducted or, as the case may be, received as payment contrary to this Act.

(2) Payment of any sum ordered by a magistrate to be paid under section 25(4) may be enforced in the manner prescribed under section 110 of the *Magistrate's Courts Act*, Cap. 116A.

(3) The power of the magistrate to make an order under section 25(4) shall not be in derogation of any right of the employee concerned to recover the sum by any other proceeding.

(4) An employee shall not recover in any other proceedings any amount which a magistrate has ordered to be paid under section 25(4).

**Certain provisions to bind State**

28.(1) Sections 2 to 19 bind the State and, for the purpose of those sections, "employer" includes the State and any public officer or employee acting on behalf of the State in its capacity as an employer.

(2) A breach of this Act in relation to an officer or employee of the State shall be deemed to be a grievance under section 12 of the *Public Service Act*, Cap. 29; and the officer or employee may invoke the procedure with respect to grievance-handling set out in the *Fourth Schedule* to that Act.

### **Agreements of co-operation**

**29.(1)** Nothing in this Act shall be held to apply to any body of persons working on an agreement of co-operation.

(2) For the purposes of this section, “agreement of co-operation” means an arrangement where 2 or more persons agree to complete a task or a series of tasks that is not governed by a contract of employment.

### **Regulations**

**30.(1)** The Minister may make regulations for giving effect to this Act.

(2) Regulations made pursuant to subsection (1) are subject to negative resolution.

### **Repeal of Cap. 351**

**31.** The *Protection of Wages Act*, Cap. 351 is repealed.

### **Consequential amendment to Act 2012-9**

**32.** Section 2 of the *Employment Rights Act, 2012* (Act 2012-9) is amended by deleting the definition of “complaint” and substituting the following:

““complaint” means a complaint made to the Tribunal by an employee or by a trade union or another representative group on behalf of the employee;”.

### **Commencement**

**33.** This Act shall come into operation on a date to be fixed by Proclamation.

Read three times and passed the House of Assembly this  
day of \_\_\_\_\_, 2026.

**Speaker**

Read three times and passed the Senate this \_\_\_\_\_ day of  
\_\_\_\_\_, 2026.

**President**