



For daily HR, IR, Legal, and Safety updates,  
join Shekhar Ganagaluru's **Be Great Learning Hub** WhatsApp Group.

<https://chat.whatsapp.com/JX5GtawCHVcKg0MxyzOcsh>



## 258. Who is responsible for ensuring the proper distribution of compensation under the Employee's Compensation Act, 1923?

Section 8 of the act outlines how compensation should be distributed when an employee suffers an injury that results in death. The key provisions are:

### (1) Compensation Payment Through Commissioner

- If an employee dies due to an injury, compensation must be deposited with the Commissioner.
- If compensation is to be paid in a lump sum to a woman or a person under a legal disability (e.g., minors or mentally incapacitated individuals), it must be deposited with the Commissioner.
- An employer cannot directly pay compensation to dependants in such cases, and if they do, it won't be considered legal compensation.
- Exception: The employer can provide an advance equal to three months' wages to a dependant of the deceased employee, which will later be adjusted against the compensation.

### (2) Other Deposits with the Commissioner

Any compensation amounting to ₹10 or more can be deposited with the Commissioner on behalf of the entitled person.

### (3) Receipt of Commissioner as Legal Proof

When compensation is deposited, the Commissioner's receipt serves as a valid proof of payment.

### (4) Notice and Inquiry for Dependants

- When compensation for a deceased employee is deposited, the Commissioner may issue a notice (public or direct) to the dependants.
- Dependants must appear before the Commissioner on the given date.
- If the Commissioner finds that no dependants exist, the compensation money is returned to the employer.
- The employer can request a detailed statement of how the compensation was distributed.

**Disclaimer: This document is for educational purposes only and does not constitute legal advice.**

## (5) Apportionment of Compensation

- The Commissioner decides how to distribute the compensation among dependants.
- The amount can be given fully to one dependant or split among multiple dependants as the Commissioner deems fit.

## (6) Direct Payment to Entitled Persons

- If the person entitled to compensation is not a woman or legally disabled, the Commissioner must pay them directly.
- In other cases, the Commissioner has discretion in how to pay them.

## (7) Investment or Management of Lump Sum for Women & Disabled Persons

- If a woman or legally disabled person is entitled to a lump sum, the Commissioner can invest, apply, or manage the amount for their welfare.
- In cases of half-monthly payments, the Commissioner may assign the payments to a dependant or any other responsible person.

## (8) Modification of Distribution Order

- The Commissioner can change the compensation distribution if:
  - A parent neglects their children.
  - The financial condition of a dependant changes.
  - Any other valid reason arises.
- Notice must be given before making a change that negatively affects someone.
- If a change is made, no dependant will be required to return compensation they already received.

## (9) Recovery in Cases of Fraud

- If a person has fraudulently received compensation through impersonation, false claims, or other wrongful means, the Commissioner can:
  - Modify the earlier order.
  - Recover the fraudulently obtained amount as per Section 31.

## Compliance Summary of Section 8: Compensation Distribution in Case of Employee Death

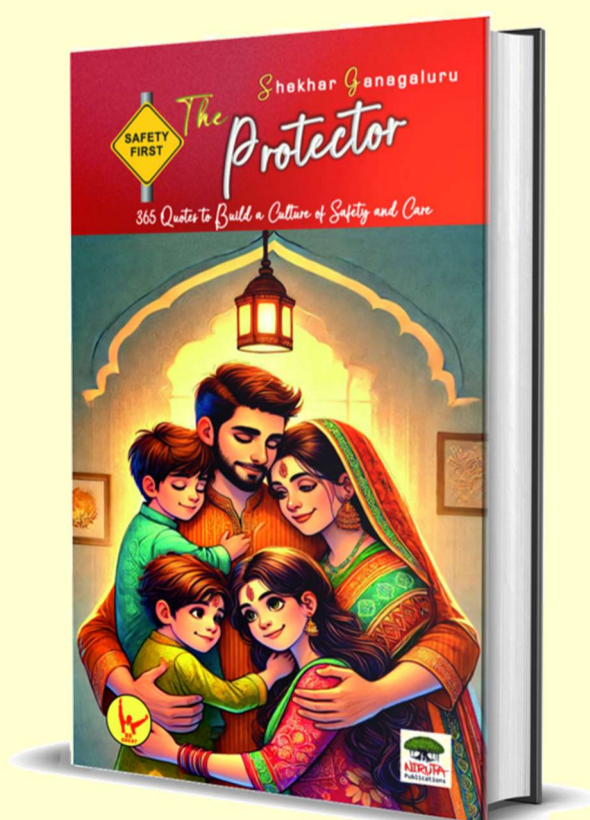
Section	Provision Description	Key Details
Section 8(1)	Compensation Payment Through Commissioner	Compensation must be deposited with the Commissioner. Employers cannot directly pay dependants. An advance of up to three months' wages can be given.
Section 8(2)	Other Deposits with the Commissioner	Any compensation of ₹10 or more can be deposited with the Commissioner.

Disclaimer: This document is for educational purposes only and does not constitute legal advice.

**Shekhar Ganagaluru**, MSW, LLB, Dip. T&D

HR & IR Specialist | Published Author | Storyteller | Mentor | Trainer | Community Outreach Coordinator | Workplace Safety & Motivation Strategist  
[begreatseries@gmail.com](mailto:begreatseries@gmail.com) or Follow on LinkedIn | Mobile: 96327 11228

Section 8(3)	Receipt as Legal Proof	The Commissioner's receipt is valid proof of payment.
Section 8(4)	Notice & Inquiry for Dependants	Commissioner issues a notice; dependants must appear. If no dependants exist, the money is returned to the employer. Employer can request a distribution statement.
Section 8(5)	Apportionment of Compensation	Commissioner decides how compensation is distributed among dependants.
Section 8(6)	Direct Payment to Entitled Persons	If the recipient is not a woman or legally disabled, payment is made directly. Otherwise, the Commissioner has discretion.
Section 8(7)	Investment/Management of Lump Sum	For women or disabled persons, the Commissioner may invest or manage the amount for their welfare. Half-monthly payments may be assigned to a responsible person.
Section 8(8)	Modification of Distribution Order	Changes allowed for neglectful parents, changed financial conditions, or valid reasons. Prior notice required; no return of received compensation.
Section 8(9)	Recovery in Cases of Fraud	If fraud is detected, the Commissioner can modify orders and recover the fraudulent amount under Section 31.



**Why *The Protector – 365 Quotes to Build a Culture of Safety and Care* is Useful for Workers**

- Daily Safety Inspiration:** Each quote serves as a daily reminder to prioritize safety, reinforcing positive habits and awareness in the workplace.
- Encourages a Safety-First Mindset:** Workers develop a proactive approach to identifying and mitigating risks, reducing accidents and incidents.
- Boosts Workplace Morale:** Motivational quotes create a culture of care, showing that safety is not just a rule but a shared responsibility for well-being.
- Simple Yet Impactful Learning:** Short, easy-to-digest messages make safety education continuous and engaging without requiring extensive training.
- Supports Long-Term Behavioural Change:** Repeated exposure to safety-focused thoughts helps instil a strong safety culture, making cautious actions second nature.

The book is ready to gift your employees on upcoming National Safety Day 2025. To buy copies, please scan QR Code and register.



**Disclaimer: This document is for educational purposes only and does not constitute legal advice.**

**Shekhar Ganagaluru, MSW, LLB, Dip. T&D**

HR & IR Specialist | Published Author | Storyteller | Mentor | Trainer | Community Outreach Coordinator | Workplace Safety & Motivation Strategist  
[begreatseries@gmail.com](mailto:begreatseries@gmail.com) or [Follow on LinkedIn](#)