



The Smart Guide to New Labour Codes

A practical guide highlighting key updates and compliance requirements under the new labour codes

Important Information

These codes have been published in the year 2019 and were yet to be implemented. This is to inform you that the Four Labour Codes have been formally brought into force with effect from 21 November 2025 by the Central Govt. During the transition period the existing labour laws shall be applicable. In a clarification dated: 26/11/2025, The Union Labour Secretary has clarified that a 45 day comment period shall be opened for suggestions & only then the rules shall be finalised.

Furthermore, The respective states shall then notify the implementation dates of these codes along with administrative guidelines which in our opinion should take about 15 to 18 weeks from today.

The information in this document has been sourced & compiled from various sources on the internet, Bare acts, Codes & the Indian Government websites having information on the subject matter. As any new law, There are many areas which lack clarity and these ambiguities shall be cleared gradually in the next 2-3 years.

Serve HR takes no responsibility on any information used from the document to be implemented merely by reading this document.

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Introduction

1. **Code on Wages, 2019 (Wage Code):**

This Code replaces four earlier labour laws and seeks to bring uniformity to wage-related provisions. Key introductions include a statutory floor wage and a revised definition of ‘wages’. The Wage Code promotes a progressive framework by mandating equal pay for individuals doing similar work, regardless of gender. It also authorises the government to fix minimum wages and create advisory boards to guide wage-related decisions.

2. **Code on Social Security, 2020 (SS Code):**

This Code is designed to extend social security benefits to the workforce. It consolidates and replaces nine earlier social security legislations. The SS Code also introduces a central authority responsible for overseeing, implementing, and regulating various social security schemes.

3. **Occupational Safety, Health, and Working Conditions Code, 2020 (OSH Code):**

This Code is centered on creating safer and healthier workplaces for employees. It merges and replaces 13 existing legislations, bringing in requirements for risk assessment, preventive safety measures, and mandatory reporting of workplace accidents. The OSH Code also reinforces employers’ obligations regarding working conditions—such as leave entitlements, daily and weekly work hours, and maintaining a safe work environment.

4. **Industrial Relations Code, 2020 (IR Code):**

This Code replaces three earlier laws and establishes a structured framework for managing relations between employers and employees. Key features include provisions for forming and recognising trade unions and negotiating unions, enabling collective bargaining, and strengthening grievance redressal mechanisms to resolve workplace disputes effectively.

Code of wages, 2019

Laws under Wage Code

1. Payment of Wages Act, 1936
- Section
2. Minimum Wages Act, 1948
3. Payment of Bonus Act, 1965
4. Equal Remuneration Act, 1976

Once brought into force, the Wage Code will repeal and substitute these existing laws. It was officially published in the Gazette of India on August 08, 2019, following the President’s assent.

Sr. No	Provision	Section	New Provision or Revision
1.	<p>Definition of ‘wages’ : The Wage Code (and other labour codes) introduces a uniform definition of “wages”. The definition of wages is to be considered for calculation of minimum wages, provident fund (PF) contributions, Employee State Insurance (ESI), maternity benefit, employee’s compensation, gratuity, statutory bonus, and other payment of wage related provisions.</p> <p>This revised definition of wages does not affect requirements under state-specific laws such as Shops and Establishments Acts, Labour Welfare Fund laws, Professional Tax laws, and other similar state statutes.</p>	Section 2(y) and 3	<p>Revised: The labour codes provide a uniform definition of wages which was different under the erstwhile labour laws</p>

This is a common feature across all the Labour Codes. Additionally, since the Wage Code does not prescribe any specific applicability threshold, its provisions extend to all employers and all employees, regardless of size, sector, or designation.

Code of wages, 2019

Sr. No	Provision	Section	New Provision or Revision
2.	<p>Definition of ‘employee’:</p> <p>Under the Wage Code, an employee is any individual—excluding apprentices engaged under the Apprentices Act, 1961—who is employed for wages in an establishment to perform skilled, semi-skilled, or unskilled work, whether manual, operational, supervisory, managerial, administrative, technical, or clerical. This applies irrespective of whether the terms of employment are written or implied and as long as the person works for hire or reward.</p>	Section 2(k)	<p>Revised:</p> <p>Under the Payment of Wages Act, 1936, the provisions generally did not apply to employees earning more than INR 24,000 per month. In contrast, the Wage Code covers all employees, regardless of their monthly salary.</p>
3.	<p>National Floor Wage:</p> <p>The Wage Code introduces the new concept of a national floor wage. This floor wage will be set by the Central Government, and State Governments must ensure that the minimum wages they prescribe are not lower than this nationally determined benchmark.</p>	Section 9	<p>New Provision:</p> <p>Previously, only minimum wages were notified by the Central and State Governments. Under the new framework, the Central Government will set a national floor wage, which State Governments must consider while determining their own minimum wage rates.</p>

Code of wages, 2019

EMPLOYER OBLIGATIONS/ COMPLIANCES

Sr. No	Provision	Section	New Provision or Revision
4.	<p>Prohibition of discrimination on the basis of gender:</p> <p>Employers must ensure there is no gender-based discrimination in wage matters. Employees doing the same work or work of a similar nature must receive equal pay, regardless of gender.</p>	Section 2(y)	<p>Revised:</p> <p>The requirement to provide equal remuneration for the same work or work of a similar nature—earlier limited to male and female employees—has now been expanded to all genders. This equality requirement also applies to conveyance allowance, house rent allowance, and any remuneration payable under an award or settlement.</p>
5.	<p>Payment of due wages within two working days of resignation:</p> <p>Employers must now settle all pending wages within two working days from the employee’s last working day, even when the employee has resigned.</p>	Section 17	<p>Revised:</p> <p>The wage payment timeline—earlier applicable only when an employee was terminated—has now been extended to resignations as well, requiring employers to follow the same prompt settlement timeline in both situations.</p>

Code of wages, 2019

Sr. No	Provision	Section	New Provision or Revision
6.	<p>Compliance requirements for payment of wages:</p> <p>Employers must follow specific rules regarding when wages are paid and what types of authorised deductions may be made—such as deductions for fines, recovery of salary advances, and other permissible items under the Code.</p>	Section(s) 16, 17 and 18	<p>Revised:</p> <p>Earlier, these requirements under the Payment of Wages Act, 1936 applied mainly to employees earning below INR 24,000 per month. Under the Wage Code, no such wage threshold exists, meaning these compliance obligations now extend to all employees, regardless of their salary level.</p>
7.	<p>Approval for fines:</p> <p>Employers must seek prior approval from the appropriate government authority (usually the State Government for private establishments) before imposing any fines on an employee. This includes penalties levied for misconduct or any other reasons permitted under the Code.</p>	Section 19	
8.	<p>Payment of wages through electronic mode:</p> <p>The Wage Code formally recognises electronic payment of wages as a valid method. This is the first time that digital wage payments have been explicitly and legally acknowledged under India’s labour laws.</p>	Section 15	New Provision

Code of wages, 2019

Sr. No	Provision	Section	New Provision or Revision
9.	<p>Payment of bonus:</p> <p>Employers must pay an annual statutory bonus to eligible employees, calculated at a minimum of 8.33% and up to a maximum of 20% of their annual wages.</p> <p>Additionally, employees who are terminated due to a conviction for sexual harassment are disqualified from receiving this statutory bonus.</p>	Section (s) 26 and 29	<p>Revised:</p> <p>The government has not yet notified the salary threshold for determining statutory bonus eligibility. Once announced, this threshold may potentially expand the scope of employees entitled to receive the statutory bonus, thereby increasing employers' overall bonus obligations.</p>
10.	<p>Limitation period to file claims:</p> <p>The time limit for workers to file claims has been increased to three years. For instance, under the earlier Payment of Wages Act, 1936, claims related to unlawful deductions had to be filed within 12 months from the date of deduction. The Wage Code significantly extends this window, giving workers more time to raise such disputes.</p>	Section 45	<p>Revised:</p> <p>The Wage Code has extended the limitation period for filing claims related to non-compliance. For example, under the Payment of Wages Act, 1936, an employee could file a claim for unlawful deductions or delayed payments within 12 months from the date of deduction or the due date of payment. Under the Wage Code, such claims may now be filed within three years from the date on which the cause of action arises.</p>

Code of wages, 2019

Sr. No	Provision	Section	New Provision or Revision
11.	<p>Inspector-cum-Facilitator⁵:</p> <p>The role of labour authorities has been broadened from mere inspection to also facilitating compliance.</p> <p>For certain violations—such as wrongful wage deductions or failure to maintain required registers—the Inspector-cum-Facilitator must first give the employer an opportunity to correct the non-compliance before taking action.</p> <p>However, if the same offence is repeated within five years of the first violation, this opportunity for rectification will not be provided.</p> <p>The appropriate government may also introduce an inspection scheme, enabling web-based inspections and submission of information online.</p>	Section 51 and 54	New provision

Code of wages, 2019

Sr. No	Provision	Section	New Provision or Revision
12.	<p>Increased penalties for non-compliance:</p> <p>Employers may face penalties for underpaying wages or violating any provisions of the Wage Code. The revised penalties are as follows:</p> <p>For paying less than the legally due wages: First offence: Fine up to INR 50,000 Repeat offence within 5 years: Up to 3 months’ imprisonment and/or a fine up to INR 1,00,000</p> <p>For violating other provisions of the Wage Code: First offence: Fine up to INR 20,000 Repeat offence within 5 years: Up to 1 month’s imprisonment and/or a fine up to INR 40,000</p> <p>Additionally, in cases involving non-payment of wages, minimum wages, bonus, or similar dues, the compensation awarded can be as high as 10 times the amount of the claim.</p>	Section 54 and 45	<p>Revised:</p> <p>The penalties under the earlier laws now subsumed into the Wage Code have been updated and increased.</p> <p>For example, under the Payment of Bonus Act, 1965, failure to pay bonus was punishable with imprisonment of up to 6 months and/or a fine of up to INR 1,000.</p> <p>Under the Wage Code, the penalty for first-time non-payment of bonus is now a monetary fine of up to INR 20,000.</p>

Code of wages, 2019

Sr. No	Provision	Section	New Provision or Revision
13.	<p>Composition of offences:</p> <p>The Wage Code allows certain offences—those not punishable with imprisonment—to be compounded. This means employers convicted of such offences for the first time may settle the matter by paying up to 50% of the maximum prescribed penalty.</p> <p>Once an offence is compounded, no further prosecution will be initiated for that specific violation.</p>	Section 56	New provision

Code on Social Security 2020

Laws covered by SS Code:

1. Employee's Compensation Act, 1923
2. Employees' State Insurance Act, 1948
3. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
4. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
5. Maternity Benefit Act, 1961
6. Payment of Gratuity Act, 1972
7. Cine-Workers Welfare Fund Act, 1981
8. Building and Other Construction Workers' Welfare Cess Act, 1996
9. Unorganized Workers' Social Security Act, 2008

Once implemented, the SS Code will repeal and replace the existing laws it consolidates.

It was published in the Official Gazette of India on September 29, 2020, after receiving the President's assent.

Aggregators may include businesses offering services such as:

Ride-sharing (e.g., Ola, Uber)

Food and grocery delivery (e.g., Zepto, Zomato, Swiggy)

Logistics (e.g., Delhivery)

E-marketplaces (e.g., Udaan, Amazon)

Professional services (e.g., Urban Company)

Healthcare platforms (e.g., Practo)

Travel and hospitality (e.g., MakeMyTrip)

Content and media services (e.g., Spotify)

and similar digital or app-based service models.

Code on Social Security

2020

Sr. No	Provision	Section	New Provision or Revision
1.	<p>Aggregators:</p> <p>Under the SS Code, aggregators are defined specifically in relation to gig and platform workers. An aggregator refers to any digital intermediary or marketplace that enables a buyer or user of a service to connect with the seller or the service provider.</p>	Section 2(2)	New provision
2.	<p>Gig workers:</p> <p>The SS Code introduces the term gig worker, referring to a person who performs work or takes part in a work arrangement and earns income outside the traditional employer–employee relationship.</p> <p>This category may also include independent contractors.</p>	Section 2(35)	New provision
3.	<p>Platform workers:</p> <p>The SS Code introduces the concept of platform workers, referring to individuals engaged in platform work. Platform work includes any work arrangement conducted outside a traditional employer–employee relationship, where individuals or organisations use an online platform to offer or access specific services for payment.</p> <p>The categories of platform work covered under the SS Code may be notified by the Central Government.</p>	Section(s) 2(60) and 2(61)	New provision

Code on Social Security

2020

Sr. No	Provision	Section	New Provision or Revision
4.	<p>Fixed-term employment:</p> <p>The SS Code defines fixed-term employment as the engagement of an employee under a written contract for a specified period. Key provisions include:</p> <p>Parity in benefits: Fixed-term employees must receive hours of work, wages, allowances, and other benefits no less than those of permanent employees performing the same or similar work.</p> <p>Statutory benefits: Fixed-term employees are entitled to all statutory benefits available to permanent employees, either fully or on a pro-rata basis, regardless of minimum service requirements. For example, gratuity is payable to fixed-term employees even if they have less than 5 years of service.</p>	Section 2(34)	<p>New provision:</p> <p>A similar definition of fixed-term employment was previously introduced under the Industrial Employment (Standing Orders) Central Rules, 1946, and in certain states—such as Haryana and Karnataka—through their respective rules aligned with the Industrial Employment (Standing Orders) Act, 1946, as well as model standing orders.</p>
5.	<p>Career Centres:</p> <p>The SS Code replaces traditional employment exchanges with career centers. These are offices, locations, or online portals established and maintained by the Central Government to provide career-related services, including:</p> <p>Maintaining information on recruiting employers and job-seeking candidates</p> <p>Tracking vacancies</p> <p>Offering vocational guidance, counselling, and support for individuals aiming to start self-employment</p>	Section 2(9)	<p>Revised:</p> <p>Under the SS Code, the role of employment exchanges under the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 (EE Act) has been expanded to include vocational guidance and counselling for self-employment.</p> <p>Private employers with 25 or more employees must notify certain vacancies to employment exchanges under the EE Act.</p> <p>Non-compliance under the EE Act could result in a monetary penalty of up to INR 1,000.</p> <p>Under the SS Code, failure to report vacancies (as notified by labour authorities) to career centres may attract a penalty of up to INR 50,000.</p>

Code on Social Security

2020

Sr. No	Provision	Section	New Provision or Revision
6.	<p>Social Security Schemes for Gig and Platform Workers:</p> <p>The Central Government is authorised to notify social security schemes for gig workers, platform workers, and their family members. Any amounts due under these schemes will take priority over other employer debts. The Code also provides for the establishment of a National Social Security Board (NSSB), tasked with functions such as advising the Central Government on framing appropriate social security schemes for various categories of unorganised workers, including gig and platform workers.</p>	Section 45 and Section 47	New Provision
7.	<p>Electronic Registration:</p> <p>All establishments covered under the SS Code must be registered electronically or in another prescribed manner. If an establishment is already registered under any existing central labour law, it does not need to register again under the SS Code; the existing registration will be deemed valid for compliance with the SS Code.</p>	Section 3	<p>Revised:</p> <p>Certain existing laws, such as the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees’ State Insurance Act, 1948, require registration once an employer exceeds a specified headcount. Employers already registered under these laws do not need fresh electronic registration under the SS Code. Employers not previously registered must obtain new registration as per the SS Code requirements.</p>

Code on Social Security 2020

Sr. No	Provision	Section	New Provision or Revision
8.	<p>Calculation of PF, Gratuity, Maternity Benefit, and Workplace Accident</p> <p>Compensation: Based on the new definition of wages, subject to government-prescribed caps.</p>	Section 2(88)	<p>Revised:</p> <p>Social security obligations may change with the new definition of wages. For example, gratuity, previously calculated on basic salary and DA, will now be calculated on ‘wages’ as defined under the SS Code.</p>
9.	<p>Voluntary PF and ESI Coverage:</p> <p>Employers can opt for voluntary coverage under the PF and ESI chapters of the SS Code, either by applying themselves or through notification by the authorities, provided there is agreement from the majority of employees.</p> <p>An employer may also exit this voluntary coverage if the majority of employees agree and the conditions set by the relevant authorities are met.</p>	Section 1(5) and 1(7)	<p>New Provision:</p> <p>Under the SS Code, unlike the current framework, employers are now allowed to exit voluntary PF and ESI coverage, subject to employee agreement and compliance with authority-prescribed conditions.</p>
10.	<p>Recovery of ESI Dues from Employer:</p> <p>If an employer fails to pay the ESI contribution as required by law, the ESI authorities can directly provide benefits to the affected employees and recover the capitalised value of those benefits from the employer in a prescribed manner.</p>	Section 42	New provision

Code on Social Security

2020

Sr. No	Provision	Section	New Provision or Revision
11.	<p>Gratuity for Fixed-Term Employees:</p> <p>Fixed-term employees are entitled to gratuity on a pro-rata basis, regardless of their length of service.</p>	Section 53	New provision

DISPUTE RESOLUTION AND STATUTORY AUTHORITIES

12.	<p>Limitation of 5 Years for PF & ESI Proceedings:</p> <p>No proceedings can be initiated after 5 years from the date of the cause of action regarding the applicability of PF/ESI provisions or non-payment of PF/ESI dues.</p> <p>Inquiry Timeline:</p> <p>All inquiries under the SS Code should be concluded within 2 years from the date of commencement of the Code, including any pending inquiries.</p>	Section 125	New Provision
13.	<p>Joint Liability of Transferor and Transferee:</p> <p>When an employer transfers all or part of an establishment, both the transferor and transferee are jointly and severally liable for any dues under the SS Code that arose before the transfer.</p> <p>The transferee’s liability is capped at the value of assets received in the transfer.</p> <p>Example: If Company A transfers part of its business to Company B and has unpaid SS Code dues as of the transfer date, both A and B are responsible for those dues, but B’s liability is limited to the value of the assets it received.</p>	Section 145	<p>Revised:</p> <p>Currently, only the PF law provides for joint liability in cases of employee transfers. The SS Code extends this joint and several liability to other social security obligations under the Code, such as payment of unpaid gratuity.</p>

Code on Social Security

2020

Sr. No	Provision	Section	New Provision or Revision
14.	<p>Penalties for SS Code Non-Compliance:</p> <p>Failure to pay contributions: First offence – up to 3 years’ imprisonment and/or INR 1,00,000 fine; repeat offence – up to 3 years and/or INR 3,00,000 fine.</p> <p>Other violations: Non-payment or reduction of benefits, failure to submit returns, or filing false returns may attract imprisonment and/or monetary fines, depending on the nature and severity of the non-compliance.</p>	Section(s) 133 and 134	<p>Revision:</p> <p>SS Code provides for higher monetary penalties for non-compliance with social security obligations.</p>
15.	<p>Compounding of Offences under SS Code:</p> <p>Offence punishable with fine only: Can be compounded by paying 50% of the maximum fine.</p> <p>Offence punishable with imprisonment up to 1 year and fine: Can be compounded by paying 75% of the maximum fine.</p> <p>Once an offence is compounded, no further prosecution will be initiated for that offence.</p>	Section 138	New provision

Occupational Safety, Health and Working Conditions Code, 2020

Laws covered by OSH Code:

1. Factories Act, 1948
2. Plantations Labour Act, 1951
3. Mines Act, 1952
4. Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955
5. Working Journalists (Fixation of Rates of Wages) Act, 1958
6. Motor Transport Workers Act, 1961
7. Beedi and Cigar Workers (Conditions of Employment) Act, 1966
8. Contract Labour (Regulation and Abolition) Act, 1970
9. Sales Promotion Employees (Conditions of Service) Act, 1976
10. Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
11. Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
12. Dock Workers Safety (Safety, Health, and Welfare) Act, 1986
13. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1966

Once implemented, the OSH Code will repeal and replace the existing laws it consolidates. It was published in the Official Gazette of India on September 29, 2020, after receiving the President's assent.

Occupational Safety, Health and Working Conditions Code, 2020

Sr. No	Provision	Section	New Provision or Revision
1.	<p>Establishment under OSH Code: An establishment includes any place where an industry, trade, business, manufacturing, or occupation is carried out with 10 or more workers, thereby bringing commercial establishments within the scope of the OSH Code.</p>	Section 2 (v)	<p>Revised: A common definition of establishment now includes commercial establishments with 10 or more workers.</p>
2.	<p>Workers under OSH Code: Similar to workman under the Industrial Disputes Act, 1947, the OSH Code defines a worker as any person employed in an establishment to perform manual, unskilled, skilled, technical, operational, clerical, or supervisory work for hire or reward, whether under express or implied terms. Included: Working journalists Sales promotion employees Excluded: Personnel in the air force, army, navy, police, or prison services Employees in a managerial or administrative capacity Supervisory employees earning more than INR 18,000 per month (or as notified by the Central Government)</p>	Section 2(zzl)	<p>Revised: The definition of workers under the Industrial Disputes Act, 1947 has been updated.</p> <p>Now, supervisors earning above INR 18,000 per month are included as workers under the OSH Code.</p>

Occupational Safety, Health and Working Conditions Code, 2020

Sr. No	Provision	Section	New Provision or Revision
3.	<p>Contract Labour under OSH Code: Contract labour includes workers engaged through a contractor for work in an establishment, including migrant workers and part-time contractor employees. Exclusions: Workers regularly employed by the contractor for the contractor’s own activities Workers whose employment is governed by mutually accepted terms, including permanent employment Workers receiving periodic increments, social security, and welfare benefits as per applicable laws Impact: Some individuals previously considered contract labour under the Contract Labour (Regulation and Abolition) Act, 1970—such as permanent employees of a contractor providing on-site services—are no longer classified as contract labour under the OSH Code.</p>	Section 2(m)	<p>Revised: The definition of contract labour has been narrowed, excluding certain employees of third-party vendors, thereby reducing the principal employer’s liability toward these individuals.</p>
4.	<p>Core Activity of an Establishment under OSH Code: Core activities are those for which an establishment is set up, including any activity essential or necessary to such operations. Key Points: Certain activities are excluded from core activity definitions. Engagement of contract labour in core activities is generally prohibited, except in cases where The activity is ordinarily done through a contractor in normal operations. The activity does not require full-time workers for most of the working hours. There is a sudden increase in work volume that must be completed within a specific timeframe.</p>	Section 2(p)	New provision

Occupational Safety, Health and Working Conditions Code, 2020

Sr. No	Provision	Section	New Provision or Revision
5.	<p>Inter-State Migrant Workers under OSH Code:</p> <p>The OSH Code defines inter-state migrant workers as those who:</p> <ul style="list-style-type: none">Move on their own from their home state to work in an establishment in another state, orAre recruited by contractors for work outside their home state, orChange establishments within the destination state. <p>Can include IT/ITeS employees earning less than INR 18,000 per month (or higher as notified by the Central Government).</p> <p>This definition differs substantially from the Interstate Migrant Workmen Act, 1979.</p>	Section 2(zf)	<p>Revised:</p> <p>The coverage of inter-state migrant worker provisions has been updated:</p> <p>A wage threshold of INR 18,000 has been introduced.</p> <p>Previous exclusions for employees in managerial, administrative, and supervisory roles have been removed.</p>

Occupational Safety, Health and Working Conditions Code, 2020

EMPLOYER OBLIGATIONS

Sr. No	Provision	Section	New Provision or Revision
6.	<p>Application of Contract Labour Provisions under OSH Code:</p> <p>Applicable to establishments employing at least 50 contract labourers in the preceding 12 months.</p> <p>Manpower supply contractors employing at least 50 contract labourers in the preceding 12 months are also covered.</p>	Section 45	<p>Revised:</p> <p>The applicability of contract labour provisions has changed. Due to the narrowed definition of contract labour and the revised headcount threshold (increased from 20 to 50 under the OSH Code), employers must reassess whether these regulations apply to their establishment.</p>
7.	<p>Daily Working Hours under OSH Code:</p> <p>No worker shall work more than 8 hours per day.</p> <p>Establishments must display a notice specifying the periods during which workers may be required to work.</p>	Section 25	<p>Revised:</p> <p>Provides uniform provisions on wages and working hours for factories and establishments, including IT/ITeS establishments employing 10 or more workers.</p>
8.	<p>Overtime wages:</p> <p>Overtime must be paid at twice the wage rate, calculated on daily or weekly wages—whichever benefits the worker. Prior consent of the employee is mandatory.</p>	Section 27	<p>Revision: Introduces uniform provisions on wages, working hours, and overtime across all factories and establishments—including IT/ITeS units—employing 10 or more workers.</p>
9.	<p>Weekly and compensatory holidays:</p> <p>Employers cannot require any worker to work more than six days in a week.</p> <p>If the government grants an exemption for certain categories of workers, those who miss their weekly off must be given compensatory holidays—either within the same month or within the following two months.</p>	Section 26	

Occupational Safety, Health and Working Conditions Code, 2020

Sr. No	Provision	Section	New Provision or Revision
10.	<p>Prohibition on overlapping of shifts:</p> <p>Employers cannot run overlapping shifts where two sets of workers perform the same work at the same time within an establishment.</p>	Section 29	
11.	<p>Annual Leave:</p> <p>Workers who complete 180 days of work in a calendar year earn annual leave at 1 day for every 20 days worked.</p> <p>Holidays adjoining (before/after) approved leave will not be counted as leave days.</p> <p>Workers may carry forward up to 30 days of unused leave to the next year.</p> <p>If leave is applied for and denied, the refused leave can be carried forward without any limit.</p>	Section 32	
12.	<p>Annual Leave Encashment:</p> <p>All separating workers—including those resigning voluntarily—must be paid leave encashment.</p> <p>Payment timeline: within 2 days of discharge/resignation, and within 2 months in case of death or superannuation.</p> <p>Workers may request leave encashment at year-end for accrued leave.</p> <p>Any leave accumulated beyond 30 days must also be encashed.</p>	Section 32	New provision

Occupational Safety, Health and Working Conditions Code, 2020

Sr. No	Provision	Section	New Provision or Revision
13.	<p>Employment of women in night shifts:</p> <p>Women can be employed for any type of work, including between 7 PM and 6 AM, provided they give consent and the employer ensures prescribed safety measures, proper working hours, and holiday provisions.</p> <p>Employers must also follow additional night-shift conditions for women specified under the relevant State Shops & Establishments Act.</p>	Section 43	<p>Revision:</p> <p>The previous ban under the Factories Act, 1948 on women working between 7 PM–6 AM has now been lifted. The OSH Code allows women to work night shifts in all establishments, subject to consent and required safety conditions.</p>
14.	<p>Obligations related to inter-state migrant workers:</p> <p>Employers who have engaged 10 or more inter-state migrant workers in the previous 12 months must provide a lump-sum journey allowance for their travel from the place of employment to their native place and back.</p> <p>The minimum service requirement, frequency of the allowance, and travel class will be determined by the respective State Government under the OSH Code.</p>	Section 61	<p>Revision:</p> <p>Employers may now be required to extend inter-state migrant worker benefits to a broader set of employees, based on the revised definition and applicability.</p>

Occupational Safety, Health and Working Conditions Code, 2020

Sr. No	Provision	Section	New Provision or Revision
15.	<p>New employer duties introduced:</p> <p>The OSH Code imposes several additional obligations on employers, including:</p> <p>Maintaining a workplace free from hazards that could cause injury or occupational disease.</p> <p>Complying with all prescribed occupational safety and health standards, rules, and regulations.</p> <p>Providing free annual health check-ups or specific tests for designated age groups or categories of employees, as notified.</p> <p>Ensuring a safe, practical working environment that does not endanger employee health.</p> <p>Managing safe disposal of hazardous, toxic, and e-waste materials.</p> <p>Issuing appointment letters to all employees in the prescribed format.</p>	Section 6	<p>Revision:</p> <p>The OSH Code expands key obligations from the Factories Act, 1948 to all establishments with 10 or more workers.</p>
16.	<p>Certain rights of employees:</p> <p>Employees have the right to seek information from the employer about workplace health and safety. They may also raise concerns about inadequate safety measures, first to the employer and then to the Inspector-cum-Facilitator if not resolved.</p>	Section 14	<p>Revision:</p> <p>These employee rights, earlier applicable mainly to factories, now extend to all establishments with 10 or more workers under the OSH Code.</p>

Occupational Safety, Health and Working Conditions Code, 2020			
Sr. No	Provision	Section	New Provision or Revision
17.	<p>Notice of certain dangerous occurrences and diseases:</p> <p>If any dangerous incident occurs at the workplace whether or not it results in injury or disability the employer must report it to the appropriate government in the prescribed format. Additionally, if a worker contracts any notifiable disease listed under the Third Schedule of the OSH Code, the employer is required to inform the designated authorities as prescribed.</p>	Section 11 and 12	<p>Revision:</p> <p>The OSH Code broadens obligations that existed under the Factories Act, 1948, making them applicable to all establishments including IT/ITeS that employ 10 or more workers.</p>
18.	<p>Welfare facilities in the establishment:</p> <p>The employer must ensure the establishment provides and maintains adequate welfare facilities, as prescribed by the Central Government. These may include provisions like seating arrangements for all employees, canteen facilities, and others. Specific obligations will become clear once the Central Government issues the relevant notifications.</p>	Section 24	<p>Revision:</p> <p>OSH Code expands welfare-facility requirements, earlier under the Factories Act, to all establishments with 10+ workers.</p>
19.	<p>Higher penalties introduced under OSH Code for non-compliance.</p> <p>Maximum fine increased to INR 5,00,000, with specific violations (like those related to women workers or contract labour) attracting fines up to INR 1,00,000, and higher penalties for repeated offences.</p>	Section 94, 95, 96, 97, 98, 99, 100, 101, 102 and 103.	<p>Revision:</p> <p>OSH Code introduces monetary penalties for non-compliance. Several provisions earlier limited to factories are now extended to commercial establishments with 10 or more workers.</p>

Occupational Safety, Health and Working Conditions Code, 2020

DISPUTE RESOLUTION AND STATUTORY AUTHORITIES

Sr. No	Provision	Section	New Provision or Revision
20.	<p>Composition of offences:</p> <p>The OSH Code allows certain offences to be compounded for first-time convictions as follows:</p> <p>Offences punishable only with a fine can be compounded by paying 50% of the maximum fine.</p> <p>Offences punishable with imprisonment up to one year along with a fine can be compounded by paying 75% of the maximum fine.</p> <p>Once an offence is compounded, no further prosecution will be carried out for that offence.</p>	Section 114	New provision

Industrial Relations Code, 2020

Laws covered by IR Code

1. Industrial Disputes Act, 1947
2. Industrial Employment (Standing Orders) Act, 1946
3. Trade Unions Act, 1926

The IR Code will repeal and replace these laws once its provisions are enforced. It was published in the Official Gazette of India on September 29, 2020, after receiving Presidential assent.

Industrial Relations Code, 2020

Sr. No	Provision	Section	New Provision or Revision
1.	<p>Grievance Redressal Committee (GRC):</p> <p>Industrial establishments with 20 or more workers must set up one or more GRCs to resolve individual employee grievances. Each GRC must have equal representation from employers and workers, with a maximum of 10 members. The chairperson will alternate each year between employer and worker representatives.</p> <p>The IR Code requires adequate representation of women in the GRC, which must be at least equal to the ratio of women workers to total workers in the establishment.</p> <p>For example, if women constitute 2 out of every 3 workers, the GRC must maintain the same 2:3 ratio.</p> <p>The earlier provision under the Industrial Disputes Act, 1947 (IDA), which exempted employers with an existing grievance redressal mechanism from forming a GRC, has not been retained in the IR Code.</p> <p>Employees can file applications on individual disputes before the GRC within 1 year of the cause of action, and the GRC should resolve the matter within 30 days of receiving the application.</p>	Section 4	<p>Revision:</p> <p>The IR Code mandates that all establishments with 20 or more workers must set up a GRC, even if they already have another grievance redressal system. Earlier under the IDA, establishments with an existing mechanism were not required to form a separate committee.</p>

Industrial Relations Code, 2020

Sr. No	Provision	Section	New Provision or Revision
2.	<p>Negotiating Union:</p> <p>If an establishment has a registered trade union, it must recognize a negotiating union or council to engage with the employer on prescribed matters.</p> <p>If there is only one registered trade union, it will be the negotiating union (subject to qualifications). If multiple trade unions exist, the union supported by 51% or more of the workers will be recognised as the sole negotiating union.</p>	Section 14	New provision
3.	<p>Negotiating Council:</p> <p>If multiple registered trade unions exist in an industrial establishment and none commands at least 51% worker support, the employer must form a negotiating council to engage in negotiations on matters prescribed by the appropriate government.</p> <p>This negotiating council will be composed of representatives from all registered trade unions that have support from at least 20% of the total workers in the establishment.</p>	Section 14	New provision

Industrial Relations Code, 2020

Sr. No	Provision	Section	New Provision or Revision
4.	<p>Worker Reskilling Fund:</p> <p>The government may establish a Worker Re-skilling Fund through notification. When an employer retrenches a worker, they must deposit an amount equal to 15 days’ last drawn wages of that worker into the fund within 45 days of the retrenchment.</p>	Section 83	New provision
5.	<p>Disciplinary inquiry timeline:</p> <p>If a worker is suspended during an investigation or inquiry into alleged misconduct, the employer must ordinarily complete the inquiry within 90 days from the date of suspension. During this period, the employer must pay subsistence allowance to the suspended worker as per the applicable standing orders.</p>	Section 38	New provision
6.	<p>Standing Orders:</p> <p>Industrial establishments with 300 or more workers in the previous 12 months must prepare standing orders based on the Model Standing Orders (MSO) issued by the Central Government, or they may directly adopt the MSO.</p> <p>This must be done within:</p> <ul style="list-style-type: none">6 months from the IR Code becoming effective, or6 months from the date the standing order provisions become applicable to the establishment (i.e., upon crossing 300 workers), whichever is later.	Section 30	<p>Revision:</p> <p>The IR Code applies standing order requirements to all industrial establishments, including commercial establishments, employing at least 300 workers.</p>

Industrial Relations

Code, 2020

Sr. No	Provision	
6.	<p>Option 1</p> <p>Drafting Standing Orders</p> <p>The establishment may draft its own standing orders based on the MSO and submit them electronically to the certifying authority.</p> <p>The certifying authority must complete the certification process— including consultation with trade unions or worker representatives— within 60 days of submission.</p> <p>If the authority does not act within 60 days, the standing orders will be deemed certified, provided they:</p> <p>a) Comply with the IR Code, and</p> <p>b) Cover all matters listed in the First Schedule of the IR Code.</p> <p>Option 2</p> <p>If an employer adopts the Model Standing Orders (MSO) without any modifications, the MSO will be treated as automatically certified under the IR Code. The employer must simply inform the designated certifying officer in the prescribed manner.</p> <p>If the employer wishes to make any changes to the MSO, the employer must follow the full certification process laid out under the IR Code for approval of the modified standing orders.</p> <p>Multiple employers may also jointly submit a common draft of standing orders for certification.</p> <p>Certified standing orders can be amended after six months from the date they come into effect, by applying to the certifying officer as prescribed.</p> <p>Note:</p> <p>The Central Government has issued draft MSOs designed specifically for the service sector, but these have not yet been formally notified.</p>	

Industrial Relations Code, 2020

Sr. No	Provision	Section	New Provision or Revision
7.	<p>Limitation Period (Revised Paraphrase):</p> <p>A Conciliation Officer³⁴ cannot conduct proceedings for any industrial dispute after two years from the date the dispute first arose.</p> <p>For industrial disputes related to discharge, dismissal, retrenchment, or termination, an application for conciliation must be made within two years from the date of such action.</p> <p>A worker may file a grievance before the Grievance Redressal Committee (GRC) for issues arising out of individual grievances within one year from the date the cause of action occurs.</p> <p>In cases of retrenchment or termination, the worker may directly approach the Industrial Tribunal after 45 days have passed from the date of submitting the conciliation application.</p>	Sections 53	New provision

Industrial Relations Code, 2020

Sr. No	Provision	Section	New Provision or Revision
8.	<p>Increased penalties for non-compliance:</p> <p>The IR Code has raised the penalties for failing to meet certain legal obligations:</p> <p>a. The maximum penalty for violating provisions related to layoff, retrenchment, payment of compensation during transfer of an establishment, and closure of establishments is a fine of up to INR 2,00,000.</p> <p>b. For repeated violations, the maximum penalty includes imprisonment of up to 6 months and/or a fine of up to INR 5,00,000.</p> <p>c. The maximum penalty for employers engaging in unfair labour practices (as listed in the Third Schedule of the IR Code) is INR 2,00,000.</p>	Section 86	<p>Revised:</p> <p>Penalties for violations of the laws governed by the IR Code have been updated, resulting in a significant rise in financial liability. For instance, the maximum monetary penalty under the Industrial Disputes Act, 1947—previously INR 5,000—has now been increased considerably.</p>

Industrial Relations Code, 2020

Sr. No	Provision	Section	New Provision or Revision
9.	<p>Composition of offences:</p> <p>The IR Code allows certain offences to be compounded (only for first-time convictions) as follows:</p> <p>a. For offences that carry only a monetary fine, the offence can be compounded by paying 50% of the maximum fine prescribed.</p> <p>b. For offences punishable with imprisonment of up to one year along with a fine, compounding can be done by paying 75% of the maximum fine applicable.</p> <p>Once an offence has been compounded, no further prosecution will be initiated for that specific offence.</p>	Section 89	New provision