

# Highlights on New Labour Codes



# **OVERVIEW OF 4 NEW LABOUR CODES**

**The Ministry of Labour & Employment of India has implemented four new Labour Codes, effective 21 November 2025 which are as follows :-**

- **Code on Wages, 2019**
- **Industrial Relations Code, 2020**
- **Code on Social Security, 2020**
- **Occupational Safety, Health and Working Conditions (OSHWC) Code, 2020**

**These Codes aim to ensure better health and safety, stronger compliance, effective monitoring of labour welfare, modernisation of labour regulations, and a simplified framework for employers and employees.**

## **1. THE CODE ON WAGES, 2019-CONSOLIDATES 4 EXISTING LAWS:**

- **The Payment of Wages Act, 1936**
- **The Minimum Wages Act, 1948**
- **The Payment of Bonus Act, 1965**
- **The Equal Remuneration Act, 1976**

## **2. THE INDUSTRIAL RELATIONS CODE, 2020 - CONSOLIDATES 3 EXISTING LAWS:**

- **The Trade Unions Act, 1926**
- **The Industrial Employment (Standing Orders) Act, 1946**
- **The Industrial Disputes Act, 1947**

### **3. THE CODE ON SOCIAL SECURITY, 2020-CONSOLIDATES 9 EXISTING LAWS:**

- **The Employees' Compensation Act, 1923**
- **The Employees' State Insurance Act, 1948**
- **The Employees' Provident Funds and Miscellaneous Provisions Act, 1952**
- **The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959**
- **The Maternity Benefit Act, 1961**
- **The Payment of Gratuity Act, 1972**
- **The Cine-Workers Welfare Fund Act, 1981**
- **The Building and Other Construction Workers' Welfare Cess Act, 1996**
- **The Unorganised Workers' Social Security Act, 2008**



#### **4. THE OCCUPATIONAL SAFETY, HEALTH AND WORKING CONDITIONS (OSHWC) CODE, 2020-CONSOLIDATES THE 13 EXISTING LAWS:**

- **The Factories Act. 1948**
- **The Plantations Labour Act, 1951**
- **The Mines Act, 1952**
- **The Working Journalists and Other Newspaper Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955**
- **The Working Journalists (Fixation of Rates of Wages) Act, 1958**
- **The Motor Transport Workers Act, 1961**
- **The Beedi and Cigar Workers (Conditions of Employment) Act, 1966**
- **The Contract Labour (Regulation and Abolition) Act, 1970**
- **The Sales Promotion Employees (Conditions of Service) Act, 1976**
- **The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**
- **The Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981**
- **The Dock Workers (Safety, Health and Welfare) Act, 1986**
- **The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996**

# **CODE ON WAGES, 2019**

**Read with Code on Wages (Central) Rules, 2020**

# CODE ON WAGES, 2019

PARTICULAR	CHANGES OR AMENDMENTS
Applicability	<p>This Act applies to all employees of establishments, which include any place where industry, trade, business, manufacture, or occupation is carried on, including Government establishments.</p> <p>However, Chapter III, which deals with <u>payment of wages</u>, shall not apply to Government establishments unless and until a special order has been made.</p> <p>Also, Chapter IV relating to <u>payment of bonus</u> shall not apply to certain classes of employees as mentioned under Section 41 of the Code.</p>
Definition of “Wages”	<p>The Code introduces a uniform definition of wages applicable across all labour laws.</p> <p><b>Wages include:</b></p> <ul style="list-style-type: none"><li>- Basic Pay</li><li>- Dearness Allowance (DA)</li><li>- Retaining Allowance</li></ul> <p><u>The following are excluded from wages:</u></p> <ul style="list-style-type: none"><li>• Employer’s contribution to pension or provident fund</li><li>• Conveyance allowance or travelling concession</li><li>• Any amount paid to meet special work-related expenses</li><li>• House Rent Allowance (HRA)</li><li>• Overtime allowance</li><li>• Commission</li><li>• Gratuity payable on termination of employment</li><li>• Other items as specified under section-2(y) of code of wages act, 2019</li></ul> <p><u>Important 50% Rule</u></p> <p>If the total of excluded allowances exceeds 50% of total remuneration (or any other percentage notified by the Central Government), the excess amount will be added back and treated as wages.</p>
Overtime work	Work beyond prescribed hours to be paid at twice the rate of wages as per section 14 of code
Minimum wages	<p>Minimum wages apply to all employees, not just “scheduled employments”.</p> <ul style="list-style-type: none"><li>- Central Government sets the floor wage; States cannot fix minimum wages below this.</li></ul>

# CODE ON WAGES, 2019

PARTICULAR	CHANGES OR AMENDMENTS
Time Limits for Salary Payment	<b>Daily-rated workers: End of shift/day</b> <ul style="list-style-type: none"><li>- <b>Weekly-rated workers: End of week</b></li><li>- <b>Monthly-rated workers: Before the 7th of next month</b></li><li>- <b>Removed/resigned employees: Within 2 working days</b></li></ul>
Working Hours, Overtime and Registers	<b>Overtime payable at not less than twice the normal wages.</b>
Penalties increased for non-compliance	<ul style="list-style-type: none"><li>- <b>Underpayment of wages → Penalty up to ₹50,000.</b></li><li>- <b>Repeat offences → Higher fines + possible imprisonment</b></li></ul>
Payment of bonus to employees	<ul style="list-style-type: none"><li>- <b>Eligibility remains for employees earning up to ₹21,000/month.</b></li><li>- <b>Calculation based on the new wage definition.</b></li></ul>
Compliances and Records, returns and notices	<ul style="list-style-type: none"><li>- <b>No discrimination on the ground of gender as per section 3 of code</b></li><li>- <b>Payment of minimum wages to employee as per section 5 of code</b></li><li>- <b>Overtime Wages to be paid to employee as per section 14 of code</b></li><li>- <b>Wages must be paid within the prescribed time limit as per section 17 of code</b></li><li>- <b>Records, returns and notices however not applicable to an employer who employs not more than five persons for agricultural or domestic purposes :-</b><ul style="list-style-type: none"><li>• <b>Every employer shall maintain a register containing details of persons employed, muster roll, wages, and such other particulars as may be prescribed</b></li><li>• <b>Every employer shall display a notice on the notice board at a prominent place in the establishment containing:</b><ul style="list-style-type: none"><li>- <b>An abstract of this Code,</b></li><li>- <b>Category-wise wage rates of employees,</b></li><li>- <b>Wage period,</b></li><li>- <b>Day, date, and time of payment of wages, and</b></li><li>- <b>Name and address of the Inspector-cum-Facilitator having jurisdiction</b></li></ul></li><li>• <b>Every employer shall issue wage slips to the employees</b></li></ul></li></ul>



# **CODE ON WAGES, 2019**

## **Forms under Code on Wages, 2019**

<b>FORM NO.</b>	<b>SECTION OF CODE</b>	<b>PURPOSE / REGISTER</b>
<b>Form I</b>	<b>Section 50 of code read with rule-19 and rule-51(1), (2) and (3) of code of Code on wages (Central) rules, 2020</b>	<b>Every employer shall maintain a register containing the details with regard to persons employed, muster roll, wages and such other details as specified</b>
<b>Form II</b>	<b>Section 45 of code read with prescribed rules</b>	<b>If an employer fails to pay the claim determined and compensation ordered to be paid under sub-section (2), the authority shall issue a certificate of recovery to the Collector or District Magistrate of the district where the establishment is located who shall recover the same as arrears of land revenue and remit the same to the authority for payment to the concerned employee whose application to authority is filed in Form-II</b>
<b>Form III</b>	<b>Section 49 of code read with prescribed rules</b>	<b>Any person aggrieved by an order passed by the authority under sub-section (2) of section 45 may prefer an appeal, to the appellate authority within 90 days from date of order of authority</b>
<b>Form IV</b>	<b>Section 50 of code read with rule 51(3) of code of wages (Central) rules, 2020</b>	<b>Employee Register (Muster Roll + Employment Details)</b>
<b>Form V</b>	<b>Section 50(3) of code read with rule (52) of code of wages (central) rules, 2020</b>	<b>Every employer shall issue wage slips to the employees electronically or otherwise on or before payment of wages.</b>

# **INDUSTRIAL RELATIONS CODE, 2020**

**Red with Industrial Relation (Central) Rules, 2020**

# **INDUSTRIAL RELATIONS CODE, 2020**

<b>PARTICULAR</b>	<b>CHANGES OR AMENDMENTS</b>
<b>Applicability of this Act</b>	<p>The Code applies to any systematic activity carried on by cooperation between an employer and a worker for the production, supply, or distribution of goods or services with a view to satisfy human wants or wishes. This includes both profit and non-profit activities but, <u>Does not include wants/wishes that are purely spiritual or religious</u></p> <p><b><u>Exclusions:</u></b></p> <ol style="list-style-type: none"><li>1. Institutions owned or managed by organisations wholly or substantially engaged in charitable, social, or philanthropic services.</li><li>2. Activities of the Government relating to sovereign functions, including departments dealing with defence research, atomic energy, and space.</li><li>3. Domestic service.</li><li>4. Any other activity as may be notified by the Central Government.</li></ol>
<b>Applicability of Chapter IV – Standing Orders</b>	<p>The Chapter Applies to industrial establishments employing 300 or more workers</p> <p><b><u>Note:</u></b> Earlier threshold was 100 workers</p>
<b>Trade Unions</b>	<ul style="list-style-type: none"><li>- Concept of Negotiating Union / Negotiating Council introduced</li><li>- Trade unions must register digitally with the government.</li><li>- Single union recognition allowed per establishment for negotiation purposes.</li><li>- Minimum 10% of workers or 100 workers (whichever is less) required to register a trade union</li></ul>

# **INDUSTRIAL RELATIONS CODE, 2020**

<b>PARTICULAR</b>	<b>CHANGES OR AMENDMENTS</b>
<b>Union Leader Eligibility Criteria</b>	<p>A trade union can have office-bearers from outside the establishment, but atleast 50% of the office-bearers must be workers employed in that establishment/industry.</p> <p><u>Disqualification</u></p> <p>A person cannot be a union leader / office-bearer if he/she:</p> <ul style="list-style-type: none"><li>• Has been convicted of an offense involving moral turpitude and</li><li>• Has been sentenced to imprisonment, unless 5 years have elapsed since release</li><li>• Person below the age of 18 year.</li></ul>
<b>Notice Period for Strikes / Lock-outs</b>	<p><u>All establishments (including private sector and public Utility Services</u></p> <p>→ 14 days' prior notice is mandatory before a strike or lock-out.</p> <p>→ 14 days' prior notice is required</p> <p>(The earlier 60 days' notice requirement under the Industrial Disputes Act, 1947 has been removed.)</p> <p><u>Strikes / lock-outs during the notice period:</u></p> <p>→ Illegal</p> <p><u>Illegal strikes:</u></p> <p>→ Can attract penalties on workers and trade unions of upto 25000/- under the Code.</p>



# **INDUSTRIAL RELATIONS CODE, 2020**

## **Forms under Industrial Relation Code, 2020**

<b>FORM NO.</b>	<b>SECTION OF CODE</b>	<b>PURPOSE / REGISTER</b>
Form I	Section 2 (zi) of code read with rule 2 of Industrial Relation (Central) Rules, 2020	Memorandum of settlement arrived at during conciliation/or settlement arrived (Between the employer and his workers in the course of conciliation proceeding)
Form II	Section 40(i) read with rule 16 of the Industrial Relation (Central) Rules, 2020	Notice of change of service conditions proposed by an employer
Form III	Section 42(3) read with rule 17 of the Industrial Relation (Central) Rules, 2020	Where the employer and workers agree to refer the dispute to arbitration, the Arbitration Agreement shall be in Form III and shall be signed by the parties to the agreement.
Form IV	<ul style="list-style-type: none"><li>• Section 42(5) read with rule 19 and</li><li>• Section 94(1) read with rule 39 and</li><li>• Section 94(2) read with rule 40</li></ul> of Industrial Relation (Central) Rules, 2020	Authorization by a worker, group of worker, employer, group of employer to be represented in a proceeding before the authority under this Code
Form V	Section 46(6) and section 44(9) read with rules 20 and 21 of Industrial Relation (Central) Rules, 2020	Form of Oath of Office for Judicial Member or Administrative Member (whichever si applicable) of National Industrial Tribunal
Form VI	Section 53 (1),(4),(6) read with rule 22 of Industrial Relation (Central) Rules, 2020	Application to be submitted before the Tribunal in the matter not settled by the Conciliation Officer)
Form VII	Section 62(4) read with rule 23 of Industrial Relation (Central) Rules, 2020	Notice of Strike be given by Union (Name of Union)/Group of Workers) However, <ul style="list-style-type: none"><li>• Number of persons by whom the notice of strike shall be given or</li><li>• persons to whom such notice shall be given</li></ul>
Form VIII	Section 62(5),(6) read with rule 24 Industrial Relation (Central) Rules, 2020	Manner of giving notice of lock-out
FORM IX	Section 70(c) read with rule 25 and Section 74(1) read with rule 27 of Industrial Relation (Central) Rules, 2020	If any employer desires ot retrench any worker employed in his Industrial establishment or If an employer intends to close down an industrial establishment he shall give notice of such closure to the Central Government
FORM X	Sections 78, 79, 80 read with rules 28, 29, 31, 33 of Industrial Relation (Central) Rules, 2020	Application for permission of Lay-off/Continuation of Lay-off/Retrench- ment/Closure to be given by an employer/Industrial establishment/ Undertaking to the Central Government under the provisions of Chapter X of the Industrial Relations Code, 2020

# **CODE ON SOCIAL SECURITY, 2020**

# **CODE ON SOCIAL SECURITY, 2020**

<b>PARTICULAR</b>	<b>CHANGES OR AMENDMENTS</b>
<b>Applicability of act</b>	<b>The Code applies to all employees and employers, whether organised or unorganised, subject to scheme-specific thresholds.</b>
<b>Universal Social Security</b>	<b>Extends social security to organised, unorganised, gig, platform workers and self-employed persons.</b>
<b>Gig and Platform Workers (New Inclusion)</b>	<b>Recognised for the first time in labour law and define the person eligible for life and disability cover, health benefits, old age protection, etc.</b>
<b>Aggregator Obligations</b>	<b>Aggregators (e.g., ride-hailing, delivery platforms) must contribute to a Social Security Fund a contribution whichever is lower of the following</b> → 1% to 2% of annual turnover, or → 5% of amount payable to gig/platform workers
<b>Digital Registration and Compliance</b>	<b><u>Online registration:</u></b> → <b>Mandatory electronic registration for employers and workers through a designated portal.</b>  <b><u>Universal Account Number (UAN):</u></b> → <b>Employees are allotted one universal ID for access to benefits across EPF, ESI and other social security schemes.</b>  <b><u>Ease of contribution:</u></b> → <b>Enables centralised electronic payment of contributions by employers for EPF, ESI and other notified social security benefit's</b>

**OCCUPATIONAL SAFETY, HEALTH & WORKING**  
**CONDITIONS CODE, 2020**



**OCCUPATIONAL SAFETY, HEALTH & WORKING CONDITIONS CODE, 2020**

PARTICULAR	CHANGES OR AMENDMENTS
Applicability	Applies to establishments employing 10 or more workers (subject to specific provisions for mines, docks, construction, etc.)
Working Conditions	<p><u>Maximum working hours:</u> → 8 hours per day and 48 hours per week (may vary for specific sectors as notified by the appropriate Government)</p> <p><u>Overtime:</u> → Work beyond prescribed hours must be paid at twice the normal rate of wages.</p> <p><u>Rest intervals:</u> → No worker shall work for more than 5 hours continuously without a rest interval of atleast 30 minutes (1 hour is not mandatory under the Code.)</p> <p><u>Weekly off:</u> → One day off every week is mandatory.</p> <p><u>Night work:</u> → Permitted subject to prescribed safety measures, consent, adequate transport, and health check-ups (especially for women workers).</p>
Single Registration and Single Licence	<p>One common registration for establishments however, code reduces multiple approvals and paperwork.</p> <p>→ One single licence required for:</p> <ul style="list-style-type: none"><li>◦ Factory operations</li><li>◦ Contract labour</li><li>◦ Inter-State migrant workers</li></ul>