

# An overview of the four Labour Codes

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## Background

The Labour Codes aim to create a unified and streamlined labour framework by consolidating 29 Central labour laws into four comprehensive codes. Notified on 21 November 2025, they introduce a structured approach to wage regulation, social security, industrial relations, and workplace safety. By doing so, the Codes seek to reduce compliance complexity, clarify obligations for employers, expand worker coverage, and bring greater consistency across labour practices, without positioning any single interest above another.

They comprise:

- **The Code on Wages, 2019** standardises wage definitions and governs minimum wages, floor wages, and payment of wages and bonuses.
- **The Industrial Relations Code, 2020** regulates trade unions, standing orders, industrial disputes, and mechanisms for ensuring industrial peace.
- **The Code on Social Security, 2020** integrates nine social security laws to extend EPF, ESI, gratuity, maternity benefits, and welfare schemes to organised, unorganised, gig, and platform workers.

- **The Occupational Safety, Health and Working Conditions (OSH) Code, 2020** consolidates 13 laws relating to workplace safety, health, welfare standards, working conditions, and protections for migrant and contract workers.
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# Overview of the four labour codes

## 1. Code on Wages, 2019

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

## 2. Industrial Relations Code, 2020

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

## 3. Code on Social Security, 2020





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

## 4. Occupational Safety, Health and Working Conditions (OSH) Code, 2020

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

## Compliance checklist

This table outlines all organisational obligations arising after the enactment of the four Labour Codes, including several legal requirements that already existed under the previous statutes. Please also refer to the colour codes used to indicate the specific Acts.

1.  → Code on Wages, 2019
2.  → Industrial Relations Code, 2020
3.  → Code on Social Security, 2020
4.  → Occupational Safety, Health and Working Conditions (OSHWC) Code, 2020

Key Themes	Compliance Requirements
<b>Workers/Employees</b>	

Key Themes	Compliance Requirements
<b>Wage Entitlements</b>	<ul style="list-style-type: none"> <li>i. Receive at least minimum wages applicable to skill &amp; region.</li> <li>ii. Confirm wages are national floor wage.</li> <li>iii. Check wage slip received monthly.</li> <li>iv. Ensure overtime rate which shall not be less than twice the normal rate of wages.</li> <li>v. Fixed-term employees receive parity in wages &amp; benefits, and gratuity after 1 year.</li> <li>vi. Right to Equal Remuneration (no gender-based discrimination in wages &amp; recruitment).</li> <li>vii. Right to Claim Unpaid Wages / Wrongful Deductions / Bonus.</li> <li>viii. Eligible for bonus 8.33%-20% if below wage ceiling.</li> </ul>
<b>Social Security Eligibility</b>	<ul style="list-style-type: none"> <li>i. Covered under EPF if establishment <math>\geq</math> 20 employees (or voluntary).</li> <li>ii. Covered under ESIC if applicable, check if hazardous occupation.</li> <li>iii. Gig/platform workers registered on National Database.</li> <li>iv. Migrant workers registered for benefit portability.</li> </ul>
<b>Leave &amp; Benefits</b>	<ul style="list-style-type: none"> <li>i. Eligible for bonus 8.33%-20% if below wage ceiling</li> <li>ii. Maternity benefits (women workers): <ul style="list-style-type: none"> <li>a) 26 weeks paid leave.</li> <li>b) Nursing breaks.</li> <li>c) ₹3,500 medical bonus (if facilities not provided).</li> <li>d) Work-from-home option after childbirth (if agreed).</li> </ul> </li> </ul>
<b>Workplace Safety &amp; Welfare</b>	<ul style="list-style-type: none"> <li>i. Access to safe workplace &amp; protective equipment.</li> <li>ii. Annual health check-up provided.</li> <li>iii. Crèche facility if establishment has <math>\geq</math> 50 workers.</li> <li>iv. Safety committee present (if thresholds met).</li> <li>v. Right to report accidents including commuting accidents.</li> <li>vi. Women are allowed to work between 6 AM to 7 PM subject to conditions. The Government may also prohibit women from working in certain establishments that could pose danger to their safety and health.</li> </ul>
<b>Rights &amp; Industrial Relations</b>	<ul style="list-style-type: none"> <li>i. 14 days' notice before participating in a strike.</li> <li>ii. Protected from discrimination based on gender/trans identity.</li> <li>iii. Representation in Grievance Redressal Committees (women proportionate to workforce).</li> </ul>
<b>Employers</b>	

Key Themes	Compliance Requirements
<b>Wage &amp; Payroll Compliance (Employers)</b>	<ul style="list-style-type: none"> <li>i. Ensure "Wages" = minimum 50% of total CTC (cap on exclusions).</li> <li>ii. Pay wages within statutory timelines: a) Daily: end of shift; b) Weekly: before weekly holiday; c) Fortnightly: within 2 days; d) Monthly: within 7 days; e) Termination dues: within 2 days.</li> <li>iii. Issue wage slips every month.</li> <li>iv. Ensure payment to piece-rate workers meets minimum time rate.</li> </ul>
<b>Organisational Compliance (Employers)</b>	<ul style="list-style-type: none"> <li>i. Prepare Standing Orders if workforce <math>\geq</math> 300.</li> <li>ii. Union recognition: if 51% membership <math>\rightarrow</math> negotiate with that union.</li> <li>iii. Maintain digital registers, single annual return, e-records.</li> <li>iv. Use Inspector-cum-Facilitator mechanism for cooperative compliance.</li> <li>v. File for single registration &amp; 5-year unified licence.</li> <li>vi. Maintain registers of wages, deductions, fines, overtime, and bonus, in formats prescribed by rules.</li> <li>vii. Provide wage slips and records electronically, where applicable.</li> <li>viii. Display or provide notices wherever required (e.g., wage rates, working hours, payment dates).</li> </ul>
<b>Social Security (Employers)</b>	<ul style="list-style-type: none"> <li>i. Register employees under EPFO &amp; ESIC as applicable. Register any person before taking him into employment. Registration shall be completed on an online portal (to be specified) through Aadhaar.</li> <li>ii. Ensure ESIC for hazardous occupations regardless of establishment size.</li> <li>iii. Ensure EPF inquiries completed within 2 years (limitation).</li> <li>iv. Provide contribution details transparently to workers.</li> <li>v. Fails to provide insurance to its employee, he shall be liable to pay the exact amount of benefit to the employee is as if the negligence or failure did not occur.</li> <li>vi. Maintain records and register the details, electronically or otherwise, the number of employees, wages, number of days and hours worked, number of leaves, deductions, any accidents or bodily injuries, cess paid, vacancies and other details.</li> </ul>

Key Themes	Compliance Requirements
<b>Health, Safety &amp; Welfare (Employers)</b>	<ul style="list-style-type: none"> <li>i. Conduct risk assessments, exposure monitoring &amp; medical exams.</li> <li>ii. Provide free annual health check-ups.</li> <li>iii. Set up crèche if 50 workers.</li> <li>iv. Establish Safety Committee if thresholds met: a) Factories 500; b) BOCW 250; c) Mines 100.</li> <li>v. Provide protective equipment, safety protocols, emergency drills.</li> <li>vi. Provide uniform and adequate measures by employers for the welfare of employees. It includes hygienic work environment with ventilation, temperature and humidity, sufficient space, drinking water.</li> <li>vii. Ensure suitable and hygienic facilities for washrooms, medical examinations, creches, first-aid boxes, sitting arrangements, canteens, locker rooms etc.</li> <li>viii. Ensure there is an ambulance room in every factory, mine and construction site employing 500 workers or more; and welfare officer in every factory, mine or plantation employing 250 workers or more.</li> </ul>
<b>Contractor &amp; Migrant Worker Management</b>	<ul style="list-style-type: none"> <li>i. Ensure contract labour threshold compliance (now 50).</li> <li>ii. Provide welfare facilities &amp; ensure unpaid wages of contractors are settled.</li> <li>iii. Register &amp; support migrant workers for benefit portability.</li> <li>iv. Ensure journey allowance for inter-state migrant workers.</li> <li>v. Verify that contractors follow minimum wage, payment deadlines, permitted deductions, and bonus rules.</li> <li>vi. Employers can later recover amounts from the contractor but cannot delay payments to workers.</li> </ul>
<b>Gender &amp; Inclusion</b>	<ul style="list-style-type: none"> <li>i. No gender or transgender discrimination in employment or wages.</li> <li>ii. Women allowed night work with safeguards (transport, security).</li> <li>iii. Ensure women representation in advisory &amp; grievance committees.</li> <li>iv. Equal opportunity in hiring, wage rates, and bonus entitlement for men, women, and transgender persons if applicable under rules.</li> <li>v. Provide maternity benefits (26 weeks).</li> </ul>
<b>Disputes &amp; Offences</b>	<ul style="list-style-type: none"> <li>i. Respond to improvement notices within 30 days.</li> <li>ii. Compounding procedures (50%-75% of fine) for minor offence. s.</li> <li>iii. Maintain documentation for time-bound dispute mechanisms.</li> <li>iv. Ensure compensation payment from 50% of fines where applicable.</li> </ul>
<b>Contractors</b>	
<b>Registration &amp; Licensing</b>	<b>Registration &amp; Licensing</b> <ul style="list-style-type: none"> <li>i. Register under the OSHWC Code if employing 50 contract workers.</li> <li>ii. Obtain required contractor licence (now digitised &amp; centralised).</li> <li>iii. Maintain single annual return digitally.</li> </ul>

Key Themes	Compliance Requirements
<b>Wage &amp; Social Security Compliance</b>	<ul style="list-style-type: none"> <li>i. Pay wages at minimum wage or above.</li> <li>ii. Ensure wages comply with the 50% wage structure rule.</li> <li>iii. Provide wage slip or passbook to contract workers.</li> <li>iv. Ensure timely wage payment; employer is liable if contractor defaults.</li> <li>v. Deposit EPF/ESIC contributions for eligible contract labour.</li> </ul>
<b>Work Conditions &amp; Safety</b>	<ul style="list-style-type: none"> <li>i. Provide PPE, safety training &amp; adherence to employer's safety rules.</li> <li>ii. Ensure contract workers are included in workplace safety committees where applicable.</li> <li>iii. Report accidents immediately (including commuting accidents).</li> </ul>
<b>Inter-State Migrant Workers</b>	<ul style="list-style-type: none"> <li>i. Register all migrant workers on portals.</li> <li>ii. Provide journey allowance &amp; ensure portability of benefits.</li> <li>iii. Provide boarding, lodging &amp; helpline awareness.</li> </ul>
<b>Worker Rights &amp; Inclusion</b>	<ul style="list-style-type: none"> <li>i. No discrimination based on gender or transgender identity.</li> <li>ii. Provide equal wages for equal work.</li> <li>iii. Ensure maternity, overtime &amp; leave benefits are honoured if applicable.</li> </ul>
<b>Documentation &amp; Transparency</b>	<ul style="list-style-type: none"> <li>i. Maintain records of deployment, attendance, wages, EPF/ESIC.</li> <li>ii. Share documentation with principal employer for audits. Comply with inspections via inspector-cum-facilitator.</li> </ul>

## Implementation roadmap of the four labour codes

The table below reflects the new obligations introduced by the Labour Codes however, many of them will come into force only through rules and notifications issued by the Central Government and the respective State Governments. We will continue sharing updates. In the meantime, it is important for organisations to familiarise themselves with the new legal framework so they are prepared, aware, and compliant once the provisions take effect. Please note that the Industrial

Relations Code, 2020 does not apply to institutions owned or managed by organisations wholly or substantially engaged in charitable, social, or philanthropic services.

## Code on Wages, 2019

Area	Compliance Requirements
<b>Applicability and Regulation</b>	The Code applies to all establishments, employers and employees. Regulates wage and bonus payments in all employments where any industry, trade, business, or manufacture is carried out.
<b>Wage Definition</b>	Definition of "wages" include basic pay, dearness allowance and retaining allowance. It does not include bonus, travelling allowance, housing allowance or contributions made to provident fund/pension, gratuity etc.,.
<b>Floor Wage</b>	The central government will fix a floor wage, taking into account living standards of workers. Further, it may set different floor wages for different geographical areas. Before fixing the floor wage, the central government may obtain the advice of the Central Advisory Board and may consult with state governments. The minimum wages decided by the central or state governments must be higher than the floor wage. In case the existing minimum wages fixed by the central or state governments are higher than the floor wage, they cannot reduce the minimum wages.
<b>Payment of Wage</b>	No employee shall pay less than minimum wages fixed in accordance with Section 9. normal working day shall comprise of eight hours of work with one or more intervals for rest which shall not exceed one hour (in total). In case employees work in excess of a normal working day, they will be entitled to overtime wage, which must be at least twice the normal rate of wages.
<b>Wage Period</b>	Wage period for employees shall be either as daily or weekly or fortnightly or monthly subject.
<b>Appointments of Committees</b>	Appropriate Committees shall be appointed for revision of Minimum Wages. Revision of pay every 5 years.
<b>Registers</b>	Register containing the details of the employees, muster rolls and wages shall be maintained.
<b>Penalties</b>	The Code specifies penalties for offences committed by an employer, such as (i) paying less than the due wages, or (ii) for contravening any provision of the Code. Penalties vary depending on the nature of offence, with the maximum penalty being imprisonment for 3 months along with a fine of up to INR 1,00,000.

Area	Compliance Requirements
<b>Inspections</b>	Engage with Inspector-cum-Facilitators for advisory inspections.

## Industrial Relations Code, 2020

Area	Compliance Requirements
<b>Applicability</b>	Applicable to all industrial establishments. Not applicable to establishments which are set up to carry out charitable activities.
<b>Works Committee</b>	Works Committee shall be constituted in an Industrial Establishment where more than one hundred workers work.
<b>Grievance Redressal Committee</b>	Grievance Redressal Committee shall be constituted in an Industrial Establishment where more than twenty workers work. Ensure women's representation in grievance committees.
<b>Formation and Registration of Trade Union</b>	A Trade Union shall be formed and shall be registered by seven or more members of the Trade Union.
<b>Industrial Tribunal</b>	The industrial tribunal will consist of two members out of whom one shall be a judicial member, and the other will be an administrative member.
<b>Standing Orders</b>	Model Standing Orders for establishments with 300+ workers. Adopt/update.
<b>Reskilling Fund</b>	Deposit 15 days' wages per retrenched worker; maintain documentation.
<b>Penalties</b>	Penalties are upto INR 2,00,000. In case of non-certification of standing orders, an additional fine of INR 2,000 per day during which the contravention continues.
<b>Strikes/Lockouts</b>	Systematise notice periods, track conciliation timelines.

## Code on Social Security, 2020

Area	Compliance Requirements
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<b>Applicability</b>	<p>The Code incorporates a number of social security measures for employees and lays down different thresholds.</p> <ul style="list-style-type: none"> <li>• For Employees' Provident Fund: Applicable on establishments that employ 20 or more employees.</li> <li>• For Employees' State Insurance: Applicable on establishments (other than a seasonal factory) that employ 10 or more employees. Threshold shall not be applicable if the establishment carries on hazardous or life-threatening occupation.</li> <li>• For Gratuity: Applicable on shops or establishments that employ 10 or more employees. There is no such threshold for factories, mines, oilfield, plantation or railway company.</li> <li>• For Maternity Benefit: Applicable on shops or establishments that employ 10 or more employees. Also applicable on factory, mine, plantation and establishment belonging to government.</li> <li>• For Employees' Compensation: Applicable to employees as mentioned in Second Schedule of the Code.</li> </ul>
<b>Registrations</b>	<ul style="list-style-type: none"> <li>• Register under EPFO/ESIC; maintain digital records. All establishments that are covered under the Act shall apply for registration via <a href="#">Shram Suvidha Portal</a>. If the establishment is already registered under any Central labour law, it shall update the information on the portal.</li> <li>• Registration for Insurance of Employees: An employer, to which obligations under Employees' State Insurance applies, shall register any person before taking him into employment. Registration shall be completed on an online portal (to be specified) through Aadhaar.</li> <li>• Registration of building workers: A building worker, between the age of 18-60 years, who has engaged in any building or other construction work for at least 90 days shall be registered as a beneficiary by the State government or State Building Workers' Welfare Board.</li> <li>• Registration of Unorganised, Gig and Platform Workers: An unorganised/gig/platform worker, who has completed the age of 16 years, shall apply for registration.</li> </ul>
<b>Aggregator Contributions</b>	<p>Compute and remit 1-2% of turnover (capped at 5% of payouts).</p>
<b>Fixed-Term Employees</b>	<p>Provide gratuity after 1 year of continuous service.</p>
<b>Maternity &amp; Welfare</b>	<p>Provide maternity benefits, crèches, flexible work where required.</p>
<b>Digital Integration</b>	<p>Aadhaar/UAN linking; onboard unorganised workers on e-Shram.</p>

<b>Penalties</b>	The Code specifies penalties for offences committed by an employer, such as (i) paying less than the due wages, or (ii) for contravening any provision of the Code. Penalties vary depending on the nature of offence, with the maximum penalty being imprisonment for 3 months along with a fine of up to INR 1,00,000.
<b>Inspections</b>	Cooperate with technology-based inspections.

## Occupational Safety, Health and Working Conditions Code, 2020

<b>Area</b>	<b>Compliance Requirement</b>
<b>Applicability</b>	Applicable to all establishments employing 10 or more workers. It will also be applicable to mines and docks even if they employ just one worker. The Code shall not apply to the offices of the Central government, offices of the State government and any ship of war of any nationality. However, within the exception, the Code shall apply in case of contract labour employed through a contractor wherein the Central/State government is the principal employer.
<b>Applicability of Part on Contract Labour</b>	Applicable on establishments or manpower supply contractors in which 50 or more contract labour are employed. Not applicable on establishments where work of intermittent or casual nature is performed.
<b>Applicability of Part on Inter-State Migrant Workers</b>	Applicable on establishments in which ten or more inter-State migrant workers are employed.
<b>Applicability of Part on Mines</b>	The Code is generally applicable on mines. However, the Code is not applicable on: Any mine in which excavation is being made for prospecting purposes only; Any mine engaged in the extraction of kankar, murrum, laterite, boulder, gravel, shingle, ordinary sand, ordinary clay, building stone, slate, road metal, earth, fullers earth and limestone.
<b>Applicability of Part on Beedi and Cigar Workers</b>	This Part shall not be applicable to owner or occupier of a private dwelling house where manufacturing process is being carried out with the assistance of the family members.

Area	Compliance Requirement
<b>Registration</b>	Employers of all establishments, employing 10 or more employees or any other notified establishment must register within 6 months. Application for registration has to be made in Form II at Shram Suvidha Portal. Documents related to Registration of the establishment; proof of Identity and address of the employer(s) are required for registration. If the establishment is already registered under any central labour law shall update the information on the portal.
<b>Registration of Inter-State Migrants</b>	Inter-state migrants have to be registered on an online portal (to be specified) on the basis of self-declaration and Aadhaar.
<b>Appointment Letters</b>	Mandatory Letter of Appointment for all workers.
<b>Levy of Charge</b>	No Charge should be levied on any employee with regards to maintenance of safety and health of workers.
<b>Right to obtain Information</b>	Employee has the Right to obtain information regarding Employee's health and safety at work.
<b>Formation of Board</b>	National and State Occupational Safety and Health Advisory Board are constituted to frame Rules and Regulations and implement the provisions of the Code.
<b>Work Hours</b>	8 Hours a day, twice the wages in case of overtime with consent. Overtime wages are payable at twice the ordinary rate of wages. The period of overtime shall be calculated on a daily or weekly basis, whichever is more favourable to the worker.
<b>Welfare Facilities</b>	Bathing places, Locker Rooms, Place of keeping clothing, Sitting Arrangement, Canteen, First Aid Boxes, Medical Examinations.
<b>Employment of Women</b>	Women shall be employed in all kinds of work and shall be employed before 6 am and beyond 7 pm, only with consent.
<b>Contract Labour</b>	Register contractors; ensure welfare; make wage payments if contractor defaults.
<b>Safety Systems</b>	Allow third-party audits; implement safety committees for large establishments.
<b>Penalties</b>	For contraventions of Code, rules, regulations or by-laws, the employer is liable for a penalty of Rs. 2-3 lakhs. A number of other penalties are prescribed for specific offences.

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