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EMPOWERING THE GIG ECONOMY: KARNATAKA'S ORDINANCE FOR PLATFORM-BASED WORKER RIGHTS AND WELFARE

Karnataka Government, *vide* its notification dated May 27, 2025, has published the Karnataka Platform Based Gig Workers (Social Security and Welfare) Ordinance, 2025 ("**Gig Workers Ordinance**") with an aim to protect the rights of platform-based gig workers. The provisions of the Gig Workers Ordinance shall come into force on such date as the Karnataka Government may, by notification in the Official Gazette, appoint. The Gig Workers Ordinance applies to: (a) all aggregators or platforms in Karnataka offering specified services (*such as ride sharing services, food and grocery delivery services, logistics services, travel and hospitality, etc.*); (b) all platforms as defined below and (c) all gig workers registered with the Karnataka platform based Gig Workers Welfare Board ("**Welfare Board**").

The key provisions of the Gig Workers Ordinance are as follows:

- (a) Definitions:** For the purpose of the Gig Workers Ordinance, (i) gig worker is defined as a person who does piece-rate work under a contract and gets paid for specific tasks. Their work is assigned via a digital platform in the services specified in the Schedule under the Gig Workers Ordinance and (ii) a platform is an electronic system that facilitates services by organizing work at a specific location for payment, using automated or data-driven human decision-making processes.
- (b) Power and functions of Welfare Board:** The Welfare Board will be established in accordance with the Gig Workers Ordinance by the State Government to implement and manage social security and other benefits for gig workers, as notified from time to time and shall carry out the functions listed in the Gig Workers Ordinance, including registration of gig workers, aggregators and platforms; monitoring welfare fee collection;

CORPORATE CONNECT

facilitating workers' access to benefits; consulting with worker associations; creating targeted schemes (*e.g., for women, disabled workers, etc.*); etc.

(c) Rights of gig workers: The gig workers shall have the following rights under the Gig Workers Ordinance:

- they shall be entitled to be registered with the Welfare Board upon onboarding on any platform and be provided a unique ID applicable across all platforms;
- they shall have access to general or specific social security schemes based on their contributions and minimum work thresholds, as notified by the Welfare Board; and
- they shall have access to the grievance redressal mechanism as specified in the Gig Workers Ordinance.

(d) Registration of gig workers: The aggregator or platform must provide their complete database of onboarded gig workers to the Welfare Board within 45 days of the Gig Workers Ordinance's commencement. All gig workers registered after the commencement of the Gig Workers Ordinance shall be electronically registered by the Welfare Board within 30 days of their being so onboarded or registered. Any subsequent changes in numbers shall be promptly updated.

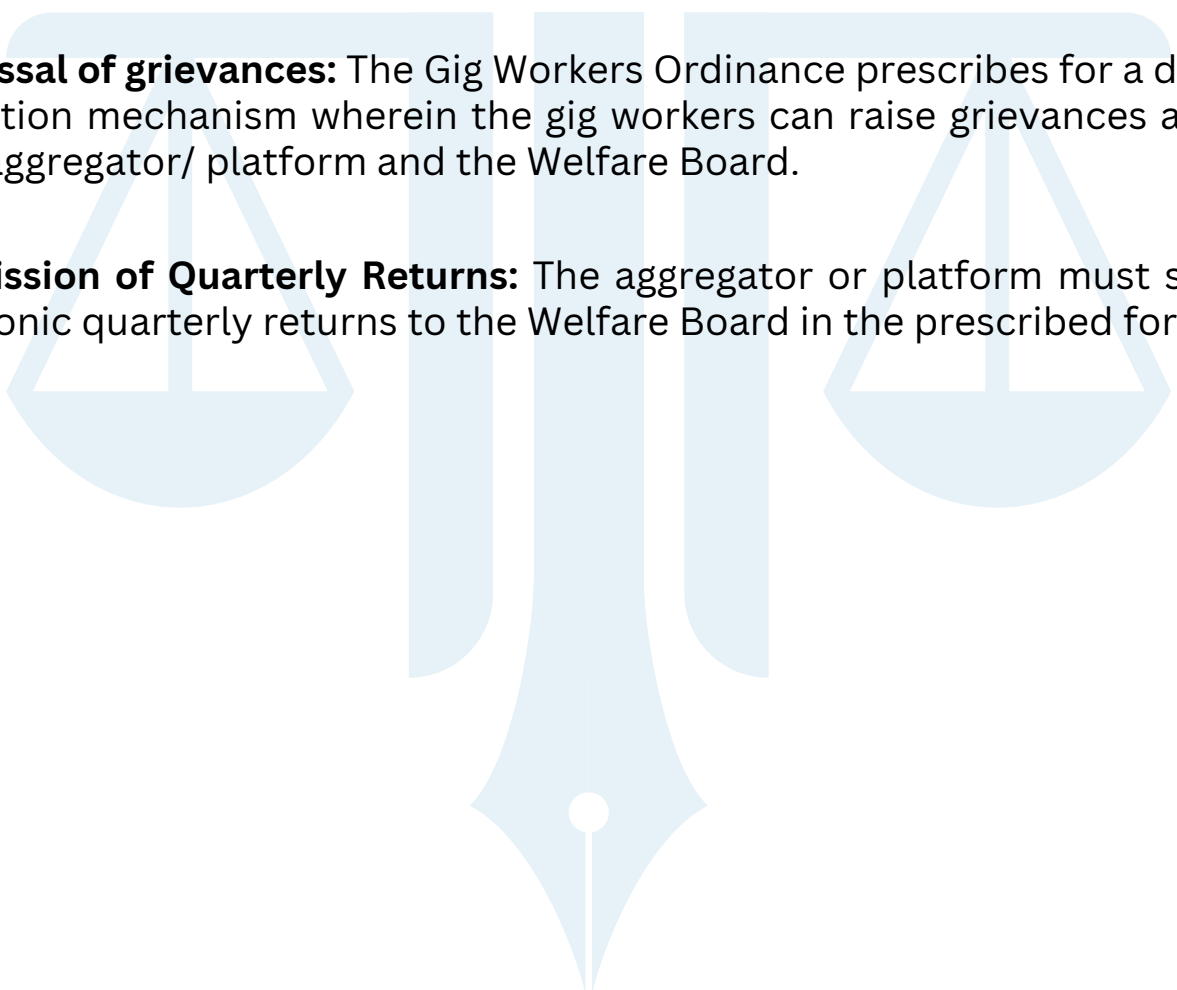
(e) Registration of aggregator or platform: Every aggregator and platform must register with the Welfare Board within 45 days of the Gig Workers Ordinance's commencement.

(f) Obligation to enter into fair contracts: All contracts between the aggregator and gig workers must comply with the Gig Workers Ordinance, ensuring that all terms are transparent, fair, and comprehensive, while explicitly providing gig workers the right to refuse tasks. The mechanism for modification and termination of the said contracts has been detailed in the Gig Workers Ordinance.

CORPORATE CONNECT

- (g) Transparency in respect of automated monitoring and decision making systems:** The aggregator or platform must clearly explain the gig worker how to access information on the automated monitoring and decision-making systems affecting their work conditions using a language the gig worker understands and ensure these systems do not discriminate based on religion, race, caste, gender, place of birth, or disability.
- (h) Income security:** The aggregator or platform must clearly inform the gig worker about the reasons for any payment deductions in the invoices raised for the work performed by such gig worker and adhere to the contractual payout cycle (*whether daily, weekly, biweekly, or monthly*).
- (i) Reasonable working conditions:** The aggregator or platform must provide reasonable working conditions for gig workers by providing adequate rest periods, access to sanitary and rest facilities. They must comply with all prescribed applicable, sector-specific occupational safety and health standards.
- (j) Nomination of Point of Contact for Enquiries:** Each platform must provide a designated human point of contact for any clarifications related to the Gig Workers Ordinance and their details must be accessible through the workers' accounts on the platform application.
- (k) Fund for Gig Workers:** The Karnataka Gig Worker's Social Security and Welfare Fund ("**Welfare Fund**") shall be established by the State Government for the benefit of registered gig workers. Welfare fees, individual gig worker contributions, grants-in-aid from the State and Central Governments, various donations and gifts, and other prescribed sources shall form part of, and be paid into, the Welfare Fund.

CORPORATE CONNECT

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- (l) Gig Worker's Welfare Fee:** Aggregators must pay a welfare fee in the range of 1% to 5% of each payout to gig workers, as notified by the State Government within 6 months from the Gig Workers Ordinance coming into force. Different rates may be applied to different categories of platforms, as specified in the Schedule. The fee is to be deposited quarterly, shall be counted as the total social security contribution under the Code on Social Security, 2020, and any shortfall may be reconciled annually, while delayed payments attract simple interest @12% per annum from the due date until it is actually paid.
- (m) Redressal of grievances:** The Gig Workers Ordinance prescribes for a dispute resolution mechanism wherein the gig workers can raise grievances against both aggregator/ platform and the Welfare Board.
- (n) Submission of Quarterly Returns:** The aggregator or platform must submit electronic quarterly returns to the Welfare Board in the prescribed format.