

# CORPORATE CONNECT

The Government of India has announced the implementation of four transformative labour codes effective from **21st November 2025**, consolidating and modernising 29 existing Central labour laws. The four codes are:

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

(Collectively, referred to as “**Codes**”)

This landmark reform aims to modernise India’s labour ecosystem, enhance worker welfare, and align regulatory frameworks with contemporary work arrangements whilst reducing compliance burden on industry.

## CRITICAL DATE AND TRANSITIONAL PROVISIONS

**Effective Date:** 21st November 2025

### Pending Rules and Transitional Framework:

The Government has indicated that corresponding **rules, regulations, and schemes under the Codes are yet to be framed**. The Government will engage the public and stakeholders in formulating these subordinate legislations.

**Critical Transitional Provision:** During the transition period, **the relevant provisions of the existing labour Acts and their respective rules, regulations, notifications, standards, and schemes will continue to remain in force**. This ensures continuity and prevents any regulatory vacuum whilst the new subordinate legislation is being developed.

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## KEY LEGISLATIVE CHANGES

### 1. Formalisation and Documentation

- **Mandatory appointment letters** for all workers, ensuring transparency, job security, and formal employment.
- Written documentation to create clear employment records.

### 2. Universal Social Security Coverage

- Extension of social security benefits to **all workers**, including gig and platform workers.
- Provident Fund, ESIC, insurance, and other social security benefits universalised.
- Aadhaar-linked Universal Account Number for fully portable benefits across states, regardless of migration.

### 3. Minimum Wages and Timely Payment

- Statutory right to minimum wage for **all workers** under the Code on Wages, 2019.
- National Floor Wage to ensure minimum living standard.
- Mandatory timely wage payment.
- Salaries to be released by the 7th of every month for IT/ITES workers.

### 4. Minimum Wages and Timely Payment

- Pan-India ESIC coverage extended to establishments with **fewer than 10 employees** (voluntary).

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- Mandatory coverage for establishments with **even one employee** engaged in hazardous processes.
- Previously limited to notified areas and specific industries.

## 5. Women's Workforce Participation

- Women permitted to work **night shifts and in all types of work** (including underground mining and heavy machinery), subject to consent and mandatory safety measures.
- Gender discrimination legally prohibited.
- Equal pay for equal work mandated.
- Mandatory women's representation in grievance redressal committees.

## 6. Fixed-Term Employment

- Fixed-Term Employees (FTEs) to receive **all benefits equal to permanent workers**.
- Gratuity eligibility **after one year** (instead of five years).
- Reduces excessive contractualization and promotes direct hiring.

## 7. Gig and Platform Workers

- 'Gig work', 'Platform work', and 'Aggregators', have been defined for the first time.
- Aggregators to contribute 1-2% of annual turnover, capped at 5% of amounts paid/payable to gig/platform workers.
- Portable welfare benefits through Aadhaar-linked Universal Account Number.

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## 8. Preventive Healthcare

- Mandatory free annual health check-ups for **all workers above 40 years of age**.
- Employer-funded health check-ups across sectors mandatory.

## 9. Compliance Simplification

- **Single registration, single licence, and single return** replacing multiple registrations and overlapping filings.
- Inspector-cum-Facilitator system focusing on compliance support rather than punitive action.
- National occupational safety and health Board for harmonised safety and health standards across sectors.

## 10. Dispute Resolution

- Two-member Industrial Tribunals for faster resolution
- Option to approach tribunals directly after conciliation

## SECTOR-SPECIFIC IMPLICATIONS

Sector	Key Changes
IT & ITES	Salary release by 7th of month; equal pay for equal work mandate; night shift flexibility for women; fixed-term employment benefits and mandatory appointment letters

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<b>Gig &amp; Platform Economy</b>	Legal recognition; aggregator contributions (1-2% of turnover); fully portable benefits via Aadhaar-linked Universal Account Number
<b>MSMEs</b>	Social Security Code coverage (MSME worker's eligibility based on employee count); minimum wages; workplace facilities (canteen, water, rest areas); timely payment of wages
<b>Export Sector</b>	FTE benefits (gratuity, PF, etc.); annual leave after 180 days in a year; no wage ceiling; women's night shift provisions
<b>Plantation</b>	Coverage under Occupational Safety, Health and Working Conditions Code, 2020 and Social Security Codes for plantations with 10+ workers or 5+ hectares
<b>Mining</b>	Commuting accidents as employment-related, subject to conditions of time, and place of employment; standardised occupational safety and health conditions; 8-12 hours per day and 48 hours per week workday limits; women's participation
<b>Audio-Visual &amp; Digital Media</b>	Coverage for journalists, dubbing artists, stunt persons; mandatory appointment letters; overtime provisions (to be consent based and pay at least double the normal wage rate)
<b>Dock Workers</b>	Formal recognition and legal protection; mandatory appointment letters; PF, pension, insurance for all workers; annual health check-ups

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## WORKPLACE SAFETY AND HEALTH

- Mandatory safety committees in establishments with **500+ workers**
- Mandatory safety training for handling, storing, and using hazardous chemicals
- Protective equipment compulsory to prevent accidents and chemical exposure

## IMPACT ON EXISTING LEGAL FRAMEWORK

The four Codes **rationalise and consolidate 29 existing Central labour laws**, replacing fragmented, colonial-era provisions dating from the 1930s-1950s. The erstwhile restrictive frameworks struggled to accommodate modern employment forms and created compliance uncertainty.

**Importantly**, the existing labour laws and their subordinate legislation shall continue to remain operative during the transitional period until new rules, regulations, and schemes are notified under the Codes.

## POLICY CONTEXT AND OBJECTIVES

The Codes aim to create a "pro-worker, pro-women, pro-youth and pro-employment labour ecosystem" aligned with the vision of Aatmanirbhar Bharat (self-reliant India). India's social security coverage has expanded from approximately 19% of the workforce in 2015 to over 64% in 2025, and the Codes represent the next phase of this expansion.