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To
All Members of The Association

**RELEASE OF COMPLIANCE HANDBOOK FOR EMPLOYERS BY THE
MINISTRY OF LABOUR, GOVERNMENT OF INDIA**

1. The four new Labour Codes officially came into force on **21 November 2025**. Both the Central and State Governments have already notified the draft rules under these Codes. The final rules are expected to be notified shortly, with the entire process of finalization anticipated to be completed so that the new rules are fully operational from **01 April 2026**.
2. The Government of India has now released a comprehensive Compliance Handbook for Employers under the four Labour Codes. These compliance guidelines apply to establishments where the Central Government is the "appropriate Government" for the implementation of these Acts. A copy of the handbook is enclosed for your reference.
3. The Association welcomes the steps taken by the Government of India for educating the employers for compliance with the New Labour Codes.

For KARNATAKA EMPLOYERS' ASSOCIATION

**Sd/
[B C Prabhakar]
President**

**Compliance Handbook for
Employers
Under the Four Labour Codes
(Central Government Sphere)**

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Chapter 1: About the Handbook

The Second National Commission on Labour (2002) had recommended, inter-alia, that the existing Labour Laws should be broadly grouped into four or five Labour Codes on functional basis. Accordingly, Ministry of Labour and Employment, after extensive consultations with the stakeholders, rationalized, simplified and amalgamated the relevant provisions of the labour laws in four codes. For employers, this means clearer rules, simpler procedures and reduced compliances.

This Handbook has been prepared to make the employers aware of the new provisions in a simplified manner. Each chapter provides an overview of compliances under each Code, with a focus on making compliance simpler, faster, and easier. The Handbook primarily covers provisions of the Codes for the establishments for which the appropriate government is Central Government. Further, details will be prescribed in the Rules that the Central Government will notify under the respective Codes.

Disclaimer:

This Handbook is intended solely as a reference document for employers on compliance provisions of the new Labour Codes and do not purport to be a legal document. In the event of any discrepancy between the contents of this Handbook and the provisions of the new Labour Codes, the latter shall prevail. Any such discrepancies noticed may kindly be brought to the attention of the Ministry of Labour and Employment for necessary clarification or correction.

Chapter 2: Reforms Introduced under Labour Codes

India's labour law framework had become complex over time, creating significant compliance burdens through multiple registrations, licences, and returns. Evolving work patterns and new forms of employment underscored the need for a simpler and more coherent system, leading the Government of India to consolidate and rationalize 29 Central Labour Acts into four Labour Codes.

Through this enactment of the four Labour Codes, 1,228 sections were streamlined into 480, and 1,436 rules were reduced to 351 (draft rules), while multiple returns (31) have been replaced with a single electronic return. Additionally, the number of Forms has reduced from 181 to 73, and registers to be maintained by the employers have reduced from 84 to just 8. In addition, provisions such as compounding of offences and improvement notices have been introduced for the first time, promoting a facilitative rather than punitive approach towards compliance. A summary of the key reforms under the four labour codes is presented below:

As on date in existing Acts						Under Labour Codes				
	Wages	IR	OSH&WC	SS	Total	Wages	IR	OSH&WC	SS	Total
Draft Rules	163	105	868	300	1436	58	51	167	75	351
Returns	6	3	21	1	31	Single (Electronic)				
Forms	20	37	55	69	181	6	18	12	37	73
Registers	24	3	56	1	84	2	0	5	1	8
Registration	-	-	6	2	8*	Single				
License	-	-	-	4	4	Single				
Compounding	-					Introduced first time				
Improvement Notice	-					Introduced first time				
* Factories, BoCW, Contract Labour, Plantation, Motor Transport, ISMW, ESI & EPF										
IR - Industrial Relations, OSH&WC - Occupational Safety, Health & Working Conditions, SS- Social Security										

Chapter 3: The Code on Wages, 2019

The Code on Wages, 2019, amalgamates 4 wages and payment related labour laws¹. It aims to balance the rights of workers and facilitate ease of compliance for employers. The Code introduces key reforms to streamline and strengthen labour regulations.

The Code safeguards employees' interests through universal minimum wages, ensuring dignity and timely payment of wages. It supports women workers through equal pay and representation, fostering inclusive participation. Thus, by ensuring minimum wages to all employee, it drives productivity and labour welfare. Together, these measures strengthen the economic growth, employment generation and workplace equity.

3.1 Compliances

- i. Employer shall pay minimum rates wages notified by appropriate government to employees². (*Section 5*)
- ii. Employers must not discriminate on the basis of gender in paying wages for the same or similar work, and must not discriminate on the basis of sex while recruiting employees. (*Section 3*)
- iii. Every establishment shall fix wage periods, which may be daily, weekly, fortnightly, or monthly. All wages must be paid within the prescribed timelines. (*Section 6*)
 - Daily basis - at the end of the day
 - Weekly basis - on the last working day of the week
 - Fortnightly basis - before the end of the second day after the end of the fortnight
 - Monthly basis - before the expiry of the seventh day of the succeeding month.
- iv. When an employee leaves an establishment, whether by resignation, dismissal, or termination, the employer is required to pay all due wages within two working days. (*Section 17*)

3.2. Working Hours and Overtime (*Section 14*)

- i. Employer must comply with the daily and weekly working hour limits prescribed under the Code and the Rules made thereunder.

¹ The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965 and The Equal Remuneration Act, 1976

² The definitions of Wages and Employees are in Annexure 1.

- ii. If an employee whose minimum rate of wages has been fixed under the Code, works beyond normal working hours, the employer must pay overtime for each extra hour at a rate of at least twice the normal wage.

3.3. Register and Records (*Section 19, Section 21, Section 50*)

- i. Employer must maintain the following in prescribed form:
 - Attendance registers cum muster roll
 - Wage register
 - Overtime register
 - Register of fines and deductions.

These registers must always be kept updated and can be maintained either in physical or electronic form. The record shall be preserved for period of 5 years.

- ii. Employers must issue wage slips in prescribed form to all employees on or before payment of wages.

3.4. Display on Notice Board (*Section 50*)

- i. Employers must display the following on the notice board in English, Hindi and local language:
 - Minimum rate of wages
 - Normal working hours
 - Wage period
 - Date of wage payment
 - Name and address of the Inspector-cum-Facilitator

3.5. Authorised Deductions from Wages under the Code (*Section 18*)

- i. Employers must not make any deductions except authorised under the Code.
- ii. These include deductions for absence from duty, deduction for damage or loss, deductions for recovery of advances or loans, deductions for fines imposed after giving the employee an opportunity to be heard, house-accommodation or amenity in service on acceptance. Deductions shall not exceed 50% of wages during the wage period.

3.6. Bonus Provisions (*Section 26*)

- i. Bonus must be paid to every employee who draws wages up to the limit set by the appropriate government and has worked for at least 30 days in the accounting year i.e. the year commencing on the first day of April.
- ii. The annual bonus is paid minimum at the rate of 8.33% and maximum up to 20% of the wages earned by the employee.

Chapter 4: The Industrial Relations Code, 2020

The Industrial Relations (IR) Code, 2020 seeks to consolidate and rationalize the provisions related to trade unions, conditions of employment in industrial establishment or undertaking, and the investigation and settlement of industrial disputes. It amalgamates three central legislations³ into a single code.

4.1 Bi-partite Committees

a. Works Committee (*Section 3*)

- Employers of industrial establishments that employ, or have employed, 100 or more workers⁴ in the preceding 12 months may be required by the appropriate Government, through a general or special order, to constitute a Works Committee.
- The number of representatives of workers shall not be less than the number of representatives of employers.
- The representatives of the workers shall be chosen from among the workers of the establishment, should be as prescribed by the appropriate Government and in consultation with their trade union.
- The Works Committee must function with the objective of promoting and maintaining harmonious relations between the employer and workers.

b. Grievance Redressal Committee (GRC) (*Section 4*)

- Every industrial establishment employing 20 or more workers must constitute one or more Grievance Redressal Committees to address individual employee grievances.
- The Committee must have an equal number of representatives from the employer and the workers.
- The total number of members must not exceed 10.
- The Chairperson shall be selected alternately from employer and worker representatives on a rotational basis every year.
- The Committee must ensure adequate representation of women workers, which shall be at least proportionate to their share in the total workforce
- Any aggrieved worker can submit application within one year from the date on which the cause of action of such dispute arises before GRC.
- GRC should complete its proceedings within 30 days from the date of receipt of the application.

³ The Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947

⁴ The definition of workers under the IR Code, 2020 is provided at Annexure 2.

4.2 Standing Orders (*Section 28, Section 29, Section 30*)

- i. The provisions on Standing Orders apply to industrial establishments employing 300 or more workers.
- ii. The Central Government will notify Model Standing Orders for uniform application.
- iii. Employers may adopt the Model Standing Orders and only need to intimate the Certifying Officer.
- iv. If the Model Standing Orders is not adopted, employers must prepare draft Standing Orders within six months of commencement of the Code, based on the notified Model Standing Orders.
- v. Employers must consult the Trade Unions, the recognised negotiating union, or the members of the negotiating council before finalising the draft of the Standing Order.
- vi. The draft Standing Orders must be submitted to the Certifying Officer (electronically or otherwise) for certification.
- vii. The Certifying Officer must certify the Standing Orders or modifications within 60 days, failing which the draft Standing Orders or modifications in the Standing order shall be deemed to be certified.

4.3 Recognition of Negotiating Union or Negotiating Council (*Section 14*)

- i. If only one registered trade union is functioning in an industrial establishment, the employer must, subject to prescribed criteria, recognise that union as the sole negotiating union for the workers.
- ii. If more than one registered trade union operates in an industrial establishment, the employer must recognise the trade union that has the support of 51% or more of the workers on the muster roll as the negotiating union.
- iii. If multiple registered trade unions exist and none has the support of 51% or more workers, the employer must constitute a Negotiating Council. The Council will include representatives from registered trade unions that have the support of at least 20% of the total workers, with one representative for each 20% of membership (and proportionate representation for any remaining fraction).

- iv. Any recognition of the Negotiating Council will be valid for three years from the date of its constitution. This period may be extended by mutual agreement between the employer and the trade union, up to a maximum of five years in total.

4.4 Notice for Change of Service Condition (*Section 40*)

If an employer intends to change any service condition listed in the Third Schedule (Annexure 3), the employer must give a prescribed notice to the affected workers. The change can take effect only after 21 days from the date of the notice.

4.5 Lay-off, Retrenchment, and Closure Provisions (*Chapter IX*)

- i. Industrial establishments such as factories, mines, and plantations employing 50 to 299 workers must serve notice on appropriate government or such authority as specified by the appropriate government before carrying out any lay-off, retrenchment, or closure.
- ii. If a worker is laid off, the employer must pay compensation equal to 50% of the basic wages plus dearness allowance that the worker would have received if she/he had not been laid off.
- iii. Employers must give one month's prior notice to a worker before retrenchment.
- iv. Retrenchment compensation must be paid at the rate of 15 days' average pay for each completed year of continuous service.
- v. Employers must also contribute an amount equal to 15 days' wages for each retrenched employee to the Workers' Re-Skilling Fund.
- vi. An employer planning to close an industrial establishment must serve prior notice on the appropriate government at least 60 days in advance, clearly stating the reasons for closure, and must simultaneously serve a copy of the application to the workers' representatives.
- vii. When ownership or management of an establishment is transferred, workers with at least one year of continuous service are entitled to notice and retrenchment compensation.

4.6 Lay-off, Retrenchment, and Closure Provisions (*Chapter X*)

- i. Industrial establishments such as factories, mines, and plantations employing 300 or more workers must obtain prior permission from the appropriate Government before any lay-off, retrenchment, or closure.
- ii. If a worker is laid off, the employer must pay compensation equal to 50% of the basic wages plus dearness allowance that the worker would have received if they had not been laid off.
- iii. Employers must give three months' prior notice before retrenchment.
- iv. Retrenchment compensation must be paid at the rate of 15 days' average pay for each completed year of continuous service.
- v. Employers must contribute an amount equal to 15 days' wages per retrenched employee to the Workers' Re-Skilling Fund.
- vi. An employer intending to close an industrial establishment must apply for prior permission at least 90 days in advance, clearly stating the reasons for closure, and must simultaneously serve a copy of the application on the workers' representatives.
- vii. In case of transfer of ownership or management, workers with at least one year of continuous service are entitled to notice and retrenchment compensation.

4.7 Mandatory Notice of Strike or Lockout (*Section 62*)

- i. If an employer receives a strike notice from persons employed in industrial establishment, the employer must report the same within five days to the appropriate Government or the prescribed authority, and to the Conciliation Officer.
- ii. If the employer issues a lockout notice, the same must be reported within five days to the appropriate Government or the prescribed authority, and to the Conciliation Officer.
- iii. A conciliation proceeding shall be deemed to have commenced on the date on which the first meeting is held by the Conciliation Officer in an industrial dispute after the receipt of the notice of strike or lock-out by the conciliation officer. (*Section 60*)
- iv. If a strike or lock-out is already in existence, the employer must inform the Conciliation Officer on the same day the strike or lock-out is declared, in the manner specified by the appropriate Government.

Chapter 5: The Occupational Safety, Health & Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code (OSH&WC), 2020, is enacted to consolidate and simplify the 13 Central Labour laws⁵ into a single comprehensive legislation, thereby reducing multiplicity of compliances and bringing uniformity across industries and States/ UTs. The Code was enacted as reforms to improve transparency, enhance worker welfare, and promote ease of doing business in India by streamlining compliance through measures such as single registration, all-India single licence, electronic filings, and time-bound approvals. This Code ensures safe and healthy working conditions in various establishments such as factories, bidi & cigar, mines, docks, plantation, construction, motor transport and other establishments with 10 or more workers.

5.1. Registration (*Section 3*)

- i. Every establishment employing 10 or more employees must apply for registration within 60 days of its existence. The application will be made electronically on the portal prescribed by the appropriate Government.
- ii. Establishments already registered under any Central Act do not need to register again but must intimate their registration details to the Registering Officer.
- iii. For a registered establishment, the employer must intimate any change in particulars of establishment electronically within 30 days to the Registering Officer.

5.2. Notice of Commencement and Cessation of Operation (*Section 5*)

Employers must send an electronic notice of commencement or cessation of operations of establishments i.e. factory or mine or contract labour establishment or building or other construction work.

5.3. Duties of Employer (*Section 6, Section 7, Section 10-Section 12*)

Every employer shall comply, inter-alia, with the following duties:

⁵ The Factories Act , 1948 ; The Plantations Labour Act , 1951; (c) 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 ; and The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act , 1996.

- i. Issuance of appointment letter to all employees.
- ii. Provide annual health check-ups free of cost.
- iii. Ensure workplace is free from hazard likely to cause injury or disease.

5.4. Safety Committees and Safety Officers (*Section 22*)

- i. Every establishment must constitute a Safety Committee, as prescribed by the appropriate Government by general or special order, consisting of representatives of both the employer and the workers.
- ii. In establishments carrying out building and other construction works employing 250 or more workers, and mines employing 100 or more workers, the employer shall appoint the prescribed number of safety officers. Such safety officers shall possess the prescribed qualifications and perform duties as may be specified by the appropriate Government.

5.5. Safety, Health and Welfare facilities

- i. Employers are responsible for maintaining safe, healthy, and suitable working conditions in the establishment, including cleanliness and hygiene; proper ventilation and lighting; safe drinking water; separate toilet facilities for male, female, and transgender workers; adequate space; and effective arrangement for waste disposal, as prescribed. (*Section 23*)
- ii. Employers must provide welfare facilities in the establishment, including washing facilities, separate bathing facilities for male, female, and transgender workers, sitting arrangements, locker rooms, first-aid, and rest or shelter rooms. (*Section 24*)
- iii. A canteen is required if 100 or more workers are employed, as prescribed. (*Section 24*)
- iv. Establishments must provide an ambulance room in every mine and building or other construction work wherein more than 500 workers are ordinarily employed, as prescribed. (*Section 24*)
- v. Adequate, suitable, and separate shelters or rest rooms for male, female, and transgender employees, along with a lunchroom, must be provided in every mine wherein more than 50 workers are ordinarily employed. (*Section 24*)
- vi. Establishments employing more than 50 workers must provide a crèche for children below six years of the employees, either on their own or through shared/common facilities, including those run by government, private entities, NGOs, or a group of establishments. (*Section 24*)

5.6. Register, Records and Returns (Section 33)

- i. Employers must maintain Registers – Register of Employees, Register of Attendance -cum-muster roll, Register of wages, overtime, deduction and dangerous occurrences as prescribed.
- ii. Employers must issue wage slips in prescribed form to all workers.
- iii. File annual return electronically as prescribed by appropriate government.
- iv. The registered must be maintained electronically or as prescribed.

5.7. Notice of certain accident, dangerous occurrences, and certain diseases.

- i. The employer must notify the prescribed authorities of any accident occurring in an establishment that results in death, serious injury preventing work for 48 hours or more, or is of a prescribed nature. (*Section 10*)
- ii. Where any dangerous occurrence takes place in an establishment, whether or not it causes injury or disability, the employer must notify the prescribed authorities in the prescribed form and within the time specified by the appropriate Government. (*Section 11*)
- iii. Where any worker in an establishment contracts a disease specified in the Third Schedule, the employer must notify the prescribed authorities in the prescribed form and within the time specified by the appropriate Government. (*Section 12*) (Third Schedule is provided at Annexure 4)

5.8 Women Working at Night and Safety of Employment of Women in Dangerous Operations

- i. Women are allowed to work in all establishments and in all types of work. (*Section 43*)
- ii. Where women are employed before 6:00 a.m. or after 7:00 p.m., employers must obtain their consent and ensure compliance with prescribed safety measures, holidays, working hours, and other conditions as prescribed by the appropriate Government. (*Section 43*)
- iii. The employer must provide adequate safety safeguards prior to employment of women in certain establishments which are dangerous for the health and safety of women or in any operations that may be considered hazardous or dangerous as prescribed by the appropriate Government. (*Section 44*)
- iv. The employment of pregnant women in manufacturing processes or operations involving serious risk of bodily injury, poisoning, or disease may be prohibited or restricted, as prescribed. (*Section 82*)

5.9. Common License for Contract labour, Factories and Bidi and Cigar Work (*Section 119*)

Any person seeking a common licence for a factory, industrial premises for beedi and cigar work, engaging contract workers, or any combination of these—or a single licence for any one of them—must apply electronically in the manner prescribed by the appropriate Government.

5.9. Provisions for Contract Labour

- i. These provisions are applicable to every establishment in which 50 or more contract labour are/were employed on any day of the preceding 12 months. (*Section 45*)
- ii. License: Every contractor employing 50 or more contract workers must obtain a licence. (*Section 47*)
- iii. The licence shall be valid for 5 years. (*Section 48*)
- iv. A contractor seeking to supply or engage contract labour, or to carry out contract work in multiple States or across India, may obtain a licence from the authority notified by the Central Government. (*Section 47*)
- v. The Principal Employer will be responsible for providing welfare facilities as prescribed under *Section 23* and *Section 24* of the Code. (*Section 53*)
- vi. In case the contractor fails to make payment of wages within the prescribed period or makes short payment, then, the principal employer will be liable to make payment to the contract labour. (*Section 55*)

5.10. Special Provisions for Inter-State Migrant Workers

- i. These provisions will apply to every establishment in which 10 or more inter-state migrant workers are/were employed on any day of the preceding 12 months. (*Section 59*)
- ii. Journey Allowance: Employers must pay every inter-State migrant worker employed in the establishment a lump-sum journey allowance once in a year to cover the to-and-fro travel fare between the place of employment and the worker's native place. (*Section 61*)

5.11. Additional Provisions for Mines

- i. Employers must, in addition to their general duties, ensure a safe and healthy workplace. This includes providing and maintaining safe plant and systems of work; ensuring safety in the use, handling, storage, and

transport of materials; providing necessary information, training, and supervision; maintaining safe workplaces with secure access and exit; and ensuring a safe working environment with adequate welfare facilities. (*Section 6*)

- ii. Employer must comply with occupational safety and health standards to be notified for mines by Central Government. (*Section 18*)
- iii. Employer must ensure the appointment of a Welfare Officer in every mine employing 250 or more workers, with qualifications, conditions of service, and duties as prescribed. (*Section 24*)
- iv. Employers must undertake medical examinations of workers before employment and at periodic intervals thereafter, as prescribed. (*Section 24*)
- v. Employer must ensure that every mine is under the control of a sole manager who possesses the prescribed qualifications. (*Section 67*)
- vi. Employer must comply to Regulations related to mines notified by Central Government. (*Section 136*)

5.12 Additional Provisions for Major Docks

- i. Employer must comply with occupational safety and health standards notified for docks by the Central Government. (*Section 18*)
- ii. Employer must comply to Regulations related to major docks notified by the Central Government. (*Section 136*)

5.13 Additional Provisions for Building or Other Construction Workers

- i. Employer must provide free temporary living accommodation to all building workers at or near the worksite and for ensuring removal of such accommodation and restoration of land obtained from local authorities after its use. (*Section 24*)
- ii. Principal Employer must make payment of the expenses incurred by the contractor for providing accommodation where the building or other construction work is carried out through a contractor. (*Section 24*)
- iii. Employer must not employ any person who is known, or reasonably believed, to have hearing impairment, defective vision, or a tendency to giddiness in building or construction operations that may pose a risk of accident to themselves or others. (*Section 78*)

- iv. Employer must comply with occupational safety and health standards notified for BoCW by the Central Government. (*Section 18*)

Chapter 6: The Code on Social Security, 2020

The Code on Social Security, 2020 subsumes 9 labour laws⁶. It provides provisions relating to EPFO, ESIC, Gratuity, Maternity Benefit, Employee's Compensation, Social Security and Cess for Building and Other Construction Workers, Social security for unorganised workers, gig workers and platform workers and social security records. The applicability criteria of the respective provisions are in the First Schedule of the Code on Social Security, 2020, reproduced at Annexure 5.

6.1. Employee's Provident Fund

- i. The provisions apply to all establishments employing 20 or more employees. The earlier requirement of coverage being limited to "scheduled employments" under EPF has been removed.
- ii. There are three types of schemes which central government may frame i.e.
 - A scheme to be called the *Employees' Provident Fund Scheme* for which the provident fund shall be established for employees or for any class of employees.
 - A scheme to be called the *Employees' Pension Scheme*, for the purpose of superannuation pension, retiring pension or permanent total disablement pension, etc.
 - A scheme to be called as *Employees Deposit Linked Insurance Scheme* for the purpose of providing life insurance benefits to the employees. (*Section 15*)
- iii. The employer must contribute 10% of the employee's wages towards the Provident Fund scheme. (*Section 16*)
- iv. The employee's Provident Fund contribution must be equal to the employer's contribution. If an employee opts to contribute more than 10% of wages, the employer is not required to contribute beyond its prescribed share. (*Section 16*)

⁶ The Employee's 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.

6.2. Employees' State Insurance (ESI)

- i. The provisions apply to every establishment employing 10 or more persons, except seasonal factories. The provisions also apply to establishments engaged in hazardous or life-threatening activities, even if only one employee is employed. (*The First Schedule*)
- ii. It also applies to mines, port or vicinity of port where dock work is carried out.
- iii. The employer must pay both the employer's and the employee's contributions in respect of every employee. (*Section 31*)
- iv. In the case of female employees, the definition of family also covers dependent parents, including father-in-law and mother-in-law, whose income from all sources does not exceed the limit prescribed by the Central Government. (*Section 2(33)*)
- v. Different type of benefits to which an insured person is entitled are (*Section 32*):
 - Sickness benefit: Periodical payment to insured person in case of sickness known as sickness benefit
 - Maternity benefit: Periodical payments to an insured person being a woman in case of confinement or miscarriage or sickness arising out of pregnancy, confinement, premature birth of child or miscarriage.
 - Disablement benefit: Periodical payments to insured person suffering from disablement as a result of employment injury sustained by him.
 - Dependent's benefit: Periodical payments to dependents of an employee who died as a result of employment injury.
 - Medical Benefit: For medical treatment of the insured person and insured person's family for which contribution are paid or payable or in which insured person is qualified to claim sickness benefit or maternity benefit.
 - Funeral expenses: Payment of funeral expense to a family member or a person who actually incurs the expenditure on the funeral of the deceased insured person.

6.3. Gratuity

- i. Gratuity must be paid to an employee on termination of his employment after completing at least five years of continuous service. The termination must be due to superannuation, retirement or resignation, death or

- disablement due to accident or disease, or any other event notified by the Central Government. (*Section 53*)
- ii. An employer shall pay gratuity to a fixed term employee on termination of their contract period after completion of one year service. (*Section 53*)
 - iii. Gratuity must be paid at the rate of 15 days' wages for each completed year of service, subject to the maximum limit notified by the Central Government. (*Section 53*)
 - iv. The employer shall pay the amount of gratuity within 30 days from the date it becomes payable. (*Section 56*)
 - v. All employees who have completed one year of service are required to make a nomination within the time and in the manner prescribed by the appropriate Government. (*Section 55*)

6.4. Maternity Benefit (*Chapter VI*)

- i. A woman employee is eligible for maternity benefit if she has worked for at least 80 days in the preceding 12 months.
- ii. Employers must grant 26 weeks of maternity benefit to eligible women employees working in their establishment.
- iii. An employer shall not dismiss or discharge a woman employee who absents herself from work in accordance with law on account of maternity leave.
- iv. Employers are required to pay a medical bonus of Rs.3,500 to every woman employee entitled to maternity benefit.
- v. A woman employee is entitled to six weeks of maternity benefit in case of miscarriage or medical termination of pregnancy and two weeks in case of tubectomy operation.
- vi. Employers must provide two nursing breaks, in addition to regular rest intervals allowed to every woman employee who has returned to work after delivery, until the child attains 15 months of age.
- vii. Employers must provide a crèche facility in every establishment employing 50 or more employees. An establishment may also avail common crèche facility of the Central Government, State Government, municipality or private entity or provided by non-Governmental organisation or by any other organisation or group of establishments who may pool their resources for setting up of common crèche.

6.5. Employees Compensation

- i. Every employer must pay compensation if an employee suffers injury or death due to an accident arising out of and in the course of his employment. *(Section 74)*
- ii. An accident occurring to an employee while travelling between place of residence and the workplace and vice-versa will be treated as having arisen out of and in the course of his employment. *(Section 74)*
- iii. In case of an employee's death, or where the dependents are minors, the employer must deposit the compensation with the competent authority. *(Section 81)*

6.6. Social Security for Unorganized, Gig and Platform Workers

- i. The Social Security Code introduces the concept of gig and platform workers for the first time. The Central Government is the appropriate government for matters related to Gig and Platform Workers.
- ii. Aggregators are required to contribute between 1% and 2% of their annual turnover, subject to a cap of 5% of the total amount paid or payable to gig and platform workers. *(Section 114)*

6.7. Building and other Construction Workers (BOCW)

- i. Under this Code, building and other construction work does not include any BoC work related to a factory, mine or a work employing less than ten workers in the preceding twelve months, or construction carried out for the personal residential use of an individual or a group of individuals where the total cost does not exceed Rs 50 lakh (or such higher amount as may be notified) and the number of workers employed is within the limit notified by the appropriate Government. *(Section 2(6))*
- ii. Employers must pay a cess ranging from 1% to 2% of the total construction cost for building and other construction work, to fund social security and welfare benefits for construction workers. *(Section 100)*
- iii. The employer must within 60 days (or any other period notified by the Central Government) after completing each building or other construction work, pay the cess due based on self-assessment of construction cost, after adjusting any advance cess already paid, in a manner prescribed by the Central Government. *(Section 103)*

- iv. Employers must also ensure that construction workers are registered with the Building Workers' Welfare Board. (*Section 106*)

6.8. Employment Exchanges / Career Centres (*Section 139*)

- i. The appropriate Government may, by notification, require employers to report vacancies to a specified career centre before filling them.
- ii. The appropriate Government may prescribe the manner (electronically or otherwise) and form for reporting vacancies and filing returns with career centres. Reporting of vacancy/s does not oblige the employer to recruit through the career centre.

Chapter 7: Summary of Action Points for Employers

A quick snapshot of what needs to be done on day one, every month, every year, and when certain events happen:

Category	Compliance Actions by Employers
FOUNDATIONAL COMPLIANCE	<ul style="list-style-type: none"> • Register the establishment and obtain licence/s, as applicable • Display all mandatory notices • Maintain basic registers (attendance, wages, deductions, overtime) • Fix the wage period (daily/weekly/fortnightly/monthly) • Ensure basic workplace safety, health and welfare measures • Start EPF/ESIC registration if eligible • Constitute Works Committee and Grievance Redressal committee
MONTHLY COMPLIANCE	<ul style="list-style-type: none"> • Pay wages on time • Deduct and deposit EPF/ESIC contributions • Issue wage slips • Update all registers regularly
PERIODICAL/ ANNUAL COMPLIANCE	<ul style="list-style-type: none"> • File Unified Annual Return • Update minimum wage rates if revised • Check and renew applicable licences • Conduct annual safety audit (where applicable) • Annual Health Examination for specified employees
EVENT-BASED COMPLIANCE	<ul style="list-style-type: none"> • Report accidents, dangerous occurrences/diseases immediately (within 24–72 hours) • Issue appointment letter to every new recruit • Settle final dues on exit (wages within 2 days; gratuity within 30 days) • Maternity benefit payment to eligible employees • In case of factory, mines and plantations apply for Government permission for lay-off/ retrenchment/ closure (for 300+ workers) • Issue Notice of Lockout to workers and authority / Notice of Strike to the Authority as specified by appropriate government.

Annexure 1: Key Definitions – The Code on Wages, 2019

a) **Wages** - Means all remuneration whether by way of salaries, allowances or otherwise, expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes —

(i) basic pay;

(ii) dearness allowance; and

(iii) retaining allowance, if any,

but does not include—

(a) any bonus payable under any law for the time being in force, which does not form part of the remuneration payable under the terms of employment.

(b) the value of any house-accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the

computation of wages by a general or special order of the appropriate Government;

(c) any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon;

(d) any conveyance allowance or the value of any travelling concession;

(e) any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment;

(f) house rent allowance;

(g) remuneration payable under any award or settlement between the parties or order of a court or Tribunal;

(h) any overtime allowance;

(i) any commission payable to the employee;

(j) any gratuity payable on the termination of employment;

(k) any retrenchment compensation or other retirement benefit payable to the employee or any ex-gratia payment made to him on the termination of employment:

- If the total of items (a) to (i) exceeds 50% of the total pay (or another percentage notified by the Central Government), the excess amount will be treated as wages.
- For the purpose of equal wages for all genders and payment of wages, the amounts listed in clauses (d), (f), (g), and (h) will be taken for calculating wages.
- If an employee is paid partly remuneration partly in kind, the value of such remuneration will not exceed 15% **of the total wages** payable to the employee. (*Section 2 (y)*)

b) **Employee** - Any person (other than an apprentice engaged under the Apprentices Act, 1961), employed on wages by an establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union; (*Section 2 (k)*)

Annexure 2: Key Definitions – The Industrial Relations Code, 2020

a. **Worker** - Any person (except an apprentice as defined under clause (aa) of section 2 of the Apprentices Act, 1961) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and includes working journalists as defined in clause (f) of section 2 of the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 and sales promotion employees as defined in clause (d) of section 2 of the Sales Promotion Employees (Conditions of Service) Act, 1976, and for the purposes of any proceeding under this Code in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched or otherwise terminated in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person—

(i) who is subject to the Air Force Act, 1950, or the Army Act, 1950, or the Navy Act, 1957; or

(ii) who is employed in the police service or as an officer or other employee of a prison; or

(iii) who is employed mainly in a managerial or administrative capacity; or

(iv) who is employed in a supervisory capacity drawing wages exceeding eighteen thousand rupees per month or an amount as may be notified by the Central Government from time to time:

Provided that for the purposes of Chapter III, "worker"—

(a) means all persons employed in trade or industry; and

(b) includes the worker as defined in clause (m) of section 2 of the Unorganised Workers' Social Security Act, 2008

Annexure 3: The Third Schedule, The Industrial Relations Code, 2020

THE THIRD SCHEDULE

[See sections 40 and 101 (1)]

CONDITIONS OF SERVICE FOR CHANGE OF WHICH NOTICE IS TO BE GIVEN

1. Wages, including the period and mode of payment.
2. Contribution paid, or payable, by the employer to any provident fund or pension
3. fund or for the benefit of the workers under any law for the time being in force.
4. Compensatory and other allowances.
5. Hours of work and rest intervals.
6. Leave with wages and holidays.
7. Starting, alteration or discontinuance of shift working otherwise than in accordance with standing orders.
8. Classification by grades.
9. Withdrawal of any customary concession or privilege or change in usage.
10. Introduction of new rules of discipline, or alteration of existing rules, except in so far as they are provided in standing orders.
11. Rationalisation, standardisation or improvement of plant or technique which is likely to lead to retrenchment of workers.
12. Any increase or reduction (other than casual) in the number of persons employed or to be employed in any occupation or process or department or shift, not occasioned by circumstances over which the employer has no control.

Annexure 4: The Third Schedule, The Occupational Safety, Health and Working Conditions Code, 2020

THE THIRD SCHEDULE

[See section 12 (1)]

List of Notifiable Diseases :

1. Lead poisoning , including poisoning by any preparation or compound of lead or their sequelae .
2. Lead - tetra - ethyle poisoning.
3. Phosphorus poisoning or its sequelae.
4. Mercury poisoning or its sequelae.
5. Manganese poisoning or its sequelae.
6. Arsenic poisoning or its sequelae.
7. Poisoning by nitrous fumes.
8. Carbon bisulphide poisoning.
9. Benzene poisoning, including poisoning by any of its homologues, their nitro or amido derivatives or its sequelae.
10. Chrome ulceration or its sequelae.
11. Anthrax.
12. Silicosis.
13. Poisoning by halogens or halogen derivatives of the hydrocarbons of the aliphatic series,
14. Pathological manifestations due to
 - (a) radium or other radio - active substances;
 - (b) X - rays .
15. Primary epitheliomatous cancer of the kin.
16. Toxic anaemia.
17. Toxic jaundice due to poisonous substances.

18. Oil acne or dermatitis due to mineral oils and compounds containing mineral oil base.
19. Byssionosis.
20. Asbestosis.
21. Occupational or contact dermatitis caused by direct contact with chemicals and paints. These are of two types, that is, primary irritants and allergic sensitizers.
22. Noise induced hearing loss (exposure to high noise levels).
23. Beryllium poisoning.
24. Carbon monoxide poisoning.
25. Coal miners ' pneumoconiosis.
26. Phosgene poisoning.
27. Occupational cancer.
28. Isocyanates poisoning.
29. Toxic nephritis.

Annexure 5: The First Schedule, The Code on Social Security, 2020

THE FIRST SCHEDULE

[See sections 1(4), (8) and 152 (1)]

APPLICABILITY

Chapter No.	Chapter Heading	Applicability
III	Employees' Provident Fund	Every establishment in which twenty or more employees are employed.
IV	Employees' State Insurance Corporation	<p>Every establishment in which ten or more persons are employed other than a seasonal factory: Provided that Chapter IV shall also be applicable to an establishment, which carries on such hazardous or life threatening occupation as notified by the Central Government, in which even a single employee is employed: Provided further that an employer of a plantation, may opt the application of Chapter IV in respect of the plantation by giving willingness to the corporation, where the benefits available to the employees under that Chapter are better than what the employer is providing to them: Provided also that the contribution from the employers and employees of an establishment shall be payable under section 29 on and from the date on which any benefits under Chapter IV relating to the Employees State Insurance Corporation are provided by the Corporation to the employees of the establishment and</p>

		such date shall be notified by the Central Government.
V	Gratuity	(a) every factory, mine, oilfield, plantation, port and railway company; and (b) every shop or establishment in which ten or more employees are employed, or were employed, on any day of the preceding twelve months; and such shops or establishments as may be notified by the appropriate Government from time to time.
VI	Maternity Benefit	(a.) to every establishment being a factory, mine or plantation including any such establishment belonging to Government; and (b) to every shop or establishment in which ten or more employees are employed, or were employed, on any day of the preceding twelve months; and such other shops or establishments notified by the appropriate Government.
VII	Employee's Compensation	Subject to the provisions of the Second Schedule, it applies to the employers and employees to whom Chapter IV does not apply.
VIII	Social Security and Cess in respect of Building and other construction work	Every establishment which falls under the building and Other Construction Workers
IX	Social Security for Unorganised workers'	Unorganised sector, Unorganised Workers', gig worker, platform worker.
XIII	Employment Information and Monitoring	Career centres, vacancies, persons seeking services of career centres and employers.
