Circular No – 038/2026

Date: 15.06.2026

To
All Members of The Association

THE GOVERNMENT OF INDIA NOTIFIES CONSTITUTION OF THE WORKER RESKILLING FUND UNDER IR CODE 2020.

1. Section 83 of the IR Code mandates that the appropriate Government shall by notification setup a fund to be called workers reskilling fund. The section 83 reads as under:

> "83. Worker reskilling fund.—(1) The appropriate Government shall, by notification, set up a fund to be called the worker re-skilling fund (hereafter in this section referred to as "fund").
> (2) The fund shall consist of—
> (a) the contribution of the employer of an industrial establishment an amount equal to fifteen days wages last drawn by the worker immediately before the retrenchment, or such other number of days as may be notified by the Central Government, for every retrenched worker in case of retrenchment only;
> (b) the contribution from such other sources as may be prescribed by the appropriate Government.
> (3) The fund shall be utilised by crediting fifteen days wages last drawn by the worker to his account who is retrenched, within forty-five days of such retrenchment, in such manner as may be prescribed."

2. The Government of India, Ministry of Labour and Employment in exercise of the power conferred on it under section 83(1) has issued notification no S.O. 2316(E) dated 08.05.2026. Copy of the notification is enclosed.

3. The Government of India, Ministry of Labour and Employment has also notified rules under Industrial Relations Code 2020. The Rule no.37 of Industrial Relations Rules provides as under:

> "**37. Manner of utilisation of fund**.– (1) Every employer who has retrenched a worker or workers in his industrial establishment under the Code, shall, within ten days from the date of such retrenchment, electronically transfer an amount equivalent to fifteen days of last drawn wages of such retrenched worker or workers into the accounts [name of the account shall be displayed on the website of the Ministry of Labour and Employment and Chief Labour Commissioner (Central)] to be maintained by of the Chief Labour Commissioner(central) / Office of the Deputy Chief Labour Commissioner(Central) / Office of the Regional Labour Commissioner (Central) / Office of the Assistant Labour Commissioner(Central), as required.
>
> (2) The fund so received under sub-rule (1) shall be transferred by Office of the Chief Labour Commissioner (Central) / Office of the Deputy Chief Labour Commissioner (Central) / Office of the Regional Labour Commissioner (Central) / Office of the Assistant Labour Commissioner (Central) electronically to each of the retrenched worker account or retrenched workers' accounts, as the case may be, within forty-five days of retrenchment to enable him utilise that amount for his re-skilling.
>
> (3) The employer shall also submit the list containing the name of each retrenched worker, the amount equivalent to fifteen days

of wages last drawn by such retrenched worker along with his bank account details, Office of the Chief Labour Commissioner (Central) / Office of the Deputy Chief Labour Commissioner (Central) / Office of the Regional Labour Commissioner (Central) / Office of the Assistant Labour Commissioner(Central)."

4. A combined reading of section 83(1) of the IR Code and the rules would show that the employers should take action on retrenchment of the workmen as under:

   - Every industrial establishment retrenching a worker must contribute an amount equal to 15 days of wages last drawn by that specific worker.
   - Employers are required to deposit this contribution to the fund within 10 days of the retrenchment.
   - The authority will transfer the fund within 15 days directly into the retrenched worker's account within 45 days of their exit.
   - This contribution is in addition to the standard retrenchment compensation and regular settlements of terminal dues of the employee payable in accordance with applicable statutory obligations.

5. The above rules will apply only to the establishment to which Central Government is the appropriate Government. The State Government is yet to issue the notification constituting the reskilling fund and rules under the IR Code.

For KARNATAKA EMPLOYERS' ASSOCIATION
Sd/
[B C Prabhakar]
President

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. No. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-08052026-272345
CG-DL-E-08052026-272345

असाधारण
EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)
PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 2225]	नई दिल्ली, शुक्रवार, मई 8, 2026/वैशाख 18, 1948
No. 2225]	NEW DELHI, FRIDAY, MAY 8, 2026/VAISAKHA 18, 1948

श्रम और रोजगार मंत्रालय

अधिसूचना

नई दिल्ली, 8 मई, 2026

का.आ. 2316(अ).— केन्द्रीय सरकार औद्योगिक संबंध संहिता, 2020 (2020 का 35) की धारा 83 की उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, उक्त संहिता के प्रयोजनों के लिए श्रमिक पुन: कौशल निधि नामक एक निधि की स्थापना करती है।

[फा. सं. एस-11025/08/2026-आईआर(पीएल)]

दीपिका कच्छल, संयुक्त सचिव

MINISTRY OF LABOUR AND EMPLOYMENT

NOTIFICATION

New Delhi, the 8th May, 2026

S.O. 2316(E).—In exercise of the powers conferred by sub-section (1) of section 83 of the Industrial Relations Code, 2020 (35 of 2020), the Central Government hereby sets up a fund to be called the worker re-skilling fund for the purposes of the said Code.

[F. No. S-11025/08/2026-IR(PL)]

DEEPIKA KACHHAL, Jt. Secy.

Uploaded by Dte. of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110064
and Published by the Controller of Publications, Delhi-110054. KUMER CHAND MEENA