

India's New Labour Codes Rules

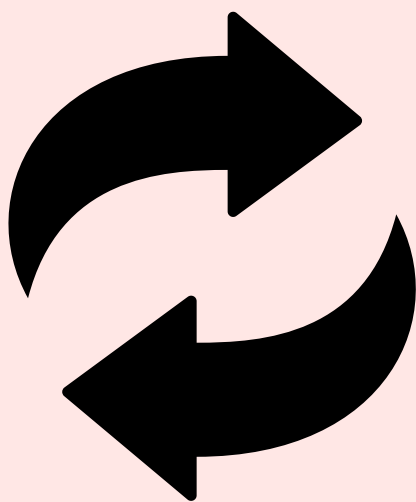


Nensi Ravaliya



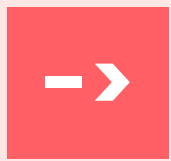
Why This Reform Matters

Historic consolidation of India's labour regulations to create a modern, worker centric ecosystem.



- Simplifies **29 legacy** laws into **4 streamlined** codes
- Addresses **modern employment** models (gig, platform work)
- Enhances **worker protections** and **social security**
- **Promotes** ease of doing business for employers





The 4 Pillars of Reform

Here we have 3 options:



1. Wages Code

Salary structure, bonuses, timely payment, and overtime protection

2. Industrial Relations

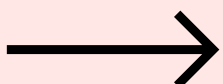
Employment contracts, dispute resolution, and layoff procedures

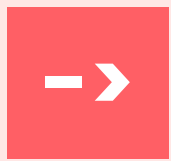
3. Social Security

ESI, PF, gratuity, maternity, and gig worker benefits

4. Safety & Health

Occupational safety, health checks, and working conditions





Code on Wages, 2019



- **Basic Salary:**

Minimum 50% of CTC (ensures better retirement contributions)

- **Bonus Entitlement:**

Clarified definition and eligibility criteria

- **Overtime:**

Double wage rate for work beyond 48 hours/week

- **Timely Payment:**

Mandatory wage payments, no deductions without consent





Industrial Relations Code, 2020



- **Retrenchment Threshold:**

Increased from 100 to 300 workers (eases compliance for small/mid-size firms)

- **Fixed-Term Employment:**

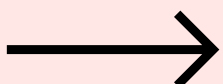
Full benefits parity + gratuity after just 1 year

- **Reskilling Fund:**

15 days' wages per retrenched worker

- **Digital Grievance:**

Modern dispute resolution mechanisms





Code on Social Security, 2020



- **Expanded Coverage:**

ESI, PF, maternity, and gratuity benefits

- **Gig & Platform Workers:**

First-time inclusion with portable benefits

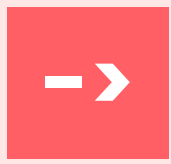
- **Aadhaar Linking:**

Universal Account Number for seamless benefit access

- **Aggregator Contribution:**

1-2% of annual turnover (capped at 5%)





Occupational Safety, Health & Working Conditions Code, 2020



- **Free Health Checks:**

Annual screening for workers aged 40+

- **Working Hours:**

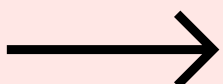
8–12 hours daily, max 48 hours weekly (with consent)

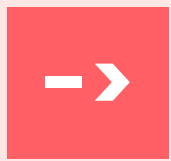
- **Women's Night Work:**

Permitted with safeguards and double wages

- **Safety Standards:**

Strengthened workplace safety and mandatory health provisions





Key Benefits for Employees



- **Enhanced Protection**

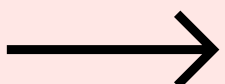
Stronger wage protection, overtime pay, no wage discrimination

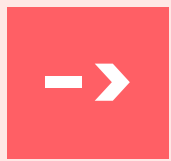
- **Faster Gratuity**

Gratuity eligibility after 1 year (vs. earlier requirements)

- **Portable Benefits**

Aadhaar-linked benefits usable across states and employers





What You Need to Know About Take Home Pay



- **Basic Salary Minimum:**

Now mandated at 50% of CTC (may affect allowances)

- **PF Contribution:**

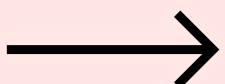
Higher basic salary = higher PF deduction

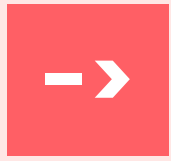
- **Take-Home Impact:**

Monthly salary may decrease, but retirement security increases

- **Flexible Shifts:**

Opportunity for overtime pay at 2x rate if you opt in





Impact Across Sectors



- **Gig Workers**

First-time social security coverage

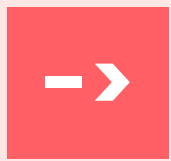
- **Women Workers**

Night shift opportunities with premium pay

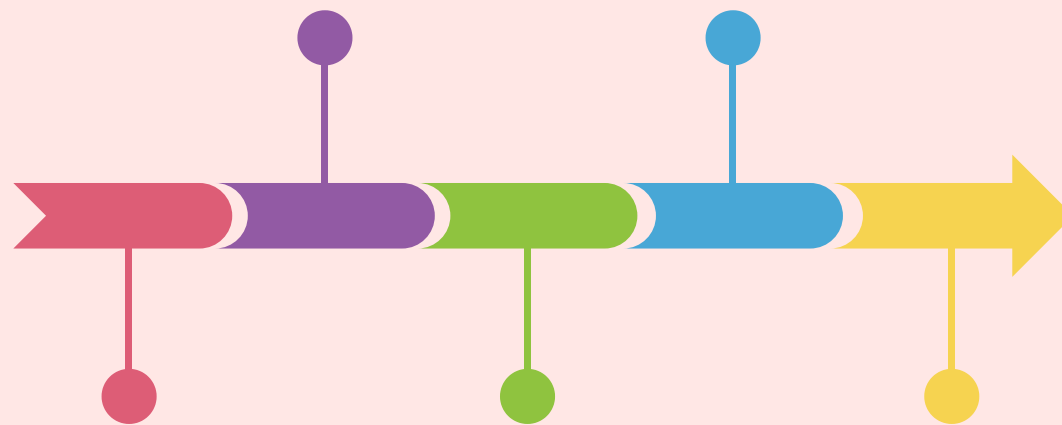
- **Contract Workers**

Equal pay + faster gratuity eligibility





Rollout Timeline



- **November 21, 2025:**

All four codes officially notified and effective

- **State-Level Implementation:**

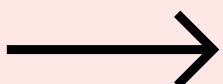
Ongoing as states notify supporting rules

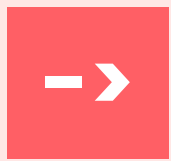
- **Compliance Phase:**

Employers advised to update HR policies and payroll systems

- **Full Operationalization:**

Gradual transition with state-specific timelines





Key Takeaways



✓ **Progressive Reform:**

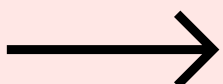
First major labour overhaul in decades

✓ **Worker Protection:**

Enhanced security, benefits, and workplace safety

✓ **Modernization:**

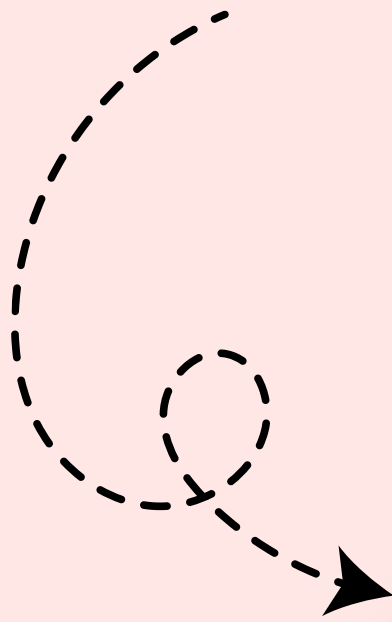
Includes gig economy, platform work, and updated employment models



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