GOVERNMENT OF INDIA MINISTRY OF LABOUR AND EMPLOYMENT RAJYA SABHA UNSTARRED QUESTION NO. 1366 TO BE ANSWERED ON 11.12.2025

NOTIFICATION OF LABOUR CODES

1366. SHRI GOLLA BABURAO:

Will the Minister of Labour and Employment be pleased to state:

- (a) whether Government has notified four Labour Codes last month;
- (b) if so, the salient features thereof;
- (c) the reasons for delay in notifying the codes;
- (d) the manner in which the above codes herald transformational change for labour as well as industries, companies, etc.;
- (e) whether all workers, including gig and platform, henceforth would get social security, PF, ESIC, insurance and other social security benefits;
- (f) how the timely payment of wages would be ensured by new Labour Codes; and
- (g) the punitive action under the Codes which would be taken if wages are not paid in time?

ANSWER

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SUSHRI SHOBHA KARANDLAJE)

(a) to (c): The Central Government has formulated the four Labour Codes, namely, the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 after amalgamating, simplifying and rationalising the relevant provisions of the existing 29 Central Labour Acts. The aforesaid four Labour Codes have come into effect from 21.11.2025 across the country.

The four Labour Codes reduce multiplicity of definitions & authorities, facilitate use of technology, bring transparency & accountability in enforcement. The following are the salient features of the Labour Codes:

Code on Wages 2019

- Universalisation of minimum wages to all employments as against scheduled employment in the existing Act.
- 'Floor Wage' has been made Statutory which will be notified by Central Government. Minimum rates of wages fixed by the appropriate Government shall not be less than floor wage.
- Promote gender neutrality and prohibit discrimination in recruitment and wage payment, including transgender.
- Timely payment of wages to all employees.
- Allowances exceeding 50% made part of wages which will enhance maternity benefits, gratuity, EPF, EPS Contribution, etc.

Industrial Relations Code 2020

- Fixed Term Employment (FTE) introduced where an employee gets all the benefits at par with permanent worker. Proportionate gratuity on completion of 1 year of service.
- Statutory 'Negotiating Union' and 'Negotiating Council' to facilitate collective bargaining.
- Two-Member Industrial Tribunal as against one member for speedy disposal of industrial disputes. Equal representation of employer and employee in Grievance Redressal committee.
- Penalties for violations rationalized and made commensurate with gravity of offence.

Code on Social Security, 2020

- Social Security cover to all workers including unorganised workers,
 Gig & Platform workers.
- To cater to new forms of employment, definitions of aggregator, gig worker, platform workers introduced
- Universal coverage of ESIC, extended pan-India against in notified districts/areas at present.
- ESIC benefits extended to establishments with less than 10 employees on voluntary basis
- Mandatory ESIC coverage to establishments employing even single employee, involving hazardous process.
- Universal coverage of EPFO, now applies to all establishments employing 20 or more employees. The existing provision of schedule has been removed.

OSH & WC Code 2020

- The Code provides for universal application of occupational safety, health and welfare standards in all establishments having 10 or more workers and even for establishment with one employee, carrying out hazardous or life-threatening occupations.
- Formalization of employment through mandatory issue of appointment letter.
- Employer to provide free of cost annual health check-up for employees above the specified age.
- Definition of Inter-State Migrant Worker expanded that includes migrant workers employed by contractor, and also self-migrated workers. They are entitled for (a) annual lump-sum travel allowance, (b) portability of benefits
- Women workers are allowed to work in all establishments, for all types of work including during night subject to their consent and safety.
- (d): Labour Codes have been formulated by the Government to protect the interests of labour and facilitate employment generation. By modernising labour regulations, enhancing workers' welfare and aligning the labour ecosystem with the evolving world of work, Labour Codes implementation lays the foundation for a future-ready workforce and stronger, resilient industries driving labour reforms for Aatmanirbhar Bharat.
- (e): The Code on Social Security, 2020 provides for suitable social security scheme for gig and platform workers on benefits relating to life and disability, accident insurance, health and maternity, old age protection, crèche and any other.
- (f) & (g): The Code on Wages, 2019 provides for a statutory right for payment of minimum wages for all employees and extends applicability of minimum wages to all employees in all sectors covering both organised and unorganised. The code also has provision for penalties in case of any contravention.
