

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 1371
TO BE ANSWERED ON 11.12.2025**

CONVERSION OF POSTS UNDER NEW LABOUR CODES

1371. SHRI SANJAY RAUT:

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

- (a) whether the new Labour Codes permit conversion of permanent posts into fixed term contracts, undermining long-term job security;**
- (b) whether fixed term contract employees, though provided similar facilities, are denied retrenchment compensation, placing them at a disadvantage;**
- (c) whether increasing the retrenchment approval limit from 100 to 300 employees effectively encourages hire-and-fire practices without regulatory oversight;**
- (d) whether allowing extended working hours, 12 in factories, 10 in shops, complies with global labour norms; and**
- (e) the concrete steps proposed to protect permanent employment, workers' rights and trade unions under the new Codes?**

ANSWER

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

(a) to (e): The provision of Fixed Term Employment (FTE) has been introduced in the Code, allowing engagement of workers for a specified duration. Such workers are entitled to all benefits, at par with permanent employees performing similar work. This provision is expected to reduce contractualization, increase employability and meet workers' aspirations. They are eligible for gratuity after just one year, instead of five years.

The increase in threshold from 100 to 300 will promote employment formalisation, reduce procedural hurdles and simplify compliance requirements.

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The Code has provisions for prior notice before retrenchment and retrenchment compensation equivalent to 15 days wages for each completed year of service to be given to the retrenched worker. In addition to the above, 15 days wages is to be given for re-skilling.

The Occupational Safety, Health and Working Conditions Code 2020 prescribes workers to work for 8 hours in a day.

Various concrete provisions have been made in the Industrial Relations Code, 2020 to protect the interest of workers. The collective bargaining of workers has been strengthened and made statutory through recognition of Negotiating Union and Negotiating Council. Further, the provision of two-member Industrial Tribunal will ensure faster dispute resolution.
