GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 1531
TO BE ANSWERED ON 12.02.2026

RAISING THRESHOLD FOR LAY OFFS

1531. SHRI SANJAY YADAV:

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

(a) whether the new labour code has raised the threshold from 100 to 300 to lay off the workers without Government permission;
(b) whether this is the most sweeping and aggressive abrogation of worker's hard won rights and entitlements;
(c) whether it is a fact that the labour code would benefit mainly the employers and not the workers;
(d) whether Government would reduce the threshold and bring huge section of workforce again under the labour legislation;
(e) if so, the details thereof; and
(f) if not, the reasons therefor?

ANSWER

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

(a) to (c): The Central Government has implemented the four Labour Codes — the Code on Wages, 2019, the Code on Social Security, 2020 (CoSS), the Industrial Relations Code, 2020 (IR Code), and the Occupational Safety, Health and Working Conditions Code, 2020 (OSH&WC Code) — with effect from 21st November 2025.

Under the Industrial Relations Code, the provisions of Chapter-X, which contain Special Provisions relating to Lay-off, Retrenchment and Closure in Certain Establishments, apply to an industrial establishment where not less than three hundred workers were employed on an average per working day in the preceding twelve months. These provisions apply to specified industrial establishments such as factories, mines and plantations as outlined in section 77(3) of the Code.

The Code also provides important safeguards for employees in the form of mandatory notice period, retrenchment compensation and provision for retrenched workers to be given preference in re-employment. The Code introduces Workers Re-Skilling Fund for retrenched workers for the first time with a view to providing financial support to help workers transition to new employment.

The code also prescribes penalties for violation of any provisions of the code including those related to retrenchment, lay-off and closure. Dispute resolution mechanisms through industrial tribunals also remain available.

(d) to (f): No such proposal is under consideration of the Government.

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