

The Four New Labour Codes

In order to simplify and strengthen the framework governing workers' rights the **Government consolidated 29 labour laws into four comprehensive 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**. This historic reform ensures that workers gain easier access to **security, dignity, health and welfare measures**, reinforcing India's commitment to a fair and future ready labour ecosystem.

1. The Code on Wages, 2019

- The Code on Wages, 2019 simplifies wage laws by **combining four older wage laws** into one. It creates a single, clear system for paying wages to all workers, including those in unorganized sectors.
- The Code guarantees a **statutory minimum wage backed by a national floor wage** below which states cannot fix wages, which takes into account skill levels, location and working conditions to ensure fair pay.
- The Code supports **equal pay for all genders** and requires **wages to be paid on time**. If workers do **extra hours, they must be paid double the usual rate**.
- It also introduces **easier compliance for employers by a uniform wage definition and it replaces imprisonment for certain first time offences with monetary fines**. It has an **Inspector-cum-Facilitator system** to help employers follow the rules rather than punish them.

2. The Industrial Relations Code, 2020

- The **Industrial Relations Code, 2020** simplifies and combines laws related to **trade unions, industrial disputes and workplace rules** to promote industrial peace, predictability, and flexibility.
- It formally allows **fixed term employment, meaning contract workers must receive the same pay as permanent workers and get gratuity after one year**.
- The **threshold for requiring government permission before layoffs, retrenchment or closing companies is raised from 100 to 300 workers**, making it easier for businesses to expand or adjust. (**Layoff means temporary suspension of work for employees due to**

shortage of power, materials, breakdown of machinery or other unavoidable reasons. It's not termination workers can be recalled when work resumes.

Retrenchment means permanent termination of service for any reason except disciplinary action, voluntary retirement or superannuation).

- **Unions with 51% membership get recognition as Negotiating Unions.** It strengthens collective bargaining by recognizing official trade unions, speeds up dispute resolution with better **Industrial Tribunals** and allows workers to **approach tribunals directly if negotiations fail.**
- **Work from home provision is permitted** in the service sector by mutual consent to improve flexibility.
- It regulates strikes by requiring a **14 day prior notice** and considers “**mass casual leave**” as strike action. It also encourages **full digitization of employment records to improve transparency and efficiency.**

3. The Code on Social Security, 2020

- The **Code on Social Security, 2020 combines nine social security laws into one** and expands protection for workers including those in **unorganized sectors, gig workers and platform workers.**
(**Gig workers** are people who **do jobs on their own terms without a traditional employer-employee relationship.** They work temporary or flexible jobs and **get paid for each task or project** such as **freelancers, part time workers or delivery persons.** For example: **Part time tutors teaching online via apps like UrbanPro.**
Platform workers are a type of **gig worker who use online platforms or apps to find work and get paid.** Examples include **drivers for Uber or Ola, and delivery agents for food services like Swiggy or Zomato.** These workers get jobs and payments through digital platforms rather than directly from employers.)
- It extends **Employees' State Insurance Corporation (ESIC) coverage nationwide** and **mandates it for hazardous jobs.** Procedures for the Employees' Provident Fund (EPF) are simplified with fixed time limits for inquiries and reduced appeal deposits.
- **Gig and platform workers are covered through mandatory contributions from aggregators to a special Social Security Fund** which provides life, health, maternity and old age benefits.
- The Code also creates a **uniform definition of wages and covers accidents during travel between home and workplace under employment injury benefits.** **Fixed term employees are eligible for gratuity after one year.** Compliance is made easier through

digital record keeping, random inspections and allowing minor offences to be settled by fines.

4. The Occupational Safety, Health and Working Conditions (OSH) Code, 2020

- The **Occupational Safety, Health and Working Conditions (OSH) Code, 2020 merges 13 old laws** to create a single, modern framework focused on workplace safety, health and welfare.
- It introduces simplified compliance by requiring just **one registration, one license and one return for establishments** reducing paperwork significantly.
- The **Code extends its coverage to even workplaces with only one employee if the work is hazardous** and offers **migrant workers benefits like travel allowances, access to the Public Distribution System (PDS) anywhere in India** and inclusion in a national database for better welfare.
- The Code **supports women's employment by allowing night shifts with safety measures in place.**
- It mandates **annual health check ups and formal appointment letters for all workers.** Workplace safety is strengthened through mandatory **safety committees, a national OSH Advisory Board and higher worker thresholds for certain factory regulations.**
- The **working hours are fixed at 8 hours per day and 48 hours per week.** Violations now attract **monetary penalties instead of imprisonment** making enforcement more supportive and less punitive.

