



Labour Code Compliance

New Legal Framework

Effective: 21 November 2025



4 NEW LABOUR CODES

Complete Overhaul

01

Code on Wages

Standardized wages, minimum wage, equal pay, overtime, appointment letters

02

Industrial Relations

Trade unions, grievance redressal, dispute resolution, fixed-term employment

03

Social Security

PF, ESI, gratuity, pension, maternity benefits, portable benefits

04

Occupational Safety, Health and Working Conditions Code, 2020

Safety, health, working conditions, women protections, welfare

The Problem

PRE-2025 FRAGMENTED REGIME



29 Separate Laws

Overlapping, contradictory provisions causing confusion



High Compliance Burden

Multiple forms, returns, licenses, registers for different laws



Uneven Coverage

Gig, contract, informal workers left outside protection



Conflicting Definitions

Wage, employee, worker definitions varied across laws

The Solution

NEW UNIFIED FRAMEWORK



Single Legal Framework

4 Codes replace 29 laws - easier to understand & comply



Simplified Compliance

Single registration, license, annual return - streamlined process



Wider Coverage

All workers protected - permanent, contract, gig, platform, migrant



Standardized Definitions

Uniform wages, benefits, workers definitions across all codes

CODE ON WAGES, 2019 - PART 1

CODE ON WAGES

- 1 Appointment Letters:** Must be issued to ALL employees with designation, wages, hours, benefits clearly mentioned
- 2 Minimum Wages:** Statutory minimum wage applies to all categories - housekeeping, kitchen, front desk, security
- 3 Equal Pay:** Equal remuneration for equal work irrespective of gender or employment type
- 4 Overtime Pay:** Work beyond normal hours must be paid at double rate (2x ordinary wage)

CODE ON WAGES, 2019 - PART 2

CODE ON WAGES

- 5 Wage Definition:** Standardized definition - benefits like PF, gratuity calculated on wages, not allowances
- 6 Timely Payment:** Wages must be paid by 7th of next month (or as per pay cycle) - no delays permitted
- 7 Wage Slips:** Detailed payslips showing basic, DA, allowances, deductions, overtime for all staff
- 8 Wage Registers:** Mandatory maintenance of wage records for all employees with complete documentation

INDUSTRIAL RELATIONS CODE, 2020

IR CODE

- 1 Grievance Committee:** Required if ≥ 20 employees; must include at least 1 woman member for dispute resolution
- 2 Fixed-Term Employment:** Now legally recognized - applies to seasonal/contract staff with defined benefits
- 3 Trade Unions:** Union with 51% membership becomes sole negotiating union; without 51%, negotiating council formed
- 4 Layoffs/Retrenchment:** Establishments up to 300 workers can layoff without government approval

SOCIAL SECURITY CODE, 2020 - PART 1

SS CODE

- 1 Expanded Coverage:** Includes permanent, fixed-term, contract, gig, platform, migrant, informal workers
- 2 PF & ESI: Provident** Fund and Employee State Insurance coverage extended to more worker categories
- 3 Gratuity:** Fixed-term employees eligible after 1 year (previously 5 years) - major benefit expansion
- 4 Maternity Benefits:** Extended to more workers including contract and fixed-term staff

SOCIAL SECURITY CODE, 2020 - PART 2

SS CODE

- 5 Pension Schemes:** Access to pension benefits for eligible workers across all employment types
- 6 Insurance Coverage:** Health and life insurance extended to broader worker categories including gig workers
- 7 Portability:** Benefits transferable across jobs/locations - critical for migrant and interstate workers
- 8 Equal Treatment:** Fixed-term employees receive benefits on par with permanent staff - no discrimination

OSHWC CODE, 2020 - PART 1

OSHWC

- 1 Safety Standards:** Updated norms for kitchens, housekeeping, guest areas, and all work areas
- 2 Welfare Facilities:** Drinking water, restrooms, first aid, rest rooms, canteen mandatory for all staff
- 3 Working Hours:** Limits on daily hours; statutory breaks; maximum weekly hours; overtime rules strictly enforced
- 4 Health Check-ups:** Periodic medical check-ups as per sector requirements; annual checkups for certain ages

OSHWC CODE, 2020 - PART 2

OSHWC

- 5 Women Night Shifts:** Permitted with written consent & mandatory safety measures (transport, security, lighting)
- 6 Safety Measures for Women:** Separate rest areas, emergency helpline, escort services, safety protocols mandatory
- 7 Equal Opportunity:** No discrimination in recruitment, pay, promotion, benefits, training, or work allocation
- 8 Vulnerable Workers:** Special protections for women, migrant, contract, and informal workers - regular monitoring

KEY CHANGES: BEFORE VS AFTER

Area	Before (Pre-2025)	After (Post 21 Nov 2025)
Laws	29 separate fragmented laws	4 unified codes
Registration	Multiple registrations & licenses	Single registration & license
Min Wage	Limited sectors	All workers broadly
Contract Workers	Minimal protection	Full social security coverage
Gratuity	5 years service required	1 year for fixed-term
Appointment Letter	Not mandatory	Mandatory for all
Safety Standards	Fragmented, uneven	Uniform, comprehensive

EMPLOYER COMPLIANCE CHECKLIST

01



Appointment Letters - ALL Staff

Formal appointment letters/contracts issued to every employee (permanent, fixed-term, contract, gig, outsourced, seasonal). Must include: designation, job description, salary structure, working hours, reporting authority, benefits, notice period, and terms of engagement.

02



Wage Registers - Monthly Maintenance

Master wage register with clear monthly breakup for each employee: basic pay, dearness allowance, other allowances, deductions, overtime hours, gross pay. Digital and physical copies maintained for 3 years.

03



Minimum Wages Audit - State & Category Wise:

Verified that all staff receive statutory minimum wage as per their state and skill category. Updated rates reviewed quarterly. No staff paid below minimum threshold. Records for audit.

04



Timely Wage Payment - By 7th of Month

Payroll processed and paid by 7th of following month (or as per defined cycle). Overtime compensation calculated at double rate. Bank transfer verified. No delays recorded.

EMPLOYER COMPLIANCE CHECKLIST

05



Wage Slips - Detailed & Accurate

Detailed payslips generated for every employee showing: basic, DA, allowances, deductions (tax, PF, ESI), overtime, net pay. Delivered physically or digitally. Employee acknowledgment recorded.

06



PF/ESI Enrollment - Complete Coverage

All eligible employees and contract workers registered in EPFO (PF) and ESIC (ESI). Contributions remitted monthly by 15th. Aadhaar linked. Employee statements verified quarterly.

07



Social Security Benefits - Eligibility Tracked

Gratuity calculations ready (1 year for fixed-term). Maternity benefits documented. Pension entitlements tracked. Insurance coverage active for all eligible staff.

08



Grievance Committee - Formal Structure

Payroll processed and paid by 7th of following month (or as per defined cycle). Overtime compensation calculated at double rate. Bank transfer verified. No delays recorded.

EMPLOYER COMPLIANCE CHECKLIST

09

.....▶ **Safety & Welfare Facilities - Audit Verified**

Drinking water (RO/filtered). Separate toilets/urinals (as per regulations). Restrooms for women. First aid kit and trained staff. Rest rooms with furniture. Canteen facility (or allowance). Monthly safety audits.

10

.....▶ **Women Night Shifts - Documented Consent & Safety**

Written consent obtained from women for night work. Transport provided (pickup/drop). Security arrangements verified. Escort services arranged. Harassment prevention policy in place. Mandatory medical check-ups.

11

.....▶ **Non-Discrimination & Equal Pay Audit:**

Wage audit completed for all positions. No gender-based discrimination found. Same role = Same pay. Performance appraisals gender-neutral. Promotion criteria documented and applied equally.

12

.....▶ **Working Hours Compliance - Statutory Limits**

Daily hours tracked (max 8 hours). Weekly limit monitored. Overtime logged and compensated at 2x rate. Mandatory breaks given. Attendance register maintained. Excessive overtime flagged.

EMPLOYER COMPLIANCE CHECKLIST

13



Employment Records - Complete Documentation

All statutory registers (appointment, wage, attendance, leave) maintained in physical and digital form. PF/ESI documents filed. Safety records archived. 3-year retention policy in place.

14



Equal Opportunity - Formal Policy & Training

Written equal opportunity policy approved. No discrimination in recruitment, wages, promotion, benefits, or training. Policy communicated to all staff. Annual refresher training conducted.

15



Contractor Compliance - Audited & Certified

All contractors and outsourced agencies audited for code compliance. Appointment letters, wage documentation, PF/ESI verified. Service agreements include compliance clauses. Quarterly monitoring conducted.

16



Trade Union Recognition - 51% Threshold Check

Union membership verified. If $\geq 51\%$ members, recognized as sole bargaining agent. Recognition certificate issued. Negotiation framework established. Collective agreement (if applicable) documented.

EMPLOYER COMPLIANCE CHECKLIST

17



Dispute Resolution - Timely & Fair Process

Grievance committee meets regularly. Complaints logged with date. Investigation conducted within 30 days. Resolution documented. Appeal mechanism available. Compliance with timelines tracked.

18



Benefit Portability - Migrant Workers Covered

All migrant workers enrolled in portable schemes. Aadhaar linked for portability. PF/ESI accounts set up. Inter-state movement doesn't affect benefits. Annual portability audit conducted.

19



Employee Training - Rights & Awareness Programs

Orientation conducted for all new staff (rights, benefits, grievance process). Annual safety training completed. POISH training (harassment prevention) documented. Training attendance records maintained. Language-appropriate materials provided.

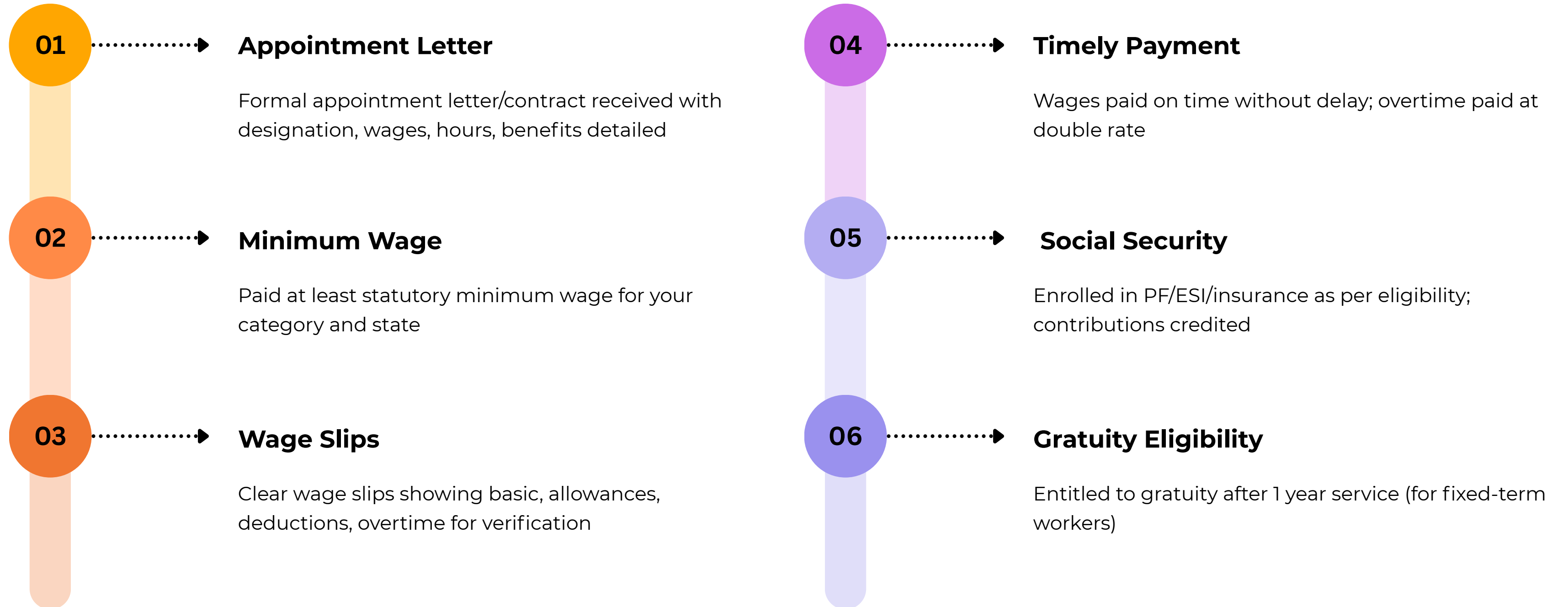
20



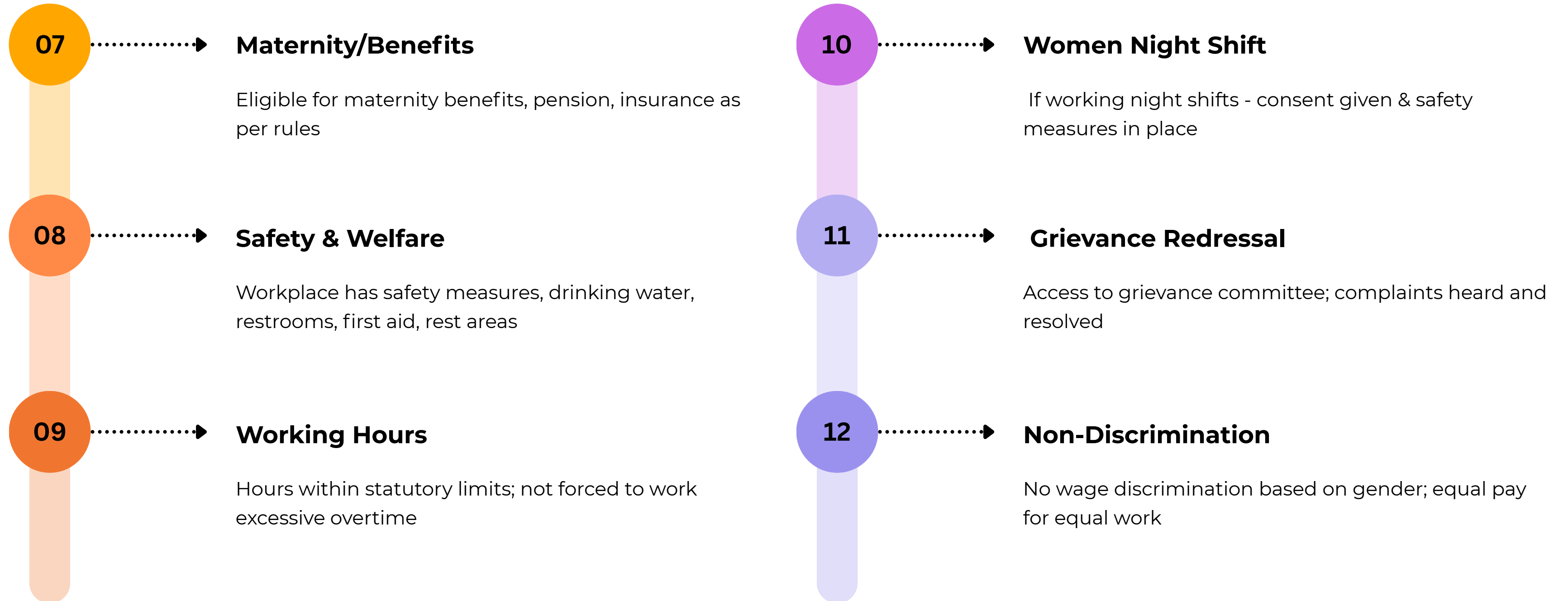
Digital Compliance - All Government Returns Filed

PF/ESI returns filed on time. Annual reports submitted as per codes. EPFO/ESIC acknowledgments received. Digital records backed up. Compliance calendar maintained. Dedicated officer assigned.

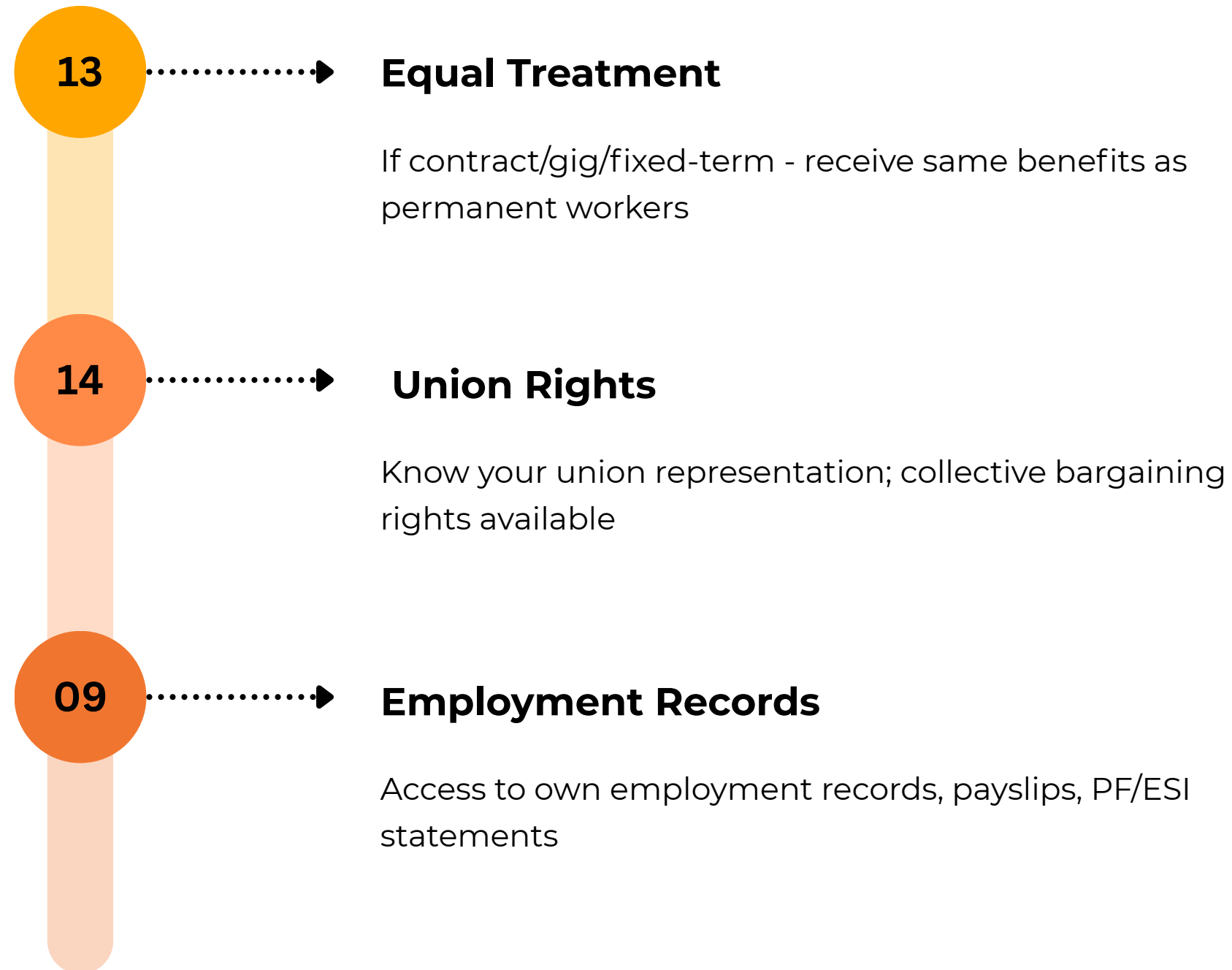
WORKER RIGHTS CHECKLIST



WORKER RIGHTS CHECKLIST



WORKER RIGHTS CHECKLIST



RISK ASSESSMENT



Employee Litigation Risk

Non-compliance claims for back wages, benefits, gratuity, PF/ESI recovery



Government Penalties

Labour department inspections, heavy fines, license suspension, criminal liability



Reputational Damage

Social media backlash, guest perception damage, staff morale issues, recruitment problems

COMMON MISTAKES & LEGAL PENALTIES

NO APPOINTMENT LETTERS

*Penalty:
Heavy fines + Legal liability for back wages & benefits*

NO PF/ESI ENROLLMENT

*Penalty:
Heavy fines + Employee liability recovery + Prosecution*

WAGE DELAY/ UNDERPAYMENT

*Penalty:
Fines + Employee claims + Criminal prosecution possible*

NO SAFETY MEASURES

*Penalty:
Fines + Criminal liability + License suspension + Closure risk*

IMPLEMENTATION TIMELINE & READINESS

COMPLETED

21 November 2025 - All 4 Codes Come Into Force

ONGOING

State Governments Issuing Detailed Rules

PHASE-OUT

Gradual Migration of Benefits (gig/platform workers)

CRITICAL NOW

Employers Must Begin Compliance - No Transition Grace Period

OUR LEGAL SERVICES

Complete Compliance Solution

01

Compliance Audit

Full assessment of current wages, contracts, social security enrollment, safety measures, and records

02

Policy Drafting

Employment contracts, wage policies, grievance procedures, safety protocols, training materials

03

Implementation

Guide PF/ESI enrollment, grievance committee setup, safety audits, staff training programs

04

Ongoing Support

Retainer for continuous advice, updates, compliance monitoring, dispute resolution, legal support



GET IN TOUCH



communications@rassociates.in



O-24/A, Block O, Jungpura
Extension, New Delhi, Delhi 110014



+011 3686 5659



www.rassociates.in