# Compilation of FAQs
# on
# Four Labour Codes &
# Central Rules

***(As on 25.10.2026)***

**Ministry of Labour & Employment**
**Government of India**
**New Delhi**

## Compilation of FAQs on four Labour Codes & Central Rules

| S. No. | Query | Response from Ministry of Labour and Employment (MoLE) |
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| 1. | What does the term "wages" mean? | The definition of "Wages" covers:<br>All remuneration whether by way of salaries, allowances or otherwise payable to a person employed. This includes: Basic pay, Dearness allowance, Retaining allowance, if any |

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| | | If the payments/allowances other than Basic pay, Dearness allowance and Retaining allowance exceed 50% or such percentage as notified of all remuneration, then amount exceeding 50% or such percentage as notified shall be added in the “Wages”.<br>In-kind benefit up to 15% of remuneration is included in the definition of "wages". |
| 2. | Definition of wages and the components it would cover. | The definition of “Wages” covers:<br><br>All remuneration whether by way of salary, allowances or otherwise. These include Basic pay, Dearness allowance and Retaining allowance, if any.<br><br>If the allowances (except gratuity and retrenchment compensation) exceeds 50% of all remuneration, the excess amount shall be added back to wages.<br><br>Performance based incentives, Employee Stock Option Plans (ESOPs), variable part of the component or reimbursement-based payments to the employee shall not be part of the wages. |
| 3. | Will the revised definition of wages under the Code, 2019 reduce employee wages? | No. The definition brings transparency and uniformity. Payments exceeding 50% are added back to wages, increasing the base for PF, gratuity, and bonus, benefiting workers. It will strengthen social security of employees. |
| 4. | Do annual performance-based incentives form a part of “wages” for computation under the Labour Codes? | No. Annual performance-based incentives do not form a part of “wages” for computation under the Labour Codes. |
| 5. | Does “wages” for social security contribution purposes follow the same 50% ceiling rule as under the Code on Wages? | Yes |
| 6. | What is the 50% rule for allowances? | If the allowances and benefits together (except gratuity and retrenchment compensation) exceed 50% of the all |

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| | | remuneration, the excess amount shall be added back to wages.<br>Such added amount shall be treated as wages for statutory purposes. |
| 7. | Whether Leave Encashment be part of allowances? | As mentioned in Section 2(y) of the Code on Wages, 2019, leave encashment is not a part of allowances.<br>Leave encashment, if one-time payment and not a regular payment, shall not be included in 'wages'. |
| 8. | Whether leave encashment forms part of "wages" for calculation of statutory benefits | Wages includes - basic pay, dearness allowance, retaining allowance. Leave encashment shall not be added to calculate statutory benefits. |
| 9. | Explain the allowance rule with a clear illustration? | Total remuneration: ₹60,000 per month<br>Basic Pay + Dearness Allowance: ₹20,000<br>Allowances: ₹40,000<br>Max. allowance allowed for calculation of wages (50% of total remuneration): ₹30,000<br>Excess allowance over 50% limit: ₹10000<br>₹10000 shall be added back to wages (Basic Pay + DA) for statutory compliances.<br>Statutory calculations shall be made on revised wages: ₹30,000 |
| 10. | What types of benefits or facilities will be considered as "remuneration in kind" under the definition of wages? Please provide illustrative examples. | Benefits under the terms of employment such as food coupons, ration items, mobile recharge etc. would constitute remuneration in kind. |
| 11. | A. Interpretation of Fifteen Per Cent Limit on Remuneration in Kind<br>B. With respect to the fifteen per cent threshold for remuneration in kind mentioned above, please clarify whether:<br>(i) The first fifteen per cent itself forms part of wages (meaning the fifteen per cent is included in wages), or<br>(ii) Only the amount exceeding fifteen per cent is to be added to | In-kind benefit up to 15% of remuneration is included in the definition of "wages". |

<table>
<tr><td></td><td>wages (the first fifteen per cent is excluded).<br>(iii) Please state the exact statutory interpretation the Ministry endorses, with worked examples if possible.</td><td colspan="3"></td></tr>
<tr><td>12.</td><td>The Code on Wages stipulates that if an employer pays a portion of remuneration in kind, such as food grains, goods, or other non-cash benefits, the value of such payment is treated as "wages," capped at 15% of total wages. Please clarify whether this fifteen per cent limit includes:</td><td>Sl. No.</td><td>Situation</td><td>Response</td></tr>
<tr><td></td><td></td><td>1</td><td>Employer-provided car lease arrangements</td><td>Not in-kind payment, it is an exclusion under clause (d) of Section 2(y) of Code on Wages, 2019.</td></tr>
<tr><td></td><td></td><td>2</td><td>Food vouchers and meal vouchers</td><td>Yes, considered in kind payment</td></tr>
<tr><td></td><td></td><td>3</td><td>Gift vouchers</td><td>Not in kind payment</td></tr>
<tr><td></td><td></td><td>4</td><td>House accommodation and rent-free housing</td><td>Not in kind payment, it is an exclusion under clause (b) of Section 2(y) of Code on Wages, 2019.</td></tr>
<tr><td></td><td></td><td>5</td><td>Furniture and other assets provided by the employer</td><td>Not in kind payment</td></tr>
<tr><td></td><td></td><td>6</td><td>Life insurance premiums paid by the employer</td><td>Not in kind payment</td></tr>
<tr><td></td><td></td><td>7</td><td>Health insurance premiums paid by the employer</td><td>Not in kind payment</td></tr>
<tr><td></td><td></td><td>8</td><td>Accidental insurance premiums paid by the employer</td><td>Not in kind payment</td></tr>
<tr><td></td><td></td><td>9</td><td>Educational facilities provided by the employer</td><td>Not in kind payment</td></tr>
<tr><td></td><td></td><td>10</td><td>Health facilities and medical</td><td>Not in kind payment</td></tr>
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| | | | facilities provided by the employer | |
| | | 11 | Employee Stock Option Plans (ESOP) | Employee Stock Option Plans do not form part of wages [FAQ No. 3 dated 30.12.2025 (https://bit.ly/4dS5Dfj) issued by the Ministry of Labour and Employment may be referred to] |
| 13. | Guidance sought on classification of the following payments when paid based on policy eligibility or specific events:<br>• Sign-on / Joining Bonus<br>• Transfer / Relocation Benefits<br>• Shift Allowance, Site Allowance<br>• Overtime (OT)<br>• Per-diem / Travel Allowances<br>• Spot Awards and Recognition Awards<br>• Incentives paid monthly, quarterly, or annually | Exclusions and Inclusions in the definition of 'wages' are provided under Section 2(y) of Code on Wages, 2019 | | |
| 14. | Clarification sought on whether the following flexi pay components are required to be included in “wages” if they breach the prescribed threshold:<br>• Meal / Food Allowance (reimbursement-based)<br>• Employer contribution to NPS<br>• Superannuation contribution<br>• Leave Travel Allowance (LTA)<br>• Fuel, Driver, and vehicle-related reimbursements | FAQs provided by the Ministry of Labour and Employment enumerate that reimbursements and one-time payments shall not form part of wages [FAQ No. 3 dated 30.12.2025 (https://bit.ly/4dS5Dfj) issued by the Ministry of Labour and Employment] | | |
| 15. | Please clarify whether tax-free reimbursements, such as telephone reimbursement, internet reimbursement, fuel | Reimbursements shall not form part of wages [FAQ No. 3 dated 30.12.2025 (https://bit.ly/4dS5Dfj) issued by the Ministry of Labour and Employment | | |

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| | reimbursement, uniform allowance, and similar benefits that are claimed against actual bills and receipts, would be considered as part of "wages" under the new Labour Codes. If not, please state the precise statutory basis for exclusion. | may be referred to] |
| 16. | Whether Telephone / Mobile Allowance can be classified as an excluded allowance, and if so, whether it is covered under clause (b) of Section 2(y) or any other specific clause of the “Code on Wages, 2019”. Also what if reimbursed by submitting bills | Reimbursements of any kind do not form part of wages. [FAQ No. 3 dated 30.12.2025 (https://bit.ly/4dS5Dfj) issued by the Ministry of Labour and Employment] |
| 17. | Whether Food Coupons / Sodexo / Meal Vouchers provided to employees are to be treated as an excluded component under Section 2(y), and whether such benefits are to be monetised for the purpose of applying the 50% exclusion limit. | As per FAQ no. 18 dated 16.03.2026, food coupons shall be included as the remuneration in kind. |
| 18. | Please clarify whether any recurring allowance paid to employees, even if it is outside the standard Cost to Company structure or shown separately from the regular salary components, should be treated as part of "wages" under the new definition. Please confirm if there are any exclusions for such recurring payments. | The allowances paid in excess of 50% of the total remuneration shall be added back to 'wages' which shall be used to calculate statutory benefits. [FAQ No. 3 dated 30.12.2025 (https://bit.ly/4dS5Dfj) issued by the Ministry of Labour and Employment may be referred to] |
| 19. | Please confirm whether variable payments (shift allowances) and non-recurring payments (e.g., anniversary gifts, joining bonuses, retention bonuses, performance bonuses, annual bonuses, referral bonuses, and notice period buyout payments) would be considered as part of "wages" for statutory calculations such as Provident Fund, Employees' State Insurance, gratuity, and other benefits. If the | The allowances paid in excess of 50% of the total remuneration shall be added back to 'wages' which shall be used to calculate statutory benefits. [FAQ No. 3 dated 30.12.2025 (https://bit.ly/4dS5Dfj) issued by the Ministry of Labour and Employment may be referred to] |

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| | treatment varies by payment type, please provide specific guidance for each category. | |
| 20. | Please clarify whether employer contributions to the National Pension System should be considered as part of specified exclusions from wages, similar to the treatment of employer contributions to the Provident Fund and Pension Scheme, or whether they should be included in the wage calculation. | It is excluded under clause (a) to (i) of Section 2(y) of Code on Wages, 2019. |
| 21. | In cases where there is no direct relationship or payment transaction from the employee to the car lease vendor, and instead the payment is made by the employer directly to the vendor with no cash component to the employee, please confirm whether such car lease arrangements can be retained and treated as excluded from wages under the clause of amenities provided by the employer from the exclusion list. If yes, please specify any documentation or valuation requirements. | It is excluded under clause (a) to (i) of Section 2(y) of Code on Wages, 2019. |
| 22. | Employee Stock Option Plans and Employee Stock Purchase Plans<br>Please provide comprehensive guidance on the treatment of Employee Stock Option Plans and Employee Stock Purchase Plans, particularly when such instruments are issued after Employee Stock Purchase Plan contributions are deducted from employees' salaries. Please clarify:<br>(i)How the employee contribution portion should be treated.<br>(ii)How the employer contribution or discount portion should be treated.<br>(iii)Whether any capital gains arising from the exercise or sale of | Employee Stock Option Plans do not form part of wages [FAQ No. 3 dated 30.12.2025 (https://bit.ly/4dS5Dfj) issued by the Ministry of Labour and Employment may be referred to] |

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| | shares should be considered in computing "wages".<br>(iv)Whether Employee Stock Option Plans should be valued at the grant date, vesting date, or exercise date for wage calculation purposes. | |
| 23. | Whether gratuity, leave encashment and bonus paid monthly to contractor employees will be treated as wages. | Gratuity and Bonus are exclusions under Section 2(y) of the Code on Wages, 2019. Leave encashment as per Section 32 of the OSH&WC Code, 2020, is an annual payment so it will not be a part of wages. |
| 24. | Whether the 50% wage threshold is to be tested - monthly or annualised basis | Monthly |
| 25. | What will be the new definition of ESI wages – will the existing definition be repealed. | The definition of wages provided under the Code on Social Security, 2020 shall be applied for the purpose of calculating any social security benefits. |
| 26. | Whether Data Entry Operators and employees in similar categories are included under the minimum wage provisions of the Code on Wages, 2019? | Yes. The concept of scheduled employment has been done away under the Code on Wages. The Code is now universally applicable to all employees, irrespective of their sector or category |
| 27. | Will the fixation of minimum wages become arbitrary under Central Government control? | No. The Central as well as the State Governments will fix minimum wages within their respective jurisdictions. They must set these wages above the floor wage and after consulting CAB/SAB. So, the process is fair, balanced, and not arbitrary |
| 28. | Will the new concept of floor wage reduce the minimum wages fixed by the State?? | No, Floor Wage is a baseline. Where the minimum rates of wages fixed by the State Government earlier is more than the floor wage, the State Government shall not reduce such minimum rates of wages fixed by it earlier. |
| 29. | What is the distinction between “minimum wages” and “wages” under the Labour Codes? | Minimum wages are fixed by the Appropriate Government for the employees, whereas wages are fixed as per Terms of Employment between employee and employer, employed in any establishment as per the definition of Wages as mentioned in Section 2(y) |

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| | | on the Code of Wages, 2019 |
| 30. | Can wages and minimum wages be treated as the same? | Minimum wages are the statutory wages fixed by the appropriate government. An employer is legally prohibited from paying an employee less than the prescribed minimum wage. |
| 31. | Whether provisions relating to minimum wages are legally applicable to managerial and administrative employees, even where their wages are substantially higher than notified minimum wages. | Appropriate government shall fix minimum rates of wages payable to employees taking into account the skill of workers required for working under the categories of unskilled, skilled, semi-skilled and highly-skilled or geographical area or both. |
| 32. | Is a daily wage worker not eligible for bonus?? | Bonus is payable to every employee who has worked for at least thirty days in an accounting year as per the wage ceiling prescribed by the appropriate government. |
| 33. | Does the Code on Wages allow employers to make too many deductions from workers' wages? | No. The Code caps all deductions at 50% of wages |
| 34. | Critical Conflict Between the Fifty Per Cent Deduction Limit and the Tax Deducted at Source Requirements<br><br>For highly paid employees, there appears to be a fundamental conflict between two statutory requirements. The Labour Codes limit total authorised deductions to 50% of wages. However, for highly compensated employees:<br>(i) Tax Deducted at Source alone can be as high as 42.74 per cent (thirty per cent tax plus surcharge and cess).<br>(ii) Add the employee Provident Fund contribution of 12%.<br>(iii) Total statutory deductions easily exceed 54.74 per cent each month.<br><br>Meanwhile, the Income Tax Act 1961 mandates that: | The provision of sub-section (3) of Section 18 of the Code on Wages, 2019 provides that: Notwithstanding anything contained in this Code and subject to the provisions of any other law for the time being in force, the total amount of deductions which may be made under sub-section (2) in any wage period from the wages of an employee shall not exceed fifty per cent. of such wages.<br>Further, the deductions exceeding 50% of the wage may be recovered as per Rule 13 of the Wages (Central) Rules, 2026. |

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| | (i) The complete tax must be deducted and deposited by March of the financial year.<br><br>(ii)Tax deductions cannot be deferred or carried forward to subsequent financial years.<br>(iii)Employers face penalties for under-deduction or non-deduction of tax.<br>This creates a statutory impasse where:<br>(iv) If employers comply with the fifty per cent deduction limit, they violate the Income Tax Act requirements.<br>(v)If employers comply with Income Tax Act requirements, they violate the 50% deduction limit under the Labour Codes.<br>(vi)The excess tax cannot be carried forward to the next month, as that month will have similar or higher tax obligations, and the annual tax must be fully settled by March. | |
| 35. | Please provide urgent, authoritative guidance on:<br><br>(i) Whether the non-obstante clauses (if any) or specific provisions of the Code on Wages have an overriding effect on the Income Tax Act, 1961, specifically regarding the mandatory deduction of tax at source.<br>(ii) Whether Tax Deducted at Source is exempt from the fifty per cent deduction limit.<br>(iii) Whether the Ministry permits employers to prioritise statutory tax deductions over the fifty per cent cap to prevent future tax liabilities for employees, treating TDS as a mandatory statutory compliance that supersedes the deduction | The provision of sub-section (3) of Section 18 of the Code on Wages, 2019 provides that: Notwithstanding anything contained in this Code and subject to the provisions of any other law for the time being in force, the total amount of deductions which may be made under sub-section (2) in any wage period from the wages of an employee shall not exceed fifty per cent. of such wages.<br>Further, the deductions exceeding 50% of the wage may be recovered as per Rule 13 of the Wages (Central) Rules, 2026. |

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| | limit.<br>(iv) Whether the Ministry will issue a clarification that statutory tax deductions are excluded from the 50% deduction cap. | |
| 36. | Impact of Sudden Changes in Tax Rates or Salary Revisions<br><br>Please advise on how employers should handle situations in which statutory deductions may increase mid-year due to changes in tax rates, salary revisions, bonus payments, or other factors that cause total deductions to exceed the 50% threshold? | The provision of sub-section (3) of Section 18 of the Code on Wages, 2019 provides that: Notwithstanding anything contained in this Code and subject to the provisions of any other law for the time being in force, the total amount of deductions which may be made under sub-section (2) in any wage period from the wages of an employee shall not exceed fifty per cent. of such wages.<br>Further, the deductions exceeding 50% of the wage may be recovered as per Rule 13 of the Wages (Central) Rules, 2026. |
| 37. | Fifty Per Cent Deduction Limit - Basis of Calculation<br><br>The Code on Wages provides that authorised deductions, including employee contributions to the Provident Fund, Employees' State Insurance contributions, Tax Deducted at Source, fines, and advances, should not exceed 50% of wages, with any excess to be carried forward to the next month.<br><br>Please clarify:<br>(i) Whether this fifty per cent limit applies to "wages" as newly defined under the Code, or to the gross pay for that particular month.<br>(ii) Please provide precise definitions of "wages" and "gross pay" for this deduction limit test.<br>(iii) The statutory mechanism and procedure for carrying forward any excess deduction.<br>(iv)The maximum permissible timeline to settle any carried-forward deductions. | Provisions for deductions which may be made from the wages is provided under Section 18 of the Code on Wages, 2019 which are self-explanatory. There is no such definition of ‘gross pay’. |

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| 38. | Are transgender persons not provided benefits under the Code on Wages, 2019? | The Employers shall not discriminate on ground of gender including transgender in matter relating to wages, recruitment of an employee for the same work or work of a similar nature (which means work for which skill, effort, experience and responsibility required are same when performed under similar working conditions) and in the conditions of employment. |
| 39. | Does the Code on Wages benefit only organized sector workers? | No. The Code on Wages applies to all employees, employed in the organized or unorganized sector. It ensures minimum wages and timely payment. The Code universalizes minimum wages for all categories of employees. |
| 40. | Are there any specific legal provisions in place for the wage protection of white-collar employees? | The Code on Wages, 2019 has provisions for timely payment of wages. These provisions are applicable to all employees. |
| 41. | How wages are to be determined where overtime payments are variable or fluctuating in nature. | Overtime wages shall be payable to employee on the overtime work at twice the rate of normal rate of wages. |
| 42. | Whether the “overtime allowance” excluded under Section 2(y)(h) refers to the same overtime payment made to workers under Section 27 of the “OSH Code, 2020”, | Overtime allowance if paid regularly by the employer, then it shall be treated as per clause (h) of definition of ‘wages’ under Section 2(y) of the Code on Wages, 2019.<br>Wages for any overtime work for more than prescribed hours of work in any day or in any week the employee shall be paid at the rate of twice the rate of wages. |
| 43. | Who is eligible for overtime wages—only workers or it is applicable for Employees also? If so does the entitlement also extend to supervisory and managerial staff? | Yes. Employee, including worker, whose minimum rate of wages is fixed under the Code on Wages, 2019 is eligible for overtime. |
| 44. | Whether variable components of wages such as overtime (OT) allowance are included while calculating the “wages” under the Codes? | Overtime allowance if paid regularly by the employer, then it shall be treated as per clause (h) of definition of ‘wages’ under Section 2(y) of the Code on Wages, 2019. |
| 45. | Please provide comprehensive guidance on: | Wages for any overtime work for more than prescribed hours of work in any |

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| | (i) The formula for calculating overtime rate applies in different circumstances?<br>(ii) The precise wage components to be included in the 'OT Base Rate'. Specifically, does it include only Basic + Dearness Allowance + Retaining Allowance, or does it also include the proportionate value of other allowances that form part of 'Wages' due to the fifty per cent cap?<br>(iii) Working hours thresholds beyond which overtime becomes applicable? | day or in any week the employee shall be paid at the rate of twice the rate of wages. |
| 46. | In the absence of a formally notified “appointed date” for implementation of the New Labour Codes and the corresponding Central and State Rules, employers are uncertain about the applicability of new wage definitions and compliance obligations. | Gazette Notification No. S.O. 5322 (E) of Ministry of Labour and Employment specifies the provisions of Code on Wages, 2019 which came into effect on 21.11.2025. The applicability of wage definition is one of the provisions in the same. Therefore, the applicability of new wage definition under Section (2)(y) of the Code on Wages, 2019 is enforceable from 21.11.2025. |
| 47. | Employers are apprehensive about the risk of retrospective or premature enforcement actions by field offices, despite the Government’s stated intent of providing a clear transition framework. | The wage definition under Code on Wages, 2019 is effective since 21.11.2025. |
| 48. | Clarification on whether any formal directions or circulars have been issued by the Ministry or ESIC mandating immediate adoption of the new wage definition for the purpose of coverage, contribution, or compliance. | A formal direction of enforceability of the provisions of Code on Wages, 2019 is provided in the Gazette Notification No. S.O. 5322 (E) issued under Section 1(3) of the Code. There is no further direction or circular required in lieu of the same. |
| 49. | What is the adoption date for Wage Definition, Salary Structuring & Offer Documentation? | All the provisions related to compliance with wage definition under Code on Wages, 2019 are made effective from 21.11.2025. |
| 50. | Whether CTC concept stays and can be included in appointment letters. | The term CTC is not used anywhere in Code on Wages, 2019. |

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| 51. | Clarification on statutory requirement to process final wages within 48 hours whether applicable to all separations or only specific cases (termination, resignation, retrenchment)<br><br>Whether exceptions can be provided for: (i) pending recoveries, (ii) stock handover, (iii) investigations or disputes | Section 17(2) of Code on Wages, 2019 provides for the timeline of two days for payment of wages in the event of retrenchment, resignation, dismissal or removal.<br><br>Provision under Section 17 of the Code on Wages, 2019 only provides for payment of "wages" within two days and specifies payment of no other component. |
| 52. | Whether timelines, mode of payment and employer obligations relating to payment of wages apply equally to senior management employees. | Yes |
| 53. | Whether stipends paid to interns fall within the scope of “wages” under the Code on Wages and Code on Social Security | As per Code on Wages, 2019, ‘wages’ are paid to employees/ workers. |
| 54. | Whether stipends paid to apprentices fall within the scope of “wages” under the Code on Wages and Code on Social Security.<br><br>Applicability of:<br>o minimum wage provisions<br>o bonus eligibility<br>o PF / ESIC contributions | Apprentice, as defined under the Apprentices Act, 1961, are excluded from the definition of ‘employee’ and ‘worker’ under the Code on Wages, 2019. ‘Wages’ as per the Code on Wages, 2019 are paid to employees/ workers. |
| 55. | Any distinction between degree apprentices, trade apprentices and interns engaged under internal corporate programs | Under the Code on Wages, 2019, ‘employee’ and ‘worker’ have been defined. |
| 56. | Whether the ₹21,000 wage ceiling for bonus calculation continues or is revised | Bonus calculation wage ceiling continues to be INR 21,000 under notification dated 25.08.2026. |
| 57. | Wages Definition for Payment Timeline Purposes<br><br>(i) Please confirm that "wages" referred to in the payment timeline provisions (such as the two-day full and final settlement requirement) means only monthly fixed wages plus overtime.<br>(ii) Consequently, please confirm if the Full and Final Settlement can | Section 17 of the Code on Wages, 2019 provides that in case of retrenchment, removal, dismissal and resignation, the payment of 'wages' shall be made within a period of two days. |

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| | be legally split into two tranches: (1) Statutory Wages paid within two days, and (2) Variable/Bonus components paid as per the company's regular payroll cycle. | |
| 58. | Please confirm whether there is a statutory requirement under the new Labour Codes to circulate or publish pay slips to employees at least one day before the actual pay day. If not, please state the Ministry's recommended timeline for issuance of pay slips to ensure transparency and avoid any non-compliance risks. | The Code on Wages, 2019 and rules made thereunder prescribe that the wage slip shall be issued to the employee, on or before the payment of wages. Refer Rule 52 (Form V) of the Wages (Central) Rules, 2026. |
| 59. | Please clarify whether it is mandatory to use the term "Wages" on the salary slip as the primary salary component, or whether companies may continue to use the established terminology, such as "Basic Salary" or "Base Salary" that employees are familiar with, provided the actual calculations comply with the new wage definition. | Wage slip shall be issued in the prescribed proforma provided under the rules made under Code on Wages, 2019 by the appropriate government. |
| 60. | The Code on Wages increases the limitation period for filing claims to three years. Please clarify:<br>(i) Whether this increased limitation period applies retrospectively to claims that would have been time-barred under previous legislation (such as the Payment of Wages Act or Minimum Wages Act) before November 2025.<br>(ii) Whether employers need to maintain all time-keeping and wage records for a minimum of three years strictly to address potential claims? | The time limit to file claim within a period of three years from the date on which the claim arose. It is also provided that the authority may entertain the application after three years on sufficient cause explained by the applicant for such delay.<br><br>The employers are required to preserve the registers and records maintained under Wage (Central) Rules, 2026 (refer Rules 51) for a period of five years from the date of last entry. |
| 61. | Who qualifies as an “employee” versus a “worker” under the Code, and does this distinction affect wage-related protections? | ‘Employee’ and ‘Worker’ are defined in Code on Wages, 2019. All workers are employees. There is no distinction in the wage related provisions between worker and employee. |

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| 62. | Whether contractual bonuses forming part of the terms of employment are included within the definition of “wages” under the Industrial Relations Code, notwithstanding the exclusion of statutory bonus? | Performance based incentives, variable part of the component or reimbursement-based payments to the employee shall not be part of the wages. (Refer to MoLE FAQ No. 3 dated 30.12.2025) |
| 63. | With the formal recognition of Work from Home in the Draft Model Standing Orders, please clarify as whether allowances specifically paid to support remote work (such as internet or furniture set-up allowances) are excluded from the definition of "wages" if supported by bills, or if they fall under the fifty per cent inclusion rule. | Work from home/remote work has been recognised under Para 9 of Schedule C of the Model Standing Orders, 2026, notified vide S.O. 2312(E), dated 08.05.2026. Allowances/reimbursements for remote-work expenses may be examined under the Code on Wages, 2019. |
| 64. | How does the Centrally notified “floor wage” interact with State minimum wages - can a state fix minimum wages below the floor wage? | No. |
| 65. | Is a fresh nomination required from an employee after marriage for payment of dues on death, and what is the process if an employee’s whereabouts is unknown? | Yes. The employee shall make declaration in the prescribed form nominating a person conferring the right to receive the due amount on the event of death. It is further provided that nomination made by an employee having a family in favour of person other than member of family shall be invalid. Provided further that a fresh nomination towards the spouse of the employee shall be made by the employee on marriage. |
| 66. | Applicability of Code on Wages to managerial, administrative and supervisory employees, irrespective of wage levels. | The Code on Wages, 2019 does not provide any wage ceiling for applicability. |
| 67. | Whether Basic + DA (or Basic + DA + Retaining Allowance) must mandatorily constitute 50% of remuneration. | Yes |
| 68. | Within how many days must wages be processed and paid under the Model Standing Orders? | As per Section 17 of the Code on Wages, 2019 the payment of wages shall be made as follows:<br>(i) Daily wage: at the end of the shift<br>(ii) Weekly: on the last working day of |

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| | | the week (before the weekly holiday) (iii) Fortnightly: before the end of the 2nd day after the fortnight ends (iv) Monthly: before the expiry of the 7th day of the succeeding month (v) On removal/dismissal/retrenchment/resignation: within 2 working days of that event |
| 69. | Does this definition of wages apply to all labour laws? | This single definition of wages applies across all four Labour Codes<br>The same definition applies uniformly for statutory calculations. |
| 70. | Whether Gratuity calculation will be applicable prospectively or retrospectively. | Gratuity will be applicable w.e.f. 21st Nov, 2025 i.e. date of enforcement of the Code. |
| 71. | How is gratuity calculated? | For every completed year of service or part thereof in excess of six months:<br>15 days' wages per year (or such number as notified by Central Government) based on the rate of wages last drawn.<br><br>Special cases:<br>Piece-rated employees: Daily wages calculated as average of total wages for the three months preceding termination (excluding overtime)<br>Seasonal employees: 7 days' wages per season<br>Fixed-term employment or deceased employees: Gratuity paid on pro-rata basis<br>The maximum gratuity is as notified by the Central Government which is currently ₹ 20 lakhs.<br>For employees re-employed after disablement:<br>Wages for the period preceding his disablement shall be taken to be the wage received by him during that period.<br>Wages for the period subsequent to his disablement shall be taken to be the wages as so reduced. |

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| 72. | When gratuity is payable to an employee? | Gratuity shall be payable on following events:<br>On termination<br>On superannuation (retirement due to age)<br>On resignation<br>On death or disablement due to accident or disease<br>On expiration of a fixed-term employment contract<br>On any other event notified by the Central Government |
| 73. | Are there any special provisions related to gratuity in certain cases? | Completion of five years of continuous service is not necessary in case of:<br>Death (paid to nominee or legal heirs)<br>Disablement<br>Expiration of fixed-term employment<br>Other events notified by the Central Government<br>If the nominee or heir is a minor, the share shall be deposited with a competent authority and invested in bank/financial institution for the benefit of such minor until majority |
| 74. | Does gratuity affect other agreements or awards? | Nothing shall affect the right of an employee to receive better gratuity terms under any:<br>Award<br>Agreement<br>Contract with employer |
| 75. | Is it true that Fixed-Term Employment (FTE) is exploitative? | No. Fixed Term Employees will be eligible for all benefits (EPF, ESI, flexible working hours, timely and minimum wages) equal to permanent employees. They will also be eligible for Gratuity on completion of one year of service. This will reduce contractualisation. Fixed Term Employee will get appointment letter directly from the employer enhancing their pride. This will also increase their employability as freshers can gain experience in a short span of time and enhance specialized skills. |
| 76. | Is a fixed-term employee engaged for 11 months eligible for gratuity upon contract expiry? Is gratuity | Fixed Term Employee (FTE) will be eligible for gratuity if he/she renders service under the contract for a period |

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| | payable where a fixed-term employee exits before completion of the contracted tenure? | of one year (from start of contract). |
| 77. | Are all procedures under the Social Security Rules mandatory in digital mode? | No. While the Rules prioritise digital processes to ensure transparency and ease of access, physical submission is also permitted in specified cases. For instance, claims relating to gratuity and maternity benefits may be submitted physically in addition to electronic modes. |
| 78. | Does registration under the Rules guarantee automatic payment of benefits? | No. Registration is only an entry point that enables workers to access various social security schemes. Benefits are payable only under schemes that are onboarded on the relevant portal (such as the e-Shram portal) and subject to fulfilment of scheme-specific eligibility conditions. |
| 79. | Can the Social Security Rules be amended only through Parliament? | No. The Rules constitute subordinate legislation. Accordingly, they can be modified, revised, or updated through government notifications, without requiring Parliamentary approval. |
| 80. | Can Social Security Funds be merged with general government accounts? | No. The Rules mandate that Social Security Funds be maintained as separate accounts. They also provide for periodic reporting, audit by the Comptroller and Auditor General of India (CAG), and restricted utilisation exclusively for worker welfare. |
| 81. | Can maternity benefit claims be rejected for not using prescribed forms? | No. The Rules clearly state that procedural lapses do not defeat substantive rights. Applications may be submitted physically on plain paper or electronically, and claims cannot be rejected solely due to non-use of prescribed formats. |
| 82. | Is certification by a registered medical practitioner mandatory for maternity benefits? | No. The Rules broaden acceptable proof and allow certificates from ASHAs, Auxiliary Nurse Midwives (ANMs), local authorities, and other prescribed village or municipal officials, in addition to registered medical practitioners. |
| 83. | Are nursing breaks strictly limited to two fixed intervals? | No. While the Rules prescribe minimum nursing breaks, they also |

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| | | allow additional time, including travel time, depending on the distance to the crèche or childcare facility. |
| 84. | Must crèche facilities always be located within the employer's premises? | No. The Rules permit common crèches, shared or pooled arrangements, and negotiated facilities, particularly to assist smaller establishments. Where crèche facilities are not provided, payment of a crèche allowance is mandated. |
| 85. | Can gratuity be claimed only after employment ends? | No. The Rules permit advance submission of gratuity applications where the date of retirement or cessation of employment is known in advance. |
| 86. | How is gratuity payable to minor nominees protected? | The Rules require gratuity amounts payable to minor nominees to be invested in term deposits with specified nationalised banks, ensuring safety and future benefit to the nominee. |
| 87. | Do employers have unfettered discretion to reject gratuity claims? | No. The Rules prescribe mandatory notices, reasoned orders, defined timelines, and appeal mechanisms, ensuring transparency and preventing arbitrary decisions. |
| 88. | Is BOCW Welfare Cess payable only after completion of construction? | No. The Rules permit advance payment of cess based on self-assessment, with final adjustment upon completion and assessment. |
| 89. | Can BOCW Cess be paid in instalments without disclosures? | No. Instalment payments are allowed only with disclosure of work progress and cost assessment, and are subject to verification and scrutiny. |
| 90. | Is refund of excess BOCW Cess allowed? | Yes. The Rules provide a time-bound refund mechanism for excess cess deposited, following assessment or appellate orders. |
| 91. | Who is responsible for payment of BOCW Cess? | Responsibility is clearly allocated among employers, contractors, government departments, and public sector undertakings, depending on the nature and execution of the construction work. |
| 92. | Are only direct engagements by aggregators covered? | No. The Rules cover gig and platform workers engaged through subsidiaries, associate companies, holding |

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| | | companies, LLPs, and third-party arrangements. |
| 93. | Does failure to update gig worker data permanently disqualify workers? | No. Non-updation leads to temporary ineligibility. Eligibility can be restored upon updating required information on the designated portal. |
| 94. | Are trusts managing exempted funds unregulated? | No. The Rules mandate Boards of Trustees, equal employer-employee representation, periodic meetings, and arm's-length governance norms. |
| 95. | Are the Social Security Rules rigid and inflexible? | No. The Rules explicitly allow revision of limits, forms, contribution rates, and procedures through government notifications, enabling adaptability to emerging needs. |
| 96. | Does fixed-term employment cover contract labour engaged through contractors, or only direct employees of the principal employer? | Fixed Term Employment covers employees directly engaged by the employer. |
| 97. | How will the ESI coverage be governed until the finalization of Rules? | With effect from 21.11.2025, the definition of wages under the CoSS, 2020 shall apply. At present, Rs 21,000 per month wages notified for ESI coverage will be applicable. |
| 98. | For the calculation of gratuity, will wage components other than those specified under clauses (a) to (c) of included part and (a) to (k) of excluded part of Section 2(88) of the Code on Social Security, 2020, be included? | Any payment made to employee which is not part of components mentioned under section 2(88) of the Code on Social Security, 2020 shall not be considered for calculation of gratuity. |
| 99. | For Fixed Term Employees (FTE), is gratuity payable on completion of exactly one year of service or more than one year of service is required for calculation of gratuity under the Labour Codes? | Fixed Term Employee (FTE) will be eligible for gratuity if he/she renders service under the contract for a period of one year (from start of contract). |
| 100. | Whether States can levy cess on gig and platform workers, and if so, this will results in a dual financial burden on aggregators? | As per section 114(4) of the Code on Social Security, 2020, the contribution to be paid by the aggregators for the funding Schemes for gig workers and platform workers will be notified by the Central Government.<br>The said contribution will be credited to |

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| | | Social Security Fund set up by the Central Government for social security and welfare of the gig workers and platform workers. |
| 101. | In case of contract labour, whether gratuity liability is to be borne by the Principal Employer or the Contractor? | As per the section 53 of the Code on Social Security, 2020, the employer (i.e. Contractor) will pay gratuity on rendering of five years continuous service at the rate of 15 days wages for each completed year of service based on the last drawn wages. |
| 102. | Whether gratuity for service rendered prior to 21 November 2025 will be calculated under the Payment of Gratuity Act, 1972, and service on or after that date under the Labour Codes? | The employee will be paid gratuity based on the rate of wages last drawn by the employee at the time of superannuation or retirement or resignation or death etc, on and after 21.11.2025 as per the provisions of Code on Social Security, 2020. |
| 103. | Is the provision of crèche facility dependent on any specific gender composition of the workforce? | The crèche facility is available to employees, irrespective of gender. |
| 104. | International Workers and Expatriates<br>The treatment of International Workers has historically been distinct under the Provident Fund regulations. Please clarify:<br>(i) Whether the new definition of "wages" under the Labour Codes supersedes the specific definition of wages currently used for International Workers under the Provident Fund scheme.<br>(ii) Whether the 50% allowance cap applies equally to high-value compensation structures typically designed for expatriates? | International worker is defined under EPF Scheme 2026. There is no different wage definition provided for the international worker. |
| 105. | Whether maternity benefit payment would fall under the purview of wages. If so, how to treat them. | Maternity benefit payment are to be treated as wages and Women employee shall be entitled for payment of maternity benefit at the rate of average daily wages as per Section 60 of CoSS, 2020 |
| 106. | Whether the new "wages" definition applies to their entire | Gratuity will be calculated as per new definition of Wages for the employees |

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| | past service for gratuity calculation, or only for the period of service after 21 November 2025? | leaving employment with effect from 21st November 2025. |
| 107. | Whether employers need to recalculate and provide for past service gratuity liability based on the new higher wage base? | Yes |
| 108. | Whether gratuity must be paid within two days (as part of a full and final settlement) or within thirty days? | The employer shall arrange to pay the amount of gratuity within 30 days from the date it became payable to the employee or his nominee or legal heirs as the case may be. |
| 109. | Whether maternity benefit under Code on Social Security, 2020 must be calculated based on the newly defined "wages"? | The woman shall be entitled and the employer shall make the payment of maternity benefit at the rate of average daily wages. The term daily wages is clearly prescribed in the Code on Social Security, 2020. |
| 110. | Whether employers who voluntarily provide maternity benefits above the statutory minimum (calculated on Cost to Company) can continue to do so? | There is no restriction in Code on Social Security, 2020 to provide better maternity benefits. |
| 111. | Whether it is compliant and legally acceptable to calculate and deduct lower Provident Fund and Employees' State Insurance contributions when the newly defined "wages" fall below Rupees 25,000 (for Provident Fund) or Rupees 21,000 (for Employees' State Insurance), even if the total Cost to Company exceeds these statutory ceilings? | Compliance to ESIC and EPFO is restricted to the notified wage ceiling under the Code on Social Security, 2020. |
| 112. | Can an Employer contribute to provident fund on wages more than the ceiling i.e. Rs 25,000/- per month? | Yes, the employer can contribute voluntary above the wage ceiling. Further details are provided para 19 of the Employees Provident fund Scheme, 2026. |
| 113. | What is the threshold for mandatory EPF coverage, and is there a plan to extend it to smaller establishments? | Every establishment in which 20 or more employees are employed shall be covered for the purpose of Chapter 3 (Employees' Provident Fund). |
| 114. | What is the current wage ceiling for ESI applicability, and is a revision under consideration? | The wage ceiling of Rs. 21000 has been notified under Section 2(26) of the Code on Social Security, 2020 for |

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| | | the coverage of employees under ESIC. |
| 115. | Do the maternity benefit provisions apply uniformly to all establishments or is there any threshold? | As per the First Schedule of Code on Social Security, 2020, maternity benefit provisions apply to every factory, mine or plantation and to every shop or establishment in which ten or more employees are employed, or were employed, on any day of the preceding twelve months and such other shops or establishments notified by the appropriate Government. |
| 116. | Is crèche facility obligation linked to the same establishment-size threshold as maternity benefit, and can employers in an industrial cluster share a common crèche? | As per Section 67 of the CoSS, 2020, every establishment in which 50 or more employees are employed is required to provide crèche facility for the children up to 6 years of age. The establishment may avail common crèche facility of the Central Government, State Government, municipality or private entity or provided by non-governmental organisation or by any other organisation or group of establishments may pool their resources for setting up of common crèche in the manner as they may agree for such purpose.<br><br>Threshold is 50 employees. Facility of common crèche may be availed. |
| 117. | Can employees retain and reuse the same Insurance Person (IP) number across employers to avoid duplicate records? | Yes |
| 118. | Can a single portable ID (linked to Aadhaar/UAN) ensure continuity of ESIC benefits when an employee changes location or employer? | Yes |
| 119. | Is Aadhaar-based authentication for medical/cash benefits voluntary or mandatory? | Aadhaar seeding is mandatory for existing employees. Registration of new employees shall be done through Aadhaar only. (Section 142 of Code on Social Security, 2020) |
| 120. | Whether provident fund contribution rate is 12% or 24% of wages? | The Employer contribution under the EPF Scheme is at the rate of 12% of the wages payable to the employee |

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| | | and the employee's contribution shall be equal to the employer's contribution |
| 121. | Why the provident fund wage ceiling of Rs. 15,000 has not been revised? | The provident fund wage ceiling has been revised to Rs. 25000 vide notification dated 17th September 2026. |
| 122. | From what date must PF/ESIC comply with the new wage definition? | 21.11.2025 |
| 123. | Whether ESIC is calculated on wages or gross remuneration? | Contribution is payable on wages which has been defined under Section 2(88) of the Code on Social Security, 2020. |
| 124. | Whether ESIC coverage continues when wages exceed Rs. 21,000? | Contribution is payable till end of Contribution Period, once the wages exceed ceiling limit. |
| 125. | Applicability of ESIC to interns receiving a stipend as part of their curriculum? | ESIC is applicable to an employee which has been defined under Section 2(26) of the Code on Social Security, 2020. Apprentice engaged under the Apprentices Act, 1961 is not an employee under the Code on Social Security, 2020. |
| 126. | Whether ESIC now applies PAN-India, including previously non-notified areas? | Yes. The contribution from the employers and employees of an establishment shall be payable under section 29 (of Code on Social Security, 2020) on and from the date on which any benefits under Chapter IV relating to the Employees State Insurance Corporation are provided by the Corporation to the employees of the establishment and such date shall be notified by the Central Government. |
| 127. | Will a fixed-term employee who exits the organization after 21st November 2025 be eligible to receive gratuity?<br><br>Will gratuity eligibility arise only after the Central and State Governments finalize and notify the relevant rules? | The term 'Fixed Term Employment' is defined under Section 2(34) of the Code on Social Security, 2020.<br><br>Yes, fixed term employee who exits the organization after 21 November 2026 will be eligible for gratuity provided he completes the service continuity condition under the Code.<br>The gratuity eligibility is provided in Code on Social Security, 2020 and not dependent on the notification of Rules under the Code. |

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| 128. | Whether the gratuity to be paid to an employee be calculated as per the 'wages' defined under the new labour codes or the definition of 'wages' will be effective post finalization of the Central and/ or State Rules? | Gratuity will be calculated as per the 'wages' defined under the new labour codes. |
| 129. | Whether ₹20 lakh gratuity cap remains applicable on gratuity? | Yes |
| 130. | Consider these hypothetical facts: Our establishment has twenty-five (25) employees. We understand that we will be covered under the ESIC-related provisions and will not be required to comply with the maternity benefit-related provisions of the SS Code. Please confirm if our understanding is correct. If our understanding is correct, please clarify whether the establishment is required to provide crèche facility or notice to the employees at the time of joining, as per the provisions related to maternity benefits under the SS Code. | Maternity provisions apply to an establishment employing 10 or more employees. Whereas, the threshold for providing crèche facility is 50 employees in Code on Social Security, 2020. |
| 131. | Definitive guidance on which wage definition should be used for Provident Fund calculations? | The term 'wage' is defined under Section 2(88) of the Code on Social Security, 2020 which is self-explanatory. |
| 132. | Whether the Industrial Relation Code in any way takes back workers' right relating to form trade unions? | No. The apprehension is totally incorrect. Provisions related to registration of trade union have been retained under Chapter-III of IR Code 2020. |
| 133. | Whether IR Code bans all strikes? | No. The Industrial Relations (IR) Code, 2020 does not ban strikes. Right to strike remains intact under IR Code with mandatory 14 days notice period before going on strike. |
| 134. | Whether the worker will need government permission to go on strike in IR Code? | No permission is required from the Government under the IR Code. However, 14-Days prior strike notice will be required which will facilitate both employer and union for immediate resolution of their dispute through timely conciliation leading to reduced their conflict. |

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| 135. | Whether IR Code allows employers to retrench workers freely? | No. The provisions for mandatory one month notice and retrenchment compensation continue to exist. Prior permission will be required for retrenchment by establishments having 300 or more workers. |
| 136. | Is it true that trade unions lose their grievance redressal role? | No. It is not true. Instead Trade Unions get statutory backing in the form of negotiating union/negotiating council under the code thereby strengthening their collective bargaining. The code also provides for bipartite forums like Works Committee and Grievance Redressal Committee, having equal representation will facilitate time bound redressal of grievances of workers. |
| 137. | Whether, the Code ends job security for permanent workers and promotes hire and fire? | Ans: No. The workers rights and job security remain protected in the IR Code with provisions for mandatory one month notice and retrenchment compensation. Prior permission will be required for retrenchment by establishments having 300 or more workers |
| 138. | Whether the new provisions under IR Code will allow the employers with less than 300 workers to fire without restriction? | No. The requirement for mandatory one month notice and retrenchment compensation for every completed year of service continue. Prior permission will be required for retrenchment by establishments having 300 or more workers. Also, additional provision of re-skilling fund for retrenched workers to enhance their skills to get better job perspective has been introduced for the welfare of the worker. |

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| 139. | Whether the conciliation mechanism is abolished under IR Code? | No. Rather, the conciliation mechanism have been streamlined and conciliation is now made compulsory in all strike notice and conciliation proceeding shall be commenced on the 1st meeting of conciliation. Fixed time-line, digital process and clear jurisdiction will now facilitate for faster settlement of disputes. |
| 140. | Is it true that Labour Courts are being abolished? | The Labour Courts and Industrial Tribunals will be replaced with a simplified two-tier tribunal system reducing delays and multiplicity of forums. Instead of one member the IR Code has introduced two member Tribunals for speedy delivery of justice. |
| 141. | Is it true that workers cannot collectively bargain or protest? | No. Mandatory recognition of a sole negotiating union/council strengthens structured bargaining by the workers with their employer. |
| 142. | Is it true that Industry closure no longer needs approval? | Lay-off/Retrenchment/Closure have been well regulated under IR Code. Industries having 300 workers on any day of previous year will need prior permission from the Government. All benefits such as retrenchment compensation, priority in re-employment, etc. have been kept under IR Code |
| 143. | Is it true that workers' participation in management is removed? | Workers' participation have been ensured through Bipartite forums such as Works Committees and Grievance Redressal Committees under the IR Code. |
| 144. | Whether penalty provision for employer violations in IR Code are removed? | No. Penal provisions are not compromised instead penalties have been substantially increased and made commensurate with the offences. |
| 145. | Whether abolition of Labour Courts will delay the workers justice? | No. With the provision of 2 member Industrial Tribunal, the justice will be speedily delivered. |
| 146. | Whether the Code favours employers only? | No. The code protects the interest of workers through the provisions of negotiating unions/councils, works committee, Grievance redressal |

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| | | committee, requisite safeguards before retrenchment/lay-off and closure and effective dispute resolution mechanism. |
| 147. | Whether sales promotion employees are not treated as “employees” and therefore not entitled to labour protections? | No. The sales promotion employees are legally recognized under the definition of ‘worker’ under the IR code |
| 148. | Is it true that the “Journalists” are freelancers and therefore not “employees”? | Working Journalist” employed in a newspaper/agency have now been included under the definition of worker under the IR Code. |
| 149. | The employer's liability for workplace safety and accidents when the 'workplace' is the employee's residence, and clarification on the regulation of working hours, rest intervals, and overtime eligibility for remote workers, given the practical difficulties of tracking exact login/logout times. | Work from home/remote work has been recognised under Para 9 of Schedule C of the Model Standing Orders, 2026, notified vide S.O. 2312(E), dated 08.05.2026. The employer shall be liable to ensure working hours, rest intervals and over time payment for working beyond normal working hours. Section 60(5) of the Code on Social Security, 2020 reads as under:<br>"In case the work assigned to a woman is of such nature that she may work from home, the employer may allow her to do so after availing of the maternity benefit for such period and on such conditions as the employer and the woman may mutually agree." |
| 150. | Whether a common negotiating union / council can exist across severable units and geographies of the same establishment, or whether each unit must have a separate negotiating mechanism? | The term 'industrial establishment' is defined under Section 2(r) of the Industrial Relations Code, 2020 which is self-explanatory. Yes, a common negotiating union / council can exist where the units collectively constitute a single “industrial establishment or undertaking” under Sec. 2(r) of the Industrial Relations Code, 2020. Where the units constitute separate industrial establishments or are severable, recognition of negotiating union needs to be done separately under Sec. 14 for each unit. |

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| 151. | If the recognised negotiating union or negotiating council suffers a substantial fall in membership during the three-year validity period, is the employer obligated to continue negotiations with such union/council despite it no longer being representative of the majority workforce? | The union or council, as the case maybe, granted recognition under sub-sections (1), (2), (3) under Section 14, once granted recognition shall remain valid for three years as provided under sub-section (6) of Section 14. |
| 152. | Does Section 14(6) envisage that loss of majority support during the validity period would automatically render the recognition otiose, or is the employer statutorily bound to honour the recognition until expiry regardless of changed ground realities? | The Industrial Relations Code, 2020 does not provide for automatic withdrawal of recognition merely because membership subsequently falls below 51%. |
| 153. | Whether a common GRC can be constituted across severable units / geographies (for a large company having several units), particularly where HR and administrative control is centralised? | Under Section 4 of the Industrial Relations Code, 2020, a Grievance Redressal Committee (GRC) is required in every industrial establishment employing 20 or more workers. The Code does not expressly provide for a single centralised GRC for multiple units or locations. The term 'industrial establishment' is defined under Section 2(r) of the Industrial Relations Code, 2020, which is self-explanatory. |
| 154. | How is “worker” defined under the Industrial Relations Code, 2020 - does it now include sales promotion employees, working journalists, and supervisory staff earning up to ₹18,000/month? | Under Section 2(zr) of the Industrial Relations Code, 2020, “worker” includes persons employed in an industry, subject to specified exclusions. It includes working journalists and sales promotion employees. Supervisory employees are included where their wages do not exceed INR 18,000 per month, subject to the prescribed exclusions. |
| 155. | What is the difference between “worker” and “employee” under the Industrial Relations Code, 2020, and which protections apply to each? | The definition of employee is provided u/s 2 (l) and worker is defined separately u/s 2(zr). The provisions of the Industrial Relations Code, 2020 are worker centric. |
| 156. | What is the definition of “industry,” and are charitable, social or philanthropic institutions excluded? | Section 2(p) of the Industrial Relations Code, 2020 defines “industry". The definition expressly excludes |

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| | | institutions wholly or substantially engaged in charitable, social or philanthropic service. |
| 157. | How long is recognition of a negotiating union/council valid, and can it be renewed? | Sub-section (6) of section 14 provides provision for tenure of NU/NC as 3 years which can be extended to a further period of 5 years upon mutual agreement between employer and the trade union. |
| 158. | In States where a union is already recognised under a State law (e.g., Maharashtra's MRTU & PULP Act), will that recognition continue, or is fresh recognition required under the Industrial Relations Code, 2020? | Section 104(2) & (3) of the Industrial Relations Code, 2020 2020 deal with such situations. |
| 159. | Who qualifies as a "verification officer," and what ensures their independence from the unions being verified? | The rules prescribed u/s 14 of the IR Cod3, 2020 provide for appointment of verification officer by the appropriate government. |
| 160. | What is the timeline for constituting a Works Committee once an establishment reaches the applicable worker threshold? | Under Section 3 of the Industrial Relations Code, 2020, a Works Committee is not automatically required merely on crossing 100 workers' threshold. It becomes applicable only when the appropriate Government issues a general or special order. |
| 161. | How are worker representatives selected, and how are different categories/classes of workers represented on the Works Committee? | Under Section 3 of the Industrial Relations Code, 2020, worker representatives are elected in the prescribed manner, in consultation with the registered Trade Union, if any. The Committee's composition should provide representation to different categories, groups and classes of workers, as well as the various sections, shops and departments of the establishment.<br><br>The total members in a works committee cannot exceed twenty, and worker representatives must be not less than employer representatives. Women workers are to receive proportional representation. The detailed election procedure and |

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| | | eligibility conditions are prescribed through the applicable Rules. |
| 162. | What is the limitation period for a worker to raise a grievance, and is a similar limitation prescribed for filing an appeal? | A worker may raise his grievance before the Grievance Redressal Committee within one year from the date the cause of action. The GRC must complete its proceedings within 30 days. If dissatisfied with the decision, or if the grievance remains unresolved, the worker may approach the Conciliation Officer within 60 days, through the concerned Trade Union, as prescribed under Section 4 of the Industrial Relations Code, 2020. |
| 163. | Can a worker who is not a member of any trade union file a grievance directly, or must it be routed through a union? | A worker may file an initial grievance directly before the GRC under Section 4(5). |
| 164. | What is the current worker threshold for mandatory Standing Orders, and does the total headcount include contract workers? | Provisions of Chapter IV – Standing Orders is mandatory for industrial establishments employing 300 or more workers as provided under sub-section (1) of section 28 of the Industrial Relations Code, 2020. |
| 165. | If an establishment's headcount falls below the threshold after having certified Standing Orders, can it opt out immediately? | Once Standing Orders are certified, they continue to govern the establishment unless they cease to apply under the Code or are modified, replaced or withdrawn through the prescribed legal process. A subsequent reduction below 300 workers does not, by itself, invalidate the certified Standing Orders. |
| 166. | Are there transitional arrangements for establishments with 100-300 workers, and can States alter this threshold? | No, there are no transitional arrangements. As per Section 28(1) of the Industrial Relations Code, 2020 2020, the threshold for applicability of standing order in industrial establishments is 300 or more workers who are employed, or were employed on any day of the preceding twelve months and the Code has been made effective from 21st November 2025. The Code does not have any provision wherein the States can alter this prescribed threshold. |

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| 167. | Can establishments below the threshold still engage workers on Fixed-Term Employment even without a specific FTE clause in their Standing Orders? | Yes, establishments below the threshold of 300 or more workers can engage workers on FTE. Standing order is mandatory only for establishments having 300 or more workers. |
| 168. | What is the maximum duration for which a Fixed-Term Employment contract can be given or extended? | The Industrial Relations Code, 2020 neither provide any restriction on the duration for which a worker may be engaged as a fixed term employment nor there is any restriction on extension of FTE contract period. |
| 169. | Do changes to shift patterns, line speed, or takt time on a continuous-process line count as a "condition of service" requiring a formal Notice of Change? | As per Section 40 of the Industrial Relations Code, 2020, a notice of change is required in case of any change in the conditions of service for matters listed in the Third Schedule of the Code. |
| 170. | Can changes in shift working be managed through standing order and without giving notice of change? | Notice of change is mandatory for change in conditions of service in case of starting, alteration or discontinuance of shift working otherwise in accordance with standing orders. as provided under Sr. No 6 of the Third Schedule to the Industrial Relations Code, 2020. |
| 171. | Does direct reference to the Tribunal apply only to individual disputes, trade union disputes or collective disputes? | The conciliation officer will hold conciliation proceedings in an industrial dispute and if no settlement is arrived, the conciliation officer shall send a report to the concerned parties and appropriate government electronically. Any concerned party to the dispute may make application in the prescribed form to the industrial tribunal within 90 days from the date of receipt of the conciliation report for adjudication of the dispute. |
| 172. | What is the procedure to report a settlement (reached outside conciliation) to the Labour Commissioner, and is there any prescribed format? | A settlement reached outside conciliation must be jointly sent by the parties to the concerned Conciliation Officer, electronically or by speed post. It is recorded in the form prescribed by the appropriate government. |
| 173. | Will electronic/digital submission of strike and lock-out notices (e.g., via digital signature or Aadhaar e- | Yes, the strike/lock-out notice served electronically or by speed post is accepted as valid. |

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| | sign) be accepted as valid? | |
| 174. | What is the process and required documentation for an employer to seek prior permission for lay-off or retrenchment of worker in establishment employing less than 300 workers? | No prior permission from the appropriate government is required for lay-off or retrenchment of workers for establishments employing less than 300 workers. |
| 175. | If vacancies arise within a year of retrenchment, must preference be given to retrenched workers - and does this depend on citizenship or re-employment on the same terms as before? | Where a vacancy arises within one year and the retrenched workers are Indian citizens who have expressed willingness for re-employment, they must be given preference on the basis of seniority. |
| 176. | What is an employer's contribution obligation to the Worker Re-Skilling Fund on retrenchment, and how does it interact with retrenchment compensation already payable? | The employer shall contribute an amount equal to 15 days' last drawn wages for every retrenched worker to the Worker Re-Skilling Fund, within 45 days, as per Section 83 of the Industrial Relations Code, 2020 which will be credited in the account of retrenched worker within 45 days by the appropriate government. The re-skilling fund is in addition to the retrenchment compensation payable to the worker. |
| 177. | Where the same facts lead to both a designated officer's enquiry and a separate proceeding raised by an employee/union, how will overlapping/parallel proceedings be handled? | No such separate/overlapping/parallel proceedings can be initiated simultaneously on the same matter. |
| 178. | Does notification of the new IR Rules supersede all earlier central regulations (e.g., Industrial Disputes Rules 1957, Standing Orders Rules 1946, Trade Union Regulations 1938)? | Yes, it has been specified in the notification published in this regard. |
| 179. | Must every registered trade union communicate the names of "protected workers" annually (by 30 April), and does this apply to all registered unions or only recognised ones? | Every registered Trade Union must communicate the names and address of the officers of the trade union who are employed in that establishment to be recognised as protected worker to the employer before 30th April of every year. |
| 180. | Applicability of Fixed-Term Employment — whether permitted only for workers or also for | The term 'Fixed-Term Employment' is defined under Section 2(o) of the Industrial Relations Code, 2020 which |

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| | employees; whether FTE can be used for core/perennial activities? | is self explanatory. |
| 181. | Applicability of the Industrial Relations Code, 2020 to managerial and supervisory employees. | The term 'worker' is defined under Section 2(zr) of the Industrial Relations Code, 2020 wherein it is clearly mentioned that persons employed mainly in a managerial or administrative capacity are excluded from the definition of “worker”. However, under Section 62, it is clearly prescribed that no person employed in an industrial establishment shall go on a strike in breach of contract. |
| 182. | Is there a requirement to re-certify standing orders under the new Industrial Relations Code, 2020? | Standing Orders existing at the time of enforcement of these provisions shall be deemed to be certified, as long as they are not inconsistent with the Code. However, the employer may prepare the draft of the modifications required in the standing order within a period of 6 months from the date the provisions of Chapter IV of the Industrial Relations Code, 2020 became applicable to the industrial establishments. The request for modification in the certified standing orders can be made after expiry of 6 months from the date on which the standing order was last certified/modified. |
| 183. | Whether union recognition continues under State laws. | Union recognition under State laws may continue to the extent that such laws are not inconsistent with the Industrial Relations Code, 2020. |
| 184. | What is the process for formation of negotiating councils? | Where no registered Trade Union has 51% or more membership, the employer shall constitute a Negotiating Council comprising representatives of unions having at least 20% verified membership. Each eligible union receives one representative for every 20% membership, as prescribed by the rules. |
| 185. | Under Section 70 of the Industrial Relations Code, 2020, retrenchment compensation is payable at the rate of 15 days’ | The worker will be paid retrenchment compensation under Section 70 of the Industrial Relations Code, 2020 at the rate of 15 days average pay for every |

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| | average pay for every completed year of continuous service, or any part thereof exceeding six months, or such higher period as may be notified by the appropriate Government.<br>With this pretext, what are the components of remuneration which will form the part of average pay for retrenchment compensation under S. 70 of the Industrial Relations Code, 2020? | completed year of continuous service or any part thereof in excess of six months. The term average pay is defined under Section 2(d) of the Code. The definition is reproduced herewith:<br><br>"average pay" means the average of the wages payable to a worker,—<br><br>(i) in the case of monthly paid worker, in three complete calendar months;<br>(ii) in the case of weekly paid worker, in four complete weeks;<br>(iii) in the case of daily paid worker, in twelve full working days,<br><br>preceding the date on which the average pay becomes payable, if the worker had worked for three complete calendar months or four complete weeks or twelve full working days, as the case may be, and where such calculation cannot be made, the average pay shall be calculated as the average of the wages payable to a worker during the period he actually worked. |
| 186. | Is there any mechanisms provided for faster dispute resolution? | The Industrial Relations Code, 2020 provides for redressal of the grievances/disputes of workers through Grievance Redressal Committees, conciliation officers, voluntary arbitration and Industrial Tribunals to facilitate speedy settlement of disputes. It also provides for time-bound conciliation proceedings and direct access to the Tribunal after failure of conciliation proceedings within 90 days from the receipt of the failure report. It also provide two member tribunals viz., judicial member and administrative member instead of one presiding officer concept in previous Act. |
| 187. | As per definition of industry in section 2(1)(zd) of Occupational Safety, Health and Working | The Occupational Safety, Health and Working Conditions Code, 2020 applies establishments including |

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| | Conditions Code 2020, the following is excluded "(b) any activity of the appropriate Government relatable to the sovereign functions of the appropriate Government including all the activities carried on by the Departments of the Central Government dealing with defence research, atomic energy and space"'.<br>In light of this, kindly advise on applicability of provisions of the Code in respect of factories of Dept of Atomic Energy (DAE) and factories belonging to NPCIL which is wholly owned company of DAE and engaged on power production. | factories employing 10 or more workers.<br><br>Factories of Department of Atomic Energy<br>& Nuclear Power Corporation of India Limited are subject to Occupational Safety, Health and Working Conditions Code, 2020. |
| 188. | Does the definition of "sales promotion employee" cover all sales staff irrespective of level or seniority? | "sales promotion employees" means any person by whatever name called employed or engaged in any establishment for hire or reward to do any work relating to promotion of sales or business, or both, but does not include any such person who,-<br>(i) being employed or engaged in a supervisory capacity, draws wages exceeding eighteen thousand rupees per mensem or an amount as may be notified by the Central Government from time to time; or<br>(ii) is employed or engaged mainly in a managerial or administrative capacity.<br><br>Level or seniority is not critical, it is contingent upon role assigned, whether it involves managerial or supervisory role. |
| 189. | Whether the person drawing wages ₹18,000/- or more will be covered under the definition of worker as per OSH & WC Code. | Any person, who is employed in a supervisory capacity drawing wages exceeding ₹18,000/- (or an amount as may be notified by the Central Government from time to time) is not included in the definition of worker. |

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| 190. | Clarity on Core and Non-core activities. | Core and non-core activities are clearly defined under the OSH & WC Code, 2020 [Section 57]. Principal employer may engage contract labour for core activities which are ordinarily carried out through contractor, or of intermittent nature or involve sudden increase in volume of work requiring time-bound completion. |
| 191. | Whether Journey Allowance for ISMW within the State for the long-distance workers may be allowed. | As per OSH & WC Code, 2020, the employer shall pay to and fro journey allowance to ISMW once in a year from his native place to place of employment. |
| 192. | Is it true that working hours been extended in a way that deprives workers of overtime? | No. Flexibility in working hours does not extend the normal working of workers and will not curtail the minimum wage, and employees working beyond normal hours are entitled to the overtime rate which shall not be less than twice the normal rate of wages. |
| 193. | Do construction workers lose welfare benefits when they move across States? | No. The OSH & WC (Central) Rules, 2026 enable inter-State portability of registration and benefits, subject to updation of migrant worker data on the destination State portal. |
| 194. | Whether raising the threshold for definition of “factory” (from 10 workers with power / 20 without power to 20 workers with power / 40 without power) will exclude workers from safety and welfare protections? | No. The rights of workers regarding health, safety and welfare would be protected as these provisions are applicable for the establishments having 10 or more employees. |
| 195. | Does increased licensing threshold for contract labour from 20 to 50 will deprive contract workers of protections? | No. All establishments having 10 or more employees must comply with safety and welfare measures. The increases licensing threshold is for administrative ease and does not affect workers’ welfare / entitlements / protections. |
| 196. | Will allowing flexibility in working hours up to 12 hours per day will exploit workers? | No. The OSH & WC Code 2020 prescribes 8 hours per day and 48 hours per week working hour, with some flexibility to extend daily hours with the consent of workers on payment of overtime, at twice the rate |

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| | | wages. |
| 197. | Whether it is not unsafe to allow women to work at night? | No. The Code allows women to work in any establishment and during night shift with the safeguard of adequate safety, transport, and security arrangements—thus promoting gender equality with safeguards. Moreover, written consent of women worker is mandatory to work in night. |
| 198. | Is it true that health and welfare facilities are limited to large establishments only? | No. The OSH & WC Code 2020 mandates health and safety provisions for all workers employed in establishments employing 10 or more employees |
| 199. | Will rationalization of 13 labour laws into one Code, dilute workers' rights? | No. The Code simplifies and harmonizes provisions with protection of worker rights. Simplification and harmonization remove ambiguities and brings consistence in protection of workers. |
| 200. | Whether portability of migrant worker benefits is ineffective and would not reach to beneficiary? | No. The OSH & WC Code 2020 requires setting up of Toll free helpline number for Inter State Migrant Worker (ISMW). ISMW can reach to govt. through toll free number in case of difficulty faced by them. |
| 201. | Is it true that duties of employers are towards regular workers only and do not cover contract workers and inter-state migrant worker (ISMW)? | No. The Code does not distinguish regular and contract workers or ISMW. The Code extends benefits to all workers, including contract and inter-state migrant workers. |
| 202. | Is it true that allowing women to work in hazardous occupations is unsafe? | No. The Code ensures women's right to work in any occupation with adequate safety and with sufficient safeguards to promote gender equality |
| 203. | Whether OSH & WC Code favours employers by reducing penalties for violations? | No. Rather, penalties have been rationalized and only minor offences are compoundable, while serious safety breaches attract severe penalties including imprisonment. |
| 204. | Does OSH Code provide any specific welfare facilities for transgender workers? | Yes. The Code recognizes first time the transgender workers and mandates separate bathing, toilet, restroom etc facilities for them ensuring dignity, privacy and equal access at the workplace. |

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| 205. | Is there any specific provision for drivers under the OSH Code? | Yes. The Motor Transport Workers including drivers are covered under the Code. The provisions on safety, health and welfare under the Code apply to them, including working hours, rest intervals etc. |
| 206. | Is it true that stuntmen and dubbing artists are not provided any benefits under the OSH Code? | No. The section 2(1)(f) of the OSH&WC Code, 2020, includes stunt persons and dubbing artists in the definition of an “audio-visual worker”. Accordingly, they are covered by the safety, health and welfare provisions applicable to audio-visual workers under the Code. |
| 207. | What is the minimum criterion in terms of number of days for a worker to be eligible for annual leave with wages as per the provisions of OSH&WC Code, 2020? | A worker should have worked for 180 or more days in a calendar year to be eligible for annual leave with wages. |
| 208. | Whether contract labour worker be issued an experience certificate? | Yes, a contract worker can demand from concerned contractor to issue experience certificate. |
| 209. | Applicability of OSH&WC Code provisions for dock workers (other than major ports).<br><br>As the State Govt. is the appropriate authority for ports other than major ports as defined in clause-8 of Indian Ports Act, 1908; whether the draft central rule for dock workers shall be applicable to the ports under the jurisdiction of State Govt. or the State has to frame separate rules? | The Central Government has prescribed the Rules under Section 23 and 24 of OSH & WC Code 2020 which are applicable to all ports / docks including other than major ports. Further, standards under Section-18 for dock work will also be prescribed by the Central Government. The code enables the state government to amend these standards with the prior approval of Central Government.<br><br>As per Section-2(1) (d)(i) & (ii), the state government is the appropriate government in case of minor ports. Hence, the State Government is empowered to frame rules under Section 133, wherever applicable |
| 210. | Measures or standards prescribed by the State Government.<br><br>Whereas Section 18 of the OSH & WC Code, 2020 prescribes that the Central Govt. shall declare | OSH Standards will be prescribed by the Central Government as per Section 18 applicable to factories. Further, the code enables the state government to amend these standards with the prior approval of Central |

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| | standards on occupational safety and health for workplaces relating to factory, whether the State Govt. has to prescribe measures or standards for health and safety under Section 86(1) of the OSH & WC Code, 2020? | Government.[Section 18(4)] |
| 211. | Are leave encashment provisions under the OSH & WC Code applicable only to workers, sales promotion employees, and working journalists, or to all employees? Leave-related provisions apply to managerial, supervisory, and corporate office staff? | Leave provisions apply to workers as per the OSH & WC Code, 2020 and only to those supervisors having wage not exceeding Rs 18,000/ per month. The definition of worker includes sales promotion employees and working journalists. |
| 212. | What is the maximum number of days of leave that can be carried forward to the succeeding year under the applicable Labour Codes and Rules? If Employer agrees to carry forward 120 days of Leave to next calendar year, whether he is allowed to do so? | A worker can carry forward up to 30 days of leave to the succeeding calendar year. Further, a worker who has applied for leave with wages and has not been granted, can carry forward the leave refused without any limit. |
| 213. | Under the Labour Codes, who is eligible for leave encashment—only workers or employee? Whether the Relationship Manager and Salesperson working independently (doesn't supervises anyone) and drawing wage of more than ₹18,000 are entitled for Leave Encashment? | Worker is entitled for leave encashment. The sales promotion employees are included in the definition of Worker under Section-2(1)(zzl) of OSH&WC Code, 2020. |
| 214. | At what stage does overtime become payable under the OSH&WC Code, when it exceeds 8 hrs of daily working hours or 48 hrs of weekly limit? If maximum working hours limit is prescribed as 12 Hours by the appropriate government, whether Overtime is applicable for Hours exceeding 8 Hours on a particular day? | The Code prescribes working hours as 8 hours per day. If, a worker works for more than eight hours in any day as daily wager, or for more than forty-eight hours in any week, as the case may be, a worker shall in respect of such overtime work be entitled to wages at the rate of twice the normal rate of wages and shall be paid at the end of each wage period. |
| 215. | Where the OSH&WC Code permits accumulation of leave up to 30 days, but a State law (e.g., Andhra | The provision of the OSH&WC, 2020 Code will prevail over the State Law for provisions which are inconsistent with |

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| | Pradesh) allows 60 days, which provision will prevail? | the Code. However, an employee is entitled to benefits under State Law if more favourable to him than those under the Code. |
| 216. | What is the maximum number of leave days that can be encashed under the applicable Labour Code(s)? | There is no prescribed maximum limit for leave encashment under the OSH&WC Code, 2020. Leave exceeding 30 days, if applied but not granted by the employer, can be encashed at the end of the calendar year. At the time of separation from service, the worker is entitled to encash the leave to his/ her credit. |
| 217. | Where the age threshold for annual health check-ups differs between Central Rules and State Rules, which provision will apply? | Central rules will be applicable on the establishments where Central Government is Appropriate Government and state rules will be applicable on the establishments where State Government is Appropriate Government. |
| 218. | Leave Encashment Classification<br>Please explicitly confirm whether leave encashment (both during service and at the time of separation) is covered under the definition of "wages" for the fifty per cent threshold calculation, Provident Fund contributions, and gratuity calculations. Please also clarify:<br>(i)The treatment for on-demand encashment of leave during service.<br>(ii)The treatment for encashment at separation. | The provision relating to annual leave with wages is provided under Section 32 of the OSH & WC Code, 2020. |
| 219. | Whether the statutory requirement for mandatory encashment of leave beyond thirty days affects wage calculations. | No. |
| 220. | Please clarify how employers should treat the encashment of leave balances that employees accumulated before 21 November 2025. Should these accumulated leaves be encashed based on the old salary definition or the new "wages" definition? Please provide | Leave encashment shall be governed as per the provisions of the codes with effect from 21.11.2025. |

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| | clear guidance to avoid disputes. | |
| 221. | Who is responsible for timely wage payment to contract labour - the principal employer or the contractor - and what is the principal employer's liability if the contractor defaults on wages or bonus? | The contractor is responsible for timely wage payment to contract labour. However, if wages are not paid by the contractor, it is the responsibility of the principal employer to pay wages to contract worker.<br><br>The principal employer will recover these amounts paid to the contract labour from any amount payable to the contractor, recovering it as a debt, or adjusting it against the contractor's security deposit.<br><br>For establishments in the central sphere, contractor has to make payment within 7 days from the last day of wage period. If contractor fails to make payment accordingly, it is obligation on the principal employer to pay the unpaid wages within 15 days to contract labour. |
| 222. | Clarify daily and weekly working hour limits | Working hours for establishments in the Central Sphere are prescribed in Occupational Safety, Health and Working Conditions (Central) Rules, 2026:<br>8 hours per day for daily wagers and 48 hours in a week for other than daily wager.<br>States/UTs prescribe working hours for establishments in their jurisdiction.<br><br>The establishments in the central sphere include the establishment of railways including metro railways, mines, oil field, major ports, air transport service or telecommunication service, banking company or any insurance company established by a Central Act or a corporation or other authority established by a Central Act or a Central public sector undertaking or subsidiary companies set up by the Central public sector undertakings or |

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| | | autonomous bodies owned or controlled by the Central Government.<br><br>The establishments in the State sphere include factory, motor transport undertaking, plantation, newspaper establishment and establishment relating to beedi and cigar including the establishments not falling in the sphere of Central Government.<br><br>[Section 2(1)(d) of the Occupational Safety, Health and Working Conditions Code, 2020 may be referred to] |
| 223. | Whether annual health check-ups are mandatory:<br>across all sectors<br>for specific age groups<br>for contract labour<br>List of tests – Central Codes vs State Rules<br>Age limits for testing | Occupational Safety, Health and Working Conditions Code, 2020 [Sec 6 (1)(c)] provides for mandatory annual health examination free of cost to the employees by the employer.<br><br>The class of establishment, class of employees, age, test etc. are to be prescribed by the appropriate governments in their respective spheres of jurisdictions. |
| 224. | The Occupational Safety, Health and Working Conditions Code restricts the engagement of contract labour for core business activities, subject to specified exceptions. Please provide:<br><br>Clear definitions and examples of what constitutes "core activities" for various industries. | The Core activity is clearly defined under Section 2(1)(p) of the Occupational Safety, Health and Working Conditions Code, 2020, :<br><br>“Core activity of an establishment” means any activity for which the establishment is set up and includes any activity which is essential or necessary to such activity: Provided that the following shall not be considered as essential or necessary activity, if the establishment is not set up for such activity, namely:—<br>(i) sanitation works, including sweeping, cleaning, dusting and collection and disposal of all kinds of waste;<br>(ii) watch and ward services including security services; |

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| | | (iii) canteen and catering services;<br>(iv) loading and unloading operations;<br>(v) running of hospitals, educational and training Institutions, guest houses, clubs and the like where they are in the nature of support services of an establishment;<br>(vi) courier services which are in nature of support services of an establishment;<br>(vii) civil and other constructional works, including maintenance;<br>(viii) gardening and maintenance of lawns and other like activities;<br>(ix) housekeeping and laundry services, and other like activities, where these are in nature of support services of an establishment;<br>(x) transport services including, ambulance services;<br>(xi) any activity of intermittent nature even if that constitutes a core activity of an establishment;<br><br>As mentioned in definition, activities for which the establishment has been set up and includes, which is essential or necessary to such activity, therefore, core activity would be establishment specific. |
| 225. | The specific exceptions under which contract labour can be engaged for core activities. | The Principle employer may engage contract labour through contractor in any core activity if:<br>(a) the normal functioning of the establishment is such that the activity is ordinarily done through contractor; or<br>(b) the activities are such that they do not require full time workers for the major portion of the working hours in a day or for longer periods, as the case may be;<br>(c) any sudden increase of volume of work in the core activity which needs to be accomplished in a specified time. |
| 226. | Please provide details on: Whether existing registrations and licenses will be automatically | Establishment already registered under any Central labour law before 21.11.2025 (date of coming into force |

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| | migrated or require fresh registration. | of the Code) are deemed to be registered under the Occupational Safety, Health and Working Conditions Code, 2020. In these cases, while further registration is not required, registration holder will provide the details of registration to registering officer as prescribed in rules. |
| 227. | The Codes permit women to work night shifts, subject to their consent and mandatory safety measures. Please provide detailed guidance on:<br><br>The specific safety measures that employers must provide.<br>Documentation and consent requirements.<br>Transport arrangements and security requirements. | Establishments are now allowed to employ women during night or before 6 a.m. and beyond 7 p.m. with safety measures have to be taken by the employer as prescribed by the appropriate government.<br><br>For establishments in central sphere, safeguards include written consent of women workers, compliance with maternity benefit provisions, safe transportation, adequate lighting, accessible welfare facilities, CCTV surveillance on routes to such facilities, display of emergency contact numbers, compliance with Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013, appropriate security arrangements. |
| 228. | Please clarify the implementation details for:<br>Safety committee requirements for establishments with 500 or more employees. | As per Occupational Safety, Health and Working Conditions (Central) Rules, 2026, every establishment, in central sphere, employing 500 or more workers is required to constitute a Safety Committee comprising equal number of representatives of the employer and the workers to promote cooperation on occupational safety, health, and welfare matters. |
| 229. | There have been views taken by some that since the Occupational Safety, Health and Working Conditions Code, 2020 ("OSH Code") subsumes the erstwhile Factories Act 1948 but not the state-specific shops and establishments statutes, leave and encashment provisions under the | As per section 120 of the Occupational Safety, Health and Working Conditions Code, 2020, if an employee is entitled for benefits more favourable to him under any other award or agreement or contract of service or otherwise, the employee shall continue to get such benefits. |

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| | OSH Code is intended to be applicable to factories only. At present, especially given the annual and excess leave encashment provisions in the OSH Code, clarity on this aspect is crucial for major employers. | |
| 230. | Please provide comprehensive guidance on: The precise wage components to be included in the 'OT Base Rate'. Specifically, does it include only Basic + Dearness Allowance + Retaining Allowance, or does it also include the proportionate value of other allowances that form part of 'Wages' due to the fifty per cent cap? | Section 27 of the Occupational Safety, Health and Working Conditions Code, 2020 provides that worker will be paid wages at the rate of twice the rate of wages in respect of overtime work.<br><br>Wage definition is given under section 2(1)(zzj) of the Occupational Safety, Health and Working Conditions Code, 2020.<br><br>It also includes payment under sub clause (a) to (i) of section 2(1)(zzj) of Occupational Safety, Health and Working Conditions Code, 2020 which exceeds 50 percent of all remunerations. |
| 231. | The revised maximum overtime limits (125 hours per quarter) and how this is to be managed. | As per Rule 69 of Occupational Safety, Health and Working Conditions (Central) Rules, 2026, maximum overtime limit is 144 hours per quarter for establishments in central sphere.<br><br>Establishments may decide on quarterly overtime of 144 hours while keeping in view, inter-alia, provisions of section 27 of the Code viz, period of overtime work is to be calculated on a daily basis or weekly basis, whichever is more favourable to such worker, and consent of worker.<br>States have to prescribe quarterly overtime hour's limit for the establishments in the State sphere. |
| 232. | The definition of plantation confines only to the land with crop of tea, coffee, rubber, cinchona or | The Plantation is defined under Section 2(1)(zx) of the Occupational Safety, Health and Working Conditions Code, |

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| | cardamom admeasuring an extent of 5 hectares or more, with no reference to the number of employees.<br><br>(i) The definition establishment (Section 2(1)(v)(ii) prescribes 10 or more workers as threshold for plantation to come under the purview of establishment.<br>(ii) The registration provisions states that every establishment should register under the Code.<br>(iii) On combining reading of the above it gives the impression that in case a plantation with 5 hectares is having only 9 workers, it will be considered as a plantation as per the definition. At the same time it will not come under the establishment for the purpose of registration since the workers strength fall below the threshold limit.<br>(iv) In such a case, what would be the implications under the provisions of the Code? | 2020. Further, registration is required by an establishment employing 10 or more workers. However, the provisions of Chapter -XI (Part VIII) of the Code (welfare, safety.) are applicable to every worker employed in the plantation. |
| 233. | Any leave accrued beyond the 30-day limit must be mandatorily encashed by the employer at the end of the calendar year The Clarity Needed: Does this happen automatically, or must the employee request it? Furthermore, if the employee refuses to take leave, can the employer "force" an encashment to keep the balance at 30, or does the leave simply lapse ? | Section 32 of the Occupational Safety, Health and Working Conditions Code, 2020, provides that worker is entitled for encashment of leave where his total number of leaves exceeds 30 days.<br><br>Worker has to demand for encashment of leave at the end of calendar year. |
| 234. | Are contract workers covered for welfare facilities? | Yes, the Contract workers are covered for welfare facilities. It is the responsibility of the principal employer under Section-53 to provide the welfare facilities prescribed under Section23 & 24 to the contract labours. |

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| 235. | "On-Demand" Encashment Rights For the first time, the law suggests that workers may have the right to encash leave at their option at the end of each year. The Clarity Needed: Does "at their option" mean an employer must provide a window for encashment every year? | Section 32 of the Occupational Safety, Health and Working Conditions Code, 2020, provides that worker is entitled for encashment of leave where his total number of leaves exceeds 30 days.<br><br>Worker has to demand for encashment of leave at the end of calendar year. |
| 236. | Who is excluded from the definition of “worker” - e.g., does a supervisor earning above ₹18,000/month with managerial responsibilities fall outside worker protections? | Worker is clearly defined under section 2 (1)(zzl) of the Occupational Safety, Health and Working Conditions Code, 2020, it means any person employed in any establishment to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and includes working journalists and sales promotion employees, but does not include any such person - who is employed mainly in a managerial or administrative capacity; or who is employed in a supervisory capacity drawing wage exceeding eighteen thousand rupees per month or an amount as may be notified by the Central Government from time to time.<br><br>Thus, a person in supervisory or managerial capacity drawing wages above Rs18,000/- pm would fall outside the category of workers, but would continue to be employee. |
| 237. | Is “establishment” defined at the level of the legal entity (e.g., a bank/company), or at each physical location/branch with 10 or more employees? | The Establishment is defined clearly under Section 2(v) of the OSH Code.<br>“establishment” means-<br>(i) a place where any industry, trade, business, manufacturing or occupation is carried on in which ten or more workers are employed; or<br>(ii) motor transport undertaking, newspaper establishment, audio-video production, building and other construction work or plantation, in which ten or more workers are |

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| | | employed; or<br>(iii) factory, for the purpose of Chapter II, in which ten or more workers are employed, notwithstanding the threshold of workers provided in clause (w); or<br>(iv) a mine or port or vicinity of port where dock work is carried out:<br>Provided that in sub-clauses (i) and (ii), the threshold of worker specified therein shall not be applicable in case of such establishment or class of establishments, in which such hazardous or life threatening activity is being carried on, as may be notified by the Central Government:<br>Provided further that notwithstanding any threshold provided in the definition of factory in clause (w), for the purposes of Chapter II, the establishment specified in sub-clause (i) or sub-clause (ii) or sub-clause (iii) shall be deemed to be the establishment within the meaning of this clause though the number of employees employed are ten or more."<br><br>Thus, establishment is location specific. |
| 238. | What is the definition of a "day" for establishments running 24/7 operations with shifts crossing midnight - how are wages and hours calculated? | The definition of "Day" is clearly defined under section 2(1)(q) Occupational Safety, Health and Working Conditions Code, 2020. "Day" means a period of twenty-four hours beginning at mid-night |
| 239. | Is a single registration required at the company level, or separate registration for each establishment/branch? | As clarified in response at Sr no. 21, registration is at each establishment level. |
| 240. | What is the process and timeline for registering a new establishment, and what changes must be intimated post-registration? | Establishments that have come into existence after 21.11.2025 have to register electronically, as per the provisions of Section 3 of the OSH&WC Code.<br>Appropriate Government will prescribe process, timeline, etc. in the Rules for registration of the establishment in their |

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<tr><td></td><td></td><td>respective sphere.<br><br>For establishment in the Central sphere, Rule 3 of Occupational Safety, Health and Working Conditions (Central) Rules, 2026, prescribes process and timelines for registration and amendments thereof.</td></tr>
<tr><td>241.</td><td>What is the timeline and mode (physical/digital) for reporting accidents and dangerous occurrences - is there a single central reporting authority/portal?</td><td>Section 10 of the Occupational Safety, Health and Working Conditions Code, 2020 requires giving notice of accidents causing death or bodily injury by employer to authorities prescribed by the appropriate government.<br><br>Similarly, section 11 of the OSH&WC Code, requires giving notice of dangerous occurrences whether causing bodily injury or disability or not by employer to authorities prescribed by the appropriate government.<br><br>For establishments under central sphere, as per Rule 7 of the Occupational Safety, Health and Working Conditions (Central) Rules, 2026, the employer is required to report on the occurring of accident or dangerous occurrences in the prescribed form [Form XI] in the following manner.<br><br>
<table>
<tr><th>Sl. No.</th><th>Condition</th><th>Who has to be informed</th><th>Time limit / Mode</th></tr>
<tr><td>1</td><td>Accident causes death of a person</td><td>Chief Inspector-cum-Facilitator (CIcF); Inspector-cum-Facilitator(s) (IcF); District Magistrate</td><td>Forthwith. Prescribed notice, electronically and by telephone, as applicable</td></tr>
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| | | | | (DM) / Sub-divisional Officer (SDO); Officer-in-charge of jurisdictional Police Station; Family members / kin of the victim | |
| | | 2 | Accident causing bodily injury preventing the person from working for 48 hours or more immediately following the accident | IcF | Within 12 hours after completion of 48 hours; electronically |
| | | 3 | Specified dangerous occurrence, whether causing any bodily injury or disability or not | (i) IcF; (ii) DM / SDO | Within 12 hours; intimation to be sent |
| 242. | Can Safety Committees be constituted virtually, or as site-clustered committees, for establishments with multiple smaller units? | The safety committee is required to be constituted by the establishment under section 22(1) of the Occupational Safety, Health and Working Conditions Code, 2020.<br><br>The safety committee is establishment specific. Safety committee cannot be constituted virtually or for cluster of | | | |

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| | | establishments. |
| 243. | When contract workers work at the principal employer's premises, which welfare facilities (toilets, drinking water, canteen, crèche) are the principal employer's responsibility versus the contractor's? | Welfare facilities specified under section 23 and section 24 shall be provided by the principal employer of the establishment to the contract labour who are employed in their establishment as per section 53 of the Occupational Safety, Health and Working Conditions Code, 2020.<br>Welfare facilities, as per applicable threshold, include washing facility, bathing place, sitting arrangements, canteen, first-aid, ambulance room, medical facility at halting places, rest-room, crèche. |
| 244. | Is there an indicative list of facilities the contractor must provide, distinct from the principal employer's obligations? | Welfare facilities specified under section 23 and section 24 shall be provided by the principal employer of the establishment to the contract labour who are employed in their establishment as per section 53 of the Occupational Safety, Health and Working Conditions Code, 2020.<br><br>The welfare facilities are to be provided as per Rule No. 49 to 63 of OSH & WC (Central) Rules 2026. These include washing facility, bathing place, sitting arrangements, canteen, first-aid, ambulance room, medical facility at halting places, rest-room, crèche. |
| 245. | (i)Are 12-hour shifts / compressed work-week models permissible under the OSH Code, and what safeguards (rest intervals, overtime caps, health monitoring) apply?<br>(ii)Is the 48-hour weekly cap calculated per week, or averaged over a longer reference period for continuous-process industries? | Working hours are prescribed in Occupational Safety, Health and Working Conditions (Central) Rules, 2026:<br>8 hours per day for daily wagers and 48 hours in a week for other than daily wager. |
| 246. | What is the current overtime limit per quarter, and how does it reconcile with lower limits still prescribed under some State rules? | As per Rule 69 of Occupational Safety, Health and Working Conditions (Central) Rules, 2026, maximum overtime limits is 144 hours per quarter for establishments in central sphere. |

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| | | Establishments may decide on quarterly overtime of 144 hours while keeping in view, inter-alia, provisions of section 27 of the Code viz, period of overtime work is to be calculated on a daily basis or weekly basis, whichever is more favourable to such worker, and consent of worker.<br>States have to prescribe quarterly overtime hour's limit for the establishments in the State sphere. |
| 247. | How should fractional overtime (e.g., 15-30 minutes) be rounded off- on a daily or weekly cumulative basis? | In calculating overtime on any day, a fraction of an hour between 15 to 30 minutes shall be counted as thirty minutes and in case of more than thirty minutes it shall be rounded and shall be counted as an hour on actual basis. |
| 248. | Is annual encashment of unused earned leave mandatory, or can it be governed by company policy (subject to the permitted carry-forward cap)?<br>2. How many days of earned leave can be carried forward, and is there a ceiling on accumulation? | As per Section 120 of the Occupational Safety, Health and Working Conditions Code, 2020, if an employee is entitled for benefits more favourable to him under any other award or agreement or contract of service or otherwise, the employee shall continue to get such benefits. |
| 249. | What is the process, authority, and timeline for an employer to seek a ruling on whether a specific activity is core or non-core? | As per Section 57 of the OSH&WC Code, the appropriate government will appoint a designated authority to advice the government on the question whether any activity of an establishment is a core activity or otherwise.<br><br>For establishments in the central sphere, the aggrieved party may make an application to the Central government, in form mentioned in notification dated 07.07.2026. The government will refer the matter to the designated authority appointed vide notification dated 13.05.2026.<br><br>Timeline for designated authority to make recommendation to the Central govt is 60 days from date reference from the central govt; and thereafter, |

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| | | Central govt. will decide within 30 days and inform parties.<br><br>Principles of Natural Justice will be followed in the process. |
| 250. | Pending such a ruling, can adverse action be taken against an employer currently engaging contract labour in a disputed activity? | No adverse action will be taken during the period of pendency of proceedings so that the operation of the activity is not affected. |
| 251. | What is the timeline for a contractor to intimate a new work order to the authorities, and what details must be included? | Section 50 of Occupational Safety, Health and Working Conditions Code, 2020 provides that when a contractor receives work order from an establishment, he shall intimate to the authority referred to in Section 119 of the code, within prescribed time and manner.<br><br>For establishments in the central sphere, every contractor within fifteen days of the receipt of a contract work order has to intimate to the designated authority appointed vide notification no. S.O. 2508(E) dated 13.05.2026, about the contract work order online through Shram Suvidha Portal.<br><br>Details include the name of the principal employer, address of the premises where work is being undertaken, date of commencement of the contract work, the number of contract labour employed under that work order, duration of work order. |
| 252. | For contract labour performing work similar to the principal employer's direct workers, must holidays, hours of work, and conditions of service be identical? | Section 48(4) of the Occupational Safety, Health and Working Conditions Code, 2020 provides that the licences issued for contractors shall contain responsibility of the contractor prescribed by the appropriate government.<br><br>For establishments in the central sphere, Rule 93 of the Occupational Safety, Health and Working Conditions (Central) Rules, 2026 requires where |

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| | | the contract labour employed by the contractor performs the same or similar kind of work as the worker directly employed by the principal employer of the establishment, the holidays, hours of work and other conditions of service of the contract labour of the contractor shall be the same as applicable to the workers directly employed by the principal employer of the establishment on the same or similar kind of work. |
| 253. | What is the range of penalties for OSH Code violations, and is there a graded approach for first-time versus repeat offences? | The penalties have been prescribed under Section 94 to 109 of the Occupational Safety, Health and Working Conditions Code, 2020 for different offences.<br>There is provision of compounding.<br>Broadly, penalty increases for repeated offences. |
| 254. | What is the process for an establishment to seek exemption from specific OSH Code provisions (e.g., during a sudden surge or fall in business), and how long does this typically take? | The power to exempt in special cases prescribed under section 58, in case of emergency, and section 127, in case of necessity to create more economic activity and employment opportunities of the Occupational Safety, Health and Working Conditions Code, 2020.<br>Such exemptions are situation specific, difficult to mention timelines. |
| 255. | Whether the earned leave eligibility threshold is revised from 240 to 180 days under the OSH Code. | Every worker employed in an establishment shall be entitled for leave with wages in a calendar year, provided that he has worked 180 days in such calendar year as per Section 32 of the Occupational Safety, Health and Working Conditions Code, 2020. |
| 256. | Applicability of OSH working-hour and leave provisions to white-collar and head office employees. | The provisions of working hours prescribed under section 25 of Occupational Safety, Health and Working Conditions Code, 2020.are applicable to workers as defined under section 2 (1)(zzl) of this Code. |
| 257. | Will the inspector under the Code facilitate only the employers? | No. The duties and powers of the inspector are retained, and he will enforce the provisions, simultaneously raising awareness among workers about their rights and guiding |

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| | | employers in compliance |
| 258. | Does compounding of offences allow employers to escape punishment? | No. Deterrent and enhanced penalties are provided under the Code on Wages. Employers are given the opportunity to rectify irregularities; however, compounding is limited to the first offence and a repeat of offence within a period of 5 years is punishable with imprisonment that may extend up to 3 months or fine or with both. This system reduces unnecessary litigation while ensuring that employers cannot evade their responsibilities. |
| 259. | Is only permanent employee covered under the Code? | No. The Code covers all employees, including full-time, part-time, temporary, casual and contractual workers. |
| 260. | Are inspections under the Rules routine and random? | No. The Rules emphasise risk-based inspections, corrective directions, and compliance notices with defined timelines before initiating penal action. |
| 261. | Are penalties imposed automatically for every non-compliance? | No. The Rules provide for notice, opportunity to comply, hearing, reasoned orders, and compounding of offences before prosecution. |
| 262. | Are appeals under the Rules time-bound? | Yes. The Rules prescribe clear limitation periods, standard appeal formats, and timelines for disposal. |
| 263. | Are exempted establishments free from regulatory oversight? | No. Exempted establishments must meet eligibility conditions, audit and reporting requirements, and exemptions may be cancelled upon structural changes. |
| 264. | Will replacing inspectors with inspector-cum-facilitators not weaken the enforcement? | No. The new system of inspection promotes transparent, technology-based inspections while maintaining accountability and facilitating employer ensuring better compliance. Code promotes compliance. Better compliance will ensure better protection to workers |
| 265. | Is it true that no protection provided to fixed-term employment workers in the code? | The Code covers all employees, including fixed-term employment workers and they will get all benefits like appointment letters, annual health |

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| | | check-ups etc. |
| 266. | What is the detailed procedure for an employer to voluntarily apply for the compounding of an offence and to which authority should such an application be submitted? | The accused may apply electronically on the designated MoLE portal in prescribed form to the Compounding Officer and deposit the compounding amount electronically within 15 days of receipt of notice from the Compounding Officer appointed by the appropriate government. The Composition officer will issue composition certificate within ten days of receipt of the composition amount. |
| 267. | Whether compounding is available for repeat offences within the specified three-year or five-year period? | No, under the Industrial Relations Code, 2020, Occupational Safety Health & Working Condition Code, and Code on Social Security, an offence committed for the second time or thereafter within three years from the date of penalty or offence, as the case maybe which was earlier compounded or for which such person was earlier convicted.<br><br>However, under the Code on Wages, 2019, an offence committed for the second time or thereafter within five years from the date of penalty or offence, as the case maybe which was earlier compounded or for which such person was earlier convicted, compounding shall not be applicable to such an offence committed by such person. |
| 268. | Must all records be maintained only at the workplace? | No. The Rules allow electronic maintenance of records or storage at a notified nearby location, provided they are accessible during inspection. |

*Disclaimer: These FAQs are for information purpose only, to enable public to have quick and easy access to information, and do not purport to be legal document. In case of any variance between what has been stated above and what is contained in the relevant Labour Code and Central Rules, the latter shall prevail.*

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