Ministry of Labour & Employment

Government Announces Implementation of Four Labour Codes to Simplify and Streamline Labour Laws

Four Labour Codes Herald Transformational Change: Better Wages, Safety, Social Security & Enhanced Welfare for India's Workforce

Codes lay the foundation for a protected, future-ready workforce and resilient industries, boosting employment and driving labour reforms for Aatmanirbhar Bharat

Code aligns India's labour ecosystem with global standards, ensuring social justice for all workers

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In a historic decision, the Government of India has announced the implementation of the four Labour Codes **- the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 with effect from 21st November 2025**, rationalising 29 existing labour laws. By modernising labour regulations, enhancing workers' welfare and aligning the labour ecosystem with the evolving world of work, this landmark move lays the foundation for a future-ready workforce and stronger, resilient industries driving labour reforms for **Aatmanirbhar Bharat.**

Many of India's labour laws were framed in the pre-Independence and early post-Independence era (1930s–1950s), at a time when the economy and world of work were fundamentally different. While most major economies have updated and consolidated their labour regulations in recent decades, India continued to operate under fragmented, complex and in several parts outdated provisions spread across 29 Central labour laws. These restrictive frameworks struggled to keep pace with changing economic realities and evolving forms of employment, creating uncertainty and increasing compliance burden for both workers and industry. The implementation of the four Labour Codes addresses this long-pending need to move beyond colonial-era structures and align with modern global trends. Together, these Codes empower both workers and enterprises, building a workforce that is protected, productive and aligned with the evolving world of work — paving the way for a more resilient, competitive and **self-reliant nation.**

A comparison of the labour ecosystem, before and after the implementation of the Labour Codes, is as follows:

	Pre Labour Reforms	**Post Labour Reforms**
Formalisation of Employment	No mandatory appointment letters	**Mandatory appointment letters** to all workers. Written proof will ensure transparency, job security, and fixed employment.
Social Security Coverage	Limited Social Security Coverage	Under Code on Social Security, 2020 all workers including **gig & platform workers** to get social security coverage. All workers will get PF, ESIC, insurance, and other social security benefits.
Minimum Wages	Minimum wages applied only to scheduled industries/employments; large sections of workers remained uncovered	Under the Code on Wages, 2019, all workers to receive a **statutory right minimum wage payment**. Minimum wages and timely payment will ensure financial security.
Preventive Healthcare	No legal requirement for employers to provide free annual health check-ups to workers	Employers must provide all workers above the age of **40 years with a free annual health check-up**. Promote timely preventive healthcare culture
Timely Wages	No mandatory compliance for employers payment of wages	**Mandatory** for employers to provide **timely wages,** ensuring financial stability, reducing work stress and boosting overall morale of the workers.

Women workforce participation	Women's employment in night shifts and certain occupations was restricted	**Women are permitted to work at night** and in **all types of work** across all establishments, subject to their consent and required safety measures. Women will get equal opportunities to earn higher incomes – in high paying job roles.
ESIC coverage	ESIC coverage was limited to notified areas and specific industries; establishments with fewer than 10 employees were generally excluded, and hazardous-process units did not have uniform mandatory ESIC coverage across India	**ESIC coverage and benefits are extended Pan-India** - voluntary for establishments with fewer than 10 employees, and mandatory for establishments with even one employee engaged in hazardous processes. Social protection coverage will be expanded to all workers.
Compliance Burden	Multiple registrations, licenses and returns across various labour laws.	**Single registration, PAN-India single license and single return**. Simplified processes and reduction in Compliance Burden.

Benefits of Labour Reforms Across Key Sectors:

1. Fixed-Term Employees (FTE):

- FTEs to receive **all benefits equal to permanent workers**, including leave, medical, and social security.
- **Gratuity eligibility after just one year**, instead of five.
- **Equal wages** as permanent staff, increasing income and protection.
- Promotes direct hiring and reduces excessive contractualisation.

2. Gig & Platform Workers:

- 'Gig work', 'Platform work', and 'Aggregators' **have been defined for the first time**.
- Aggregators must contribute **1–2% of the annual turnover,** capped at 5% of the amount paid/payable to gig and platform workers.
- Aadhaar-linked Universal Account Number will make welfare benefits easy to access, fully portable, and available across states, regardless of migration.

3. Contract Workers:

- **Fixed-term employees (FTE) will increase employability and ensure social security, legal protection like benefits equal to permanent employees.**
- Fixed-term employees will become eligible for gratuity after one year of continuous service.
- **Principal employer will provide health benefits and social security benefits to contract workers.**
- **Workers to get free annual health check-up.**

4. Women Workers:

- **Gender discrimination legally prohibited.**
- **Equal pay for equal work** ensured.
- Women are **permitted to work night shifts and in all types of work** (including underground mining and heavy machinery), **subject to their consent** and mandatory safety measures.
- Mandatory women's representation in grievance redressal committees
- Provision to add parents-in-law in Family Definition of Female employees, expanding dependent coverage and ensuring inclusivity.

5. Youth Workers:

- **Minimum wage is guaranteed for all workers.**
- All workers to get **appointment letters**, - promoting social security, employment history and formal employment.
- Worker exploitation by employers is prohibited—payment of wages during leave has been made mandatory.
- To ensure a decent standard of living, workers will receive wages as per the **floor wage** determined by the Central Government.

6. MSME Workers:

- All MSME workers covered under the **Social Security Code, 2020**, eligibility based on employee count.
- **Minimum wage guaranteed for all workers.**
- **Workers will have access to facilities such as canteens, drinking water, and rest areas.**
- **Provisions for standard working hours, double overtime wages, and paid leave.**
- Timely wage payment ensured.

7. Beedi & Cigar Workers:

- **Minimum wages** guaranteed for all.
- Working hours capped at **8 -12 hours per day, 48 hours per week has been capped**.
- Overtime Work beyond prescribed hours, to be consent based and pay at least double the normal wage rate.
- Timely payment of wages ensured.
- **Workers eligible for Bonus** after completing 30 days of work in a year.

8. Plantation Workers:

- **Plantation workers are now brought under the OSHWC Code and the Social Security Code.**

- Labour Codes apply to plantations with more than 10 workers or 5 or more hectares.
- **Mandatory safety training on handling, storing, and using chemicals.**
- **Protective equipment mandatory** to prevent accidents and chemical exposure.
- Workers and their families **to get full ESI medical facilities; Education facilities** for their children are also guaranteed.

9. Audio-Visual & Digital Media Workers:

- **Digital and audio-visual workers, including journalists in electronic media, dubbing artists, and stunt persons will now receive full benefits.**
- **Mandatory appointment letter for all workers -** clearly stating their designation, wages, and social security entitlements.
- **Timely payment of wages** ensured.
- **Overtime Work beyond prescribed hours, to be consent based and pay at least double the normal wage rate.**

10. Mine Workers:

- **The Social Security Code treats certain commuting accidents as employment-related, subject to conditions of time, and place of employment.**
- Central Government notified standards to **standardize workplace occupational safety and health conditions**.
- **Health safety for all workers will be ensured.** Free annual health check-up will be provided.
- **Limit on working hours** set to 8 to 12 hours per day, 48 hours per week to ensure health and work-life balance.

11. Hazardous Industry Workers:

- All workers will receive **free annual health check-ups**.
- **Central Government** will **frame national standards** for better safety of workers.
- **Women can work in all establishments**, including underground mining, heavy machinery, and hazardous jobs, ensuring equal job opportunities for all.
- Mandatory safety committee at each site for on-site safety monitoring, and safe handling of hazardous chemicals ensured.

12. Textile Workers:

- All **Migrant Workers** (direct, contractor-based and self-migrated) to get **Equal wages, welfare benefits** and PDS portability benefits.
- Workers can raise claims for upto 3 years for settlement of pending dues, facilitating flexible and easy resolution.
- Provision for **double wages for workers for overtime work**.

13. IT & ITES Workers:

- **Release of Salary mandatory by the 7th of every month**. Transparency and trust ensured.
- **Equal pay for equal work made mandatory,** women's participation is strengthened.
- Facility for **women to work night shifts** in all establishments – women to get **opportunity to earn higher wages.**

- **Timely resolution** of harassment, discrimination, and wage related disputes.
- Guarantee of **social security benefits through fixed-term employment and mandatory appointment letters.**

14. Dock Workers:

- All Dock workers to **get formal recognition, Legal Protection.**
- Mandatory appointment letters to guarantee social security benefits.
- **Provident fund, pension, and insurance benefits ensured for all,** whether contract or temporary dock workers.
- Employer-funded annual health check-ups **mandatory**.
- **Dock workers to get mandatory medical facilities, first aid, sanitary and washing areas, etc., to ensure decent work conditions and safety.**

15. Export Sector Workers:

- **Export sector fixed term workers to receive gratuity, provident fund (PF), and other social security benefits**.
- Every worker to have the option of availing **annual leaves after 180 days of work in a year.**
- Every worker to get right to **timely wage payment and no unauthorized wage deductions and no wage ceiling restrictions.**

● Women allowed to **work in night shifts** with consent, ensuring opportunity to earn higher income.

● **Safety and welfare measures** include mandatory written consent, double wages for overtime, safe transportation, CCTV surveillance, and security arrangements.

Beyond the major welfare initiatives already highlighted, the Labour Codes introduce several further reforms that strengthen worker protection and simplify compliance for employers:

- **National Floor Wage** to ensure no worker receives a wage below the minimum living standard.
- **Gender-neutral pay and job opportunities**, explicitly prohibiting discrimination—including against transgender persons.
- **Inspector-cum-Facilitator system**, shifting enforcement towards guidance, awareness and compliance support rather than punitive action.
- **Faster and predictable dispute resolution**, with two-member Industrial Tribunals and the option to approach tribunals directly after conciliation.
- **Single registration, single licence and single return** across safety and working-conditions requirements, replacing multiple overlapping filings.
- **National OSH Board** to set harmonised safety and health standards across sectors.
- **Mandatory safety committees in establishments with 500+ workers**, improving workplace accountability.
- **Higher factory applicability limits**, easing regulatory burden for small units while retaining full safeguards for workers.

In line with the wide-ranging consultations carried out during the drafting of the Labour Codes, the Government will likewise engage the public and stakeholders in the framing of the corresponding rules, regulations, schemes, etc. under the Codes. During transition, the relevant provisions of the

existing labour Acts and their respective rules, regulations, notifications, standards, schemes, etc. will continue to remain in force.

Over the past decade, India has expanded social-security coverage dramatically, rising from about 19% of the workforce in 2015 to more than 64% in 2025, ensuring that protection and dignity reach workers across the country, and also earning recognition in the global arena for this milestone achievement in social protection. The implementation of the four Labour Codes marks the next major step in this trajectory, further widening the social-security net and embedding portability of benefits across states and sectors. With expanded social security, stronger protections and nationwide portability of entitlements, the Codes place workers, especially women, youth, unorganised, gig and migrant workers, firmly at the centre of labour governance. By reducing compliance burden and enabling flexible, modern work arrangements, the Codes boost employment, skilling and industry growth, reaffirming the Government's commitment to a pro-worker, pro-women, pro-youth and pro-employment labour ecosystem.

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