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NEW INDIA LABOUR CODES

4 Labour Codes:
A Complete Practical Guide

Code on Wages · Industrial Relations Code · Social Security Code · OSHWC Code

What changed, what you owe, what happens if you miss It

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Wages **IR** **SS** **OSHWC**

Note: Rules under Budget 2029 / Final notifications are yet to be fully issued. Comply per notified rules.

📜 WHY 4 NEW LABOUR CODES? — The Big Picture

India had 29+ central labour laws — complex, overlapping, outdated. The govt consolidated them into 4 codes.

❌ 29 Old Laws (Fragmented)

- Factories Act 1948
- Minimum Wages Act 1948
- Payment of Wages Act 1936
- Equal Remuneration Act
- Trade Union Act 1926
- Industrial Disputes Act 1947
- Workmen Compensation Act
- EPF Act 1952
- ESI Act 1948
- Maternity Benefit Act
- Gratuity Act 1972
- Contract Labour Act 1970
- Mines Act
- Dock Workers Act
- Building & Other Construction Workers Act
- Inter-State Migrant Workmen Act

→

✅ 4 New Codes (Unified)

01 Code on Wages, 2019
Replaces 4 laws old laws

02 Industrial Relations Code, 2020
Replaces 3 laws old laws

03 Social Security Code, 2020
Replaces 9 laws old laws

04 OSHWC Code, 2020
Replaces 13 laws old laws

⚠ **Central govt passed all 4 codes. States must also notify rules.**

💰 CODE 1 — CODE ON WAGES, 2019

What it consolidates: Minimum Wages Act 1948 · Payment of Wages Act 1936 · Payment of Bonus Act 1965 · Equal Remuneration Act 1976

Universal Coverage

No threshold — applies to ALL establishments regardless of size. Even a vendor with 1 worker must pay minimum wages.

Floor Wage Concept

Central govt sets a floor wage. No state can set minimum wage below the floor. Creates a national minimum.

Equal Pay

No discrimination in wages on grounds of gender for same work. Penalty up to ₹50,000 for first offence.

New "Wages" Definition

Wages = Basic + DA + Retaining Allowance ONLY. HRA, OT, bonus, gratuity, PF contributions excluded. Big impact on PF & gratuity calculations.

💡 CRITICAL: NEW "WAGES" DEFINITION & ITS IMPACT ON YOUR PAYROLL

The Code on Wages defines "Wages" = Basic Pay + Dearness Allowance + Retaining Allowance. ALL other allowances must stay below 50% of total pay. If they exceed 50%, the excess is treated as wages.

❌ BEFORE — Typical Payroll Structure

Basic Pay	₹6,000	*(low intentionally)*
HRA	₹8,000	*(inflated allowance)*
Special Allowance	₹6,000	
Transport	₹3,000	
Medical	₹2,000	
CTC Total	**₹25,000**	
PF on Basic only	**₹720**	*(12% of ₹6,000 — low outgo!)*

✅ AFTER — Code-Compliant Structure

Basic Pay (≥50%)	₹12,500	*(must be 50%+ of CTC)*
HRA	₹5,000	
Special Allowance	₹4,500	
Transport	₹2,000	
Medical	₹1,000	
CTC Total	**₹25,000**	
PF on new Basic	**₹1,500**	*(12% of ₹12,500 — higher!)*

⚠ **Result: Same ₹25,000 CTC but PF contribution jumps from ₹720 → ₹1,500/month. Review all payroll structures NOW to avoid shock on audit.**

EPF — Employees' Provident Fund

Code on Social Security, 2020 (Chapter III)

CRITERION	BEFORE (Old EPF & MP Act, 1952)	AFTER (Code on Social Security, 2020)
Threshold Employees	20 or more employees (Establishments with < 20 can be covered via Govt. notification)	20 or more employees (Same threshold retained; Govt. retains power to extend)
Voluntary Coverage	Allowed: Employers with < 20 employees could opt-in voluntarily or via notification	Retained: Voluntary coverage provisions continue under § 1(4)-equivalent clause
Wage Ceiling for Contribution	₹ 15,000 per month (basic + DA) Above ceiling = optional	Ceiling to be notified by Central Govt. (Expected: increase from ₹ 15,000 — not yet notified)
Employee Contribution	12% of basic wages	12% of wages (broader 'wages' definition) Includes basic + DA + retaining allowance
Employer Contribution	12% of basic wages (8.33% → EPS, 3.67% → EPF)	12% of wages Split between EPF & EPS as notified
Definition of 'Wages'	Basic + DA + retaining allowance (Excludes HRA, OT, etc.)	Uniform 'wages' definition: ≥50% of total remuneration must be wages for PF purposes

ESIC — Employees' State Insurance Corporation

Code on Social Security, 2020 (Chapter IV)

CRITERION	BEFORE (ESI Act, 1948)	AFTER (Code on Social Security, 2020)
Threshold — Factories	10 or more employees (using power)	10 or more employees (Retained)
Threshold — Other Establishments	20 or more employees (or lower as notified)	20 or more employees (Central/State Govt. can reduce threshold — same power retained)
Voluntary Coverage	Allowed: Employer with fewer employees could opt for ESI voluntarily	Retained: Voluntary coverage for establishments below threshold continues
Wage Ceiling	₹ 21,000/month (₹ 25,000 for persons with disability)	Ceiling notified by Central Govt. (Currently ₹ 21,000 continues; revision expected)
Employee Contribution	0.75% of wages	0.75% of wages (No change in rate)
Employer Contribution	3.25% of wages	3.25% of wages (No change in rate)

Gratuity — Payment of Gratuity

Code on Social Security, 2020 (Chapter V)

CRITERION	BEFORE (Payment of Gratuity Act, 1972)	AFTER (Code on Social Security, 2020)
Applicability Threshold	10 or more employees (once covered, continues even if < 10)	10 or more employees (Same; Govt. may extend to any class)
Voluntary Coverage	Not explicitly provided (Govt. can notify applicability)	Govt. can extend coverage to any establishment by notification
Minimum Service Period	5 continuous years of service (4 yrs 240 days for surface workers)	5 years for regular employees Fixed-term employees: proportionate gratuity (no 5-yr condition)
Fixed-Term Employees	No specific provision; 5-yr rule applied	KEY CHANGE: Gratuity payable on expiry of contract, even if < 5 years
Calculation Formula	15 days' wages × completed years ÷ 26 (last drawn wages)	Same formula retained (15/26 × last wages × years)
Ceiling on Amount	₹ 20 lakhs (Govt. can enhance by notification)	Ceiling to be notified by Govt. (Expected: Revision upward from ₹ 20 lakhs)

💰 CODE 1 — CODE ON WAGES, 2019

Employees' State Insurance Corporation

Contribution History O[redacted]r Jan2026

Total IP Contribution	Total Employer Contribution	Total Contribution	Total Government Contribution	Total Monthly Wages
4,102.00	17,684.00	21,786.00	0.00	544,117.00

SNo.	Is Disable	IP Number	IP Name	No. Of Days	Total Wages	IP Contribution	Reason
1	-	[redacted]	[redacted]	21	11339.00	86.00	-
2	-	[redacted]	[redacted]	16	11146.00	84.00	-
3	-	[redacted]	[redacted]	23	13049.00	98.00	-
4	-	[redacted]	[redacted]	11	5929.00	45.00	-
5	-	[redacted]	[redacted]	12	6468.00	49.00	-
6	-	[redacted]	[redacted]	22	15707.00	118.00	-
7	-	[redacted]	[redacted]	16	9162.00	69.00	-
8	-	[redacted]	[redacted]	26	17702.00	133.00	-
9	-	[redacted]	[redacted]	17	9355.00	71.00	-
10	-	[redacted]	[redacted]	20	10843.00	82.00	-

💰 CODE 1 — CODE ON WAGES, 2019

ESIC
Employees' State Insurance Corporation

Insurance

0

Monthly Contribution > Online Challan Form

Transaction Details * Required Fields

Transaction status:	Transaction Success
Employer's Code No:	59001594480001002
Employer's Name:	[redacted]
Challan Period:	Jan-2026
Challan Number :	05926107737304
Challan Created Date	14-02-2026 12:14:58
Challan Submitted Date	14-02-2026 16:04:01
Amount Paid:	21786.00
Transaction Number:	2059271870

Print Close

CODE 1 — CODE ON WAGES, 2019

EMPLOYEE'S PROVIDENT FUND ORGANISATION

RETURN STATEMENT (Revised Return) : Jan 2026

Name of Establishment	[redacted]		
Establishment Id	[redacted]	LIN	1182164599
Contribution Rate (%)	12	Return File Id	260208562693
Uploaded Date Time	14-FEB-2026 12:38	Total Members	45
Exemption Status	Unexempted		
Remarks	Ok		

Contribution and Remittance Details (In Rupees) :

Total EPF Contribution	58362	Total EPS Contribution	40108
Total EPF-EPS Contribution	18253	Total Refund of Advances	0

Member Details :-

Sl. No.	UAN	Name as per		Wages				Contribution Remitted				NCP Days
		Return	[redacted]	Gross	EPF	EPS	EDLI	EE	EPS	ER	Refunds	
1	102125751570	[redacted]	[redacted]	11339	10587	10587	10587	1270	882	388	0	5
2	101117552787	[redacted]	[redacted]	11146	10350	10350	10350	1242	862	380	0	10
3	101987724619	[redacted]	[redacted]	13049	12177	12177	12177	1461	1014	447	0	3
4	102198885781	[redacted]	[redacted]	5929	5505	5505	5505	661	459	202	0	15
5	102251571730	[redacted]	[redacted]	6468	6006	6006	6006	721	500	221	0	14
6	101121810643	[redacted]	[redacted]	15707	14586	14586	14586	1750	1215	535	0	4
7	101675535027	[redacted]	[redacted]	9162	8508	8508	8508	1021	709	312	0	10
8	101097450683	[redacted]	[redacted]	17702	15000	15000	15000	1800	1250	550	0	0
9	102199597685	[redacted]	[redacted]	9355	8746	8746	8746	1050	729	321	0	9
10	101659755818	[redacted]	[redacted]	10843	10127	10127	10127	1215	844	371	0	6
11	102198895532	[redacted]		8624	8008	8008	8008	961	667	294	0	10
12	101691874824	[redacted]	[redacted]	10490	9741	9741	9741	1169	811	358	0	10

💰 CODE 1 — CODE ON WAGES, 2019

कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organization
भविष्य निधि भवन, १४, भीकाजी कामा प्लेस, नई दिल्ली - ११००६६
Bhavishya Nidhi Bhawan, 14, Bhikaji Cama Place, New Delhi - 110066

Generated On 14/02/2026 16:05:15

Payment Confirmation Receipt

TRRN :	2602160101307
Challan Status :	Payment Confirmed
Challan Generated On :	14-FEB-2026 12:42:37
Establishment ID :	CGRAI1[redacted]
Establishment Name :	[redacted]
Challan Type :	Monthly Contribution
Wage Month :	JAN-2026
Total Amount (Rs) :	1,26,591
Account-1 Amount (Rs) :	79,751
Account-2 Amount (Rs) :	2,532
Account-10 Amount (Rs) :	41,776
Account-21 Amount (Rs) :	2,532
Account-22 Amount (Rs) :	0
Payment Confirmation Bank :	ICICI Bank
CRN :	229140226013137

💰 CODE 1 — CODE ON WAGES, 2019

PROVISIONAL CHALLAN FOR WAGE MONTH : JAN 2026

EMPLOYEES' PROVIDENT FUND ORGANISATION

TRRN : 2602160101307

Generated On : 14-Feb-2026 14:24:04

Establishment Code & Name : [redacted] N[redacted]

Establishment Address : [redacted]

Total Subscribers : 47

SL.	PARTICULARS	A/C.01 (Rs.)	A/C.02 (Rs.)	A/C.10 (Rs.)	A/C.21 (Rs.)	A/C.22 (Rs.)	TOTAL
1	Employee's Share Of Contribution	60764	NA	NA	NA	NA	60764
2	Employer's Share Of Contribution	18987	NA	41776	2532	NA	63295
3	Admin/ Insp. Charges	NA	2532	NA	NA	0	2532
4	7Q	0	0	0	0	0	0
5	14B	0	0	0	0	0	0
Grand Total :							126591

The 7Q/14B charges, as of 14-FEB-2026, are subject to change based on the payment date.

Note :

1) Account 2, Account 21,Account 22 charges are subject to change based on balance amount for the respective wage month.

2) This should not be considered as payment confirmation receipt.

Key thresholds and voluntary coverage provisions — Before vs After

EPF	ESIC	Gratuity
BEFORE	**BEFORE**	**BEFORE**
20 employees Voluntary: ✓ Yes Wage ceil: ₹15,000/mo	10 (factories) 20 (others) Voluntary: ✓ Yes Wage ceil: ₹21,000/mo	10 employees 5 yrs service Ceiling: ₹20 lakhs
AFTER (New Code)	**AFTER (New Code)**	**AFTER (New Code)**
20 employees (same) Voluntary: ✓ Retained Wage ceil: To be notified	10 (factories) — same 20 (others) — same Voluntary: ✓ Retained Wage ceil: To be notified	10 employees (same) Fixed-term: No 5-yr rule ★ Ceiling: To be notified

★ Key Change: Fixed-term employees eligible for proportionate gratuity without 5-year service condition

Key Changes & Implementation Status

MAJOR CHANGE	Fixed-term employees now entitled to proportionate gratuity without completing 5 years of service (Code on Social Security, 2020 — § 53)
NEW DEFINITION	'Wages' definition unified across all codes — at least 50% of total remuneration must constitute wages. Allowances capped at 50%, impacting PF computation.
THRESHOLD	EPF: 20 employees — unchanged. ESIC: 10 (factories) / 20 (others) — unchanged. Gratuity: 10 employees — unchanged.
VOLUNTARY	Voluntary coverage provisions retained under all three schemes. Employers below threshold can opt-in, or Govt. can extend coverage by notification.
CEILINGS	Wage/contribution ceilings (EPF: ₹15,000 | ESIC: ₹21,000 | Gratuity: ₹20L) to be re-notified by Govt. Increase expected but not yet effective.
STATUS	All 4 Codes are notified. Enforcement pending: most states have not yet published final rules. Current laws (EPF Act, ESI Act, Gratuity Act) remain in force.

CODE 2 — INDUSTRIAL RELATIONS (IR) CODE, 2020

Consolidates: Trade Unions Act 1926 · Industrial Employment (Standing Orders) Act 1946 · Industrial Disputes Act 1947

Fixed Term Employment (FTE)

New! Employers can hire workers on fixed-term contracts with all statutory benefits — PF, gratuity, ESI — on pro-rata basis. No minimum term required.

Standing Orders Threshold

Only establishments with 300+ workers need formal Standing Orders (was 100). Most small vendors are now exempt — but still must follow basic HR rules.

Strike & Lock-out Rule s

60 days notice required before strike in any establishment (was only for utilities). Workers in "essential services" need government permission.

Retrenchment/Closure

Establishments with up to 300 workers can retrench/close WITHOUT govt permission (threshold raised from 100). Large NTPC contractors still need permission.

Negotiating Union

Single recognized negotiating union concept. If no majority union, a negotiating council of all unions is formed. Simplifies wage negotiations.

Dispute Resolution

Industrial Tribunal replaces multiple bodies. Faster time-bound resolution (2 years target). Conciliation mandatory before adjudication.

🤝 IR CODE — FIXED TERM EMPLOYMENT (FTE): Game Changer for Vendors

FTE allows NTPC vendors to legally hire contract workers for specific periods with full statutory benefits — without converting them to permanent rolls.

✅ What vendor CAN do

- Hire on 3-month, 6-month, 1-year or any fixed contract
- Renew FTE any number of times
- No separation pay if contract ends on due date
- Can terminate early with notice as per contract

⚠️ What vendor MUST give FTE workers

- Same wages as permanent workers doing same work
- PF contribution (pro-rata based on service)
- ESIC coverage (if within wage limit)
- Gratuity (pro-rata after 1 year — NEW rule for FTE)
- Leave & other statutory benefits on pro-rata basis

🤝 IR CODE — BEFORE vs AFTER

	BEFORE	AFTER (IR Code 2020)
Contract workers	No fixed-term employment concept; used as loophole for permanent jobs	FTE formally recognized; benefits mandatory on pro-rata basis
Standing Orders	100+ workers mandatory; detailed approval process	300+ workers only; most small vendors exempt
Retrenchment permission	100+ workers needed govt nod to retrench/close	Raised to 300 workers; easier for mid-size vendors to restructure
Strike notice	14 days notice only in public utility services	60 days notice for ALL industries before any strike/go-slow
Gratuity for FTE	FTE workers had no gratuity entitlement (common exploitation)	FTE workers get pro-rata gratuity after 1 year of continuous service
Dispute bodies	Labour Court, Industrial Tribunal, National Tribunal (separate)	Single Industrial Tribunal; faster 2-year target resolution

CODE 3 — SOCIAL SECURITY (SS) CODE, 2020

Consolidates 9 laws including: EPF Act · ESI Act · Gratuity Act · Maternity Benefit Act · Employees Compensation Act · BOCW Act · Building Workers Welfare Cess Act · Unorganised Workers SS Act · CMPF Act

PF Coverage Extended

Gig workers, platform workers (Swiggy, Uber etc.) & unorganised workers also covered. Threshold may be lowered — all NTPC vendor workers likely covered.

New ESIC Wage Limit

Proposed hike to ₹25,000/month. More workers covered. Vendor payroll costs increase proportionally. Budget 2029 — notification awaited.

Gratuity for FTE Workers

Fixed-term employees eligible for gratuity on pro-rata basis after 1 year of continuous service. No more 5-year rule for FTE.

Social Security for Gig Workers

New national social security fund for gig/platform workers. Contributions from aggregators. Affects vendors using tech platforms.

Maternity Benefit Enhanced

26 weeks paid maternity leave retained. Creche mandatory for 50+ worker establishments. Work from home option for nursing mothers.

Employees Compensation

Employer liable for injury, occupational disease, death during employment. Covers contract workers on NTPC sites. Mandatory insurance advised.

SS CODE — PROVIDENT FUND: All the Numbers You Need

₹15,000

Basic wage limit
for mandatory PF

12% + 12%

Employee + Employer
contribution rate

15th

of every month
filing & payment deadline

How Employer 12% is Split:

Component	Rate	Purpose
Employee contribution (EPF)	12% of basic	Retirement corpus — employee owns this
Employer → EPF account	3.67% of basic	Added to employee retirement corpus
Employer → EPS (Pension)	8.33% of basic (max ₹1,250/mo)	Employee Pension Scheme — draws pension at 58
Employer → EDLI (Insurance)	0.5% of basic (max ₹75/mo)	Life insurance cover up to ₹7 lakhs on death
Employer → Admin charges	0.5% of basic (min ₹75/mo)	EPF administration & inspection charges

💡 **Total employer outgo per worker = Basic wage × ~13% (12% PF contribution + ~1% admin/EDLI)**

SS CODE — ESIC: Rates, Limits & Benefits

₹21,000 Current gross wage limit for ESIC	**3.25% + 0.75%** Employer + Employee contribution	**₹25,000** Proposed new limit (Budget 2029 — awaited)

Benefits ESIC Provides to Your Workers:

🏥 Medical Benefit
Free full medical care for worker + entire family at ESIC hospitals & dispensaries. No cap on cost.

🤒 Sickness Benefit
70% of daily wages for up to 91 days/year during certified illness. Extended for TB, cancer, mental illness.

🤱 Maternity Benefit
100% wages for 26 weeks. Miscarriage: 6 weeks. Adoption: 12 weeks. No deduction.

⚠️ Disablement Benefit
Temporary: 90% of wages. Permanent: monthly pension based on loss of earning capacity.

👨‍👩‍👧 Dependants' Benefit
Monthly pension to dependants if worker dies due to employment injury/disease.

💀 Funeral Expenses
₹15,000 lump sum to whoever performs last rites of insured worker.

SS CODE — GRATUITY: New Rules Under the Code

Key change: Fixed Term Employees now get GRATUITY on PRO-RATA basis after completing 1 YEAR (not 5 years). This is the biggest gratuity change for vendors using contract labour.

Regular Employees (still 5 years)

Formula:

Last Basic Salary × 15/26 × No. of Years of Service

Example:

Basic = ₹20,000 · 7 years
Gratuity = 20,000 × 15/26 × 7 = ₹80,769

Fixed Term Employees (NEW — 1 year rule)

Formula:

Last Basic Salary × 15/26 × Pro-rata years of service

Example:

Basic = ₹20,000 · 18 months (1.5 years)
Gratuity = 20,000 × 15/26 × 1.5 = ₹17,307

Parameter	Current Rule	Under SS Code
Minimum service	5 years (regular workers)	1 year for FTE; 5 years for regular
Calculation basis	Last drawn basic + DA	Last drawn wages (as per Code definition)
Maximum tax-free	₹10 lakhs (old)	₹20 lakhs (enhanced)
Payment deadline	30 days from date of separation	30 days — same, but penalties stricter

SOCIAL SECURITY CODE — BEFORE vs AFTER

	BEFORE	AFTER (SS Code 2020)
Gratuity eligibility	5 years continuous service mandatory for ALL workers	FTE workers: 1 year; Regular: still 5 years
Gig/platform workers	No social security coverage; exploited legally	Covered under new SS fund; aggregators must contribute
ESIC wage limit	₹21,000/month gross wage	Proposed ₹25,000/month (Budget 2029 — awaited)
PF for contract staff	Threshold of 20 workers for registration	Universal — all establishments; gig workers included
Maternity benefit	26 weeks; no work-from-home provision	26 weeks + WFH option for nursing mothers; creche for 50+ workers
Employee Compensation	Separate Act, limited enforcement for contract workers	Integrated; NTPC vendors must insure ALL site workers
Multiple compliances	Separate registrations, returns for each Act	Unified portal, single registration target (Shram Suvidha)

⛑️ CODE 4 — OCCUPATIONAL SAFETY, HEALTH & WORKING CONDITIONS (OSHWC) CODE, 2020

Consolidates 13 laws: Factories Act · Mines Act · Dock Workers Act · BOCW Act · Contract Labour Act · Inter-State Migrant Workmen Act · Plantations Labour Act · Working Journalists Act · Motor Transport Workers Act · Sales Promotion Employees Act · Beedi Workers Act · Cinema Workers Act · Building Workers (RE) Act

Contract Labour Regulation

Principal employer (NTPC) must ensure vendors follow all OSHWC rules. Contractor license required for 50+ workers. Register at each project site.

Working Hours

Max 8 hrs/day, 48 hrs/week. OT limited to 2 hrs/day. Max 5 hrs without break. Spread over not more than 10.5 hrs.

Safety Standards

Mandatory safety officer for 250+ workers at construction sites. First aid, fire safety, PPE mandatory. Written safety policy required.

Inter-State Migrant Workers

Every vendor deploying migrant workers must register them. Provide journey allowance, displacement allowance, suitable accommodation.

Annual Leave with Wages

1 day leave for every 20 days worked (was 1 in 20 for factories). Carry forward up to 30 days max. Encash on separation.

Welfare Facilities

Canteen for 100+ workers, crèche for 50+ women workers, first aid box, drinking water, toilets — all mandatory.

OSHWC CODE — CONTRACT LABOUR RULES FOR NTPC VENDORS

Under OSHWC Code, the Contract Labour Act 1970 is absorbed. Key rules continue — some thresholds revised.

VENDOR (Contractor) Must:

1. Obtain Contractor License from Labour Dept (if 50+ workers)
2. Issue appointment letters to every worker on day 1
3. Maintain Register of Contractors (Form XIII)
4. Display notices — working hours, wage rates, holidays
5. Provide rest room, first aid, drinking water at worksite
6. Ensure equal pay for same work as direct employees
7. Submit monthly returns to Labour Dept
8. Deposit PF & ESIC on time; share compliance proof with NTPC
9. Provide accident reports within 24 hours
10. Register inter-state migrant workers before deployment

NTPC (Principal Employer) Must:

1. Register as Principal Employer with Labour Dept
2. Maintain Register of Contractors working at site
3. Ensure only licensed contractors engaged
4. Monitor vendor compliance — get monthly certificates
5. If vendor fails: NTPC must pay wages & recover from vendor
6. Provide amenities if vendor fails (and deduct from vendor bill)
7. Joint liability for ESI/PF defaults of vendor
8. Maintain Form V (Certificate for Contractor)
9. Submit Annual Return (Form XXV)
10. Keep inspection registers available at all times

OSHWC CODE — WORKING HOURS, OT & LEAVE RULES

Daily Hours

Maximum 8 hours of work per day. No worker to be kept at work for more than 10.5 hours including overtime.

Weekly Hours

Maximum 48 hours per week. 1 weekly rest day mandatory (usually Sunday). Work on rest day = double wages.

Overtime (OT)

Max 2 hours OT per day. OT wage = 2× normal wage rate. Total OT in a quarter: not to exceed 125 hours.

Rest Intervals

No worker to work more than 5 continuous hours without a 30-minute break. Spread of hours not to exceed 10.5 hrs.

Annual Leave & National/Festival Holidays:

Leave Type	Entitlement	Carry Forward / Encashment
Annual / Earned Leave	1 day for every 20 days worked (adult worker)	Max 30 days carry forward; encash on separation
Sick Leave	As per state rules / standing orders — min 5 days	Not usually encashable
National Holidays	3 national holidays (Republic Day, Independence Day, Gandhi Jayanti)	Compulsory paid holiday; work = double wages + compensatory off
Festival Holidays	Notified by state govt; vary by region	Check state-specific notification for NTPC project location
	26 weeks (ESI covered: under ESI; non-ESI:	

OSHWC CODE — BEFORE vs AFTER

	BEFORE	AFTER (OSHWC Code)
Contract Labour threshold	20+ workers needed contractor license (Contract Labour Act)	50+ workers for mandatory contractor license
Migrant worker protection	Inter-State Migrant Workmen Act — weak enforcement	Mandatory registration; journey allowance, displacement allowance legally enforceable
Safety Officer	Required only in factories with 1000+ workers	250+ workers at construction sites; more sites now covered
Annual leave accrual	1 day per 20 days (factories); varied for other sectors	Uniform 1 day per 20 days for all covered establishments
Welfare facilities	Factories Act only; contract sites often exempt	NTPC project sites must provide canteen (100+), crèche (50+), first aid
Inspection regime	Multiple inspectors under different Acts; duplication	Single unified inspector; risk-based random inspection
Penalties	Fines of ₹100–₹2,000 (too low to deter)	₹2 lakh for first offence; ₹3 lakh + jail for repeat violations

COMPLIANCE CALENDAR — ALL FILING DEADLINES AT A GLANCE

Compliance	Due Date	Applicable Under	Penalty for Late Filing
PF Monthly ECR filing & payment	15th of every month	SS Code / EPF Act	12% p.a. interest + ₹5,000 penalty
ESIC contribution payment	15th of every month	SS Code / ESI Act	12% p.a. interest; prosecution u/s 85
ESIC Half-Yearly Return (Apr–Sep)	11th November	SS Code / ESI Act	₹5,000 fine per return
ESIC Half-Yearly Return (Oct–Mar)	11th May	SS Code / ESI Act	₹5,000 fine per return
Annual PF Return (Form 3A/6A)	30th April	SS Code / EPF Act	₹500/day delay in some states
Annual Bonus payment	Within 8 months of FY end (Nov 30)	Code on Wages	₹20,000 + recovery of due bonus
Gratuity payment on separation	Within 30 days of separation	SS Code / Gratuity Act	10% simple interest per year of delay
Contract Labour Return (Annual)	Within 30 days of year end (Jan 30)	OSHWC Code	₹50,000 + prosecution
Accident Report to ESIC/Labour Dept	Within 24 hours of accident	OSHWC Code / ESI Act	₹1 lakh + criminal liability
Inter-State Migrant Worker Registration	Before deployment	OSHWC Code	₹1 lakh fine; cancellation of license
Minimum Wages revision compliance	Immediately when state	Code on Wages	₹50,000 (1st); ₹1L + 3 months jail

⚠ PENALTY MATRIX — WHAT IT COSTS TO NON-COMPLY

The new codes significantly increased penalties. Ignorance is NOT a defence. Here is what vendors risk:

Violation	Code	1st Offence	Repeat Offence
Not paying minimum wages	Wages Code	₹50,000	₹1,00,000 + 3 months imprisonment
Late/non-payment of wages	Wages Code	₹20,000	₹40,000 + interest on arrears
Gender discrimination in wages	Wages Code	₹50,000	₹1,00,000
Non-payment of bonus	Wages Code	₹20,000	₹40,000 + recovery
PF contribution default	SS Code	12% p.a. + ₹5,000	Prosecution; up to 3 years jail
ESIC default	SS Code	12% p.a. interest	₹25,000 + prosecution u/s 85
Gratuity non-payment	SS Code	10% interest p.a.	6 months to 2 years jail
No contractor license	OSHWC Code	₹50,000	₹1,00,000 + jail
Safety violation causing death	OSHWC Code	₹2,00,000	₹3,00,000 + 2 years jail
No standing orders (if applicable)	IR Code	₹50,000	₹1,00,000
Illegal strike by workers	IR Code	Discharge of concerned workers legally possible	Prosecution

✅ MASTER COMPLIANCE CHECKLIST

Wages Code

- ☐ Register with Labour Dept as employer
- ☐ Pay wages on time (by 7th of next month for monthly staff)
- ☐ Pay minimum wages as per state schedule
- ☐ Maintain wage register, OT register, advance register
- ☐ Display wage notice in local language at worksite
- ☐ Pay annual bonus (min 8.33%) by 30 November each year

IR Code

- ☐ Issue written appointment letter (or FTE contract) to every worker on joining
- ☐ Clearly specify designation, wages, working hours in contract
- ☐ For FTE: ensure PF, ESIC, gratuity (pro-rata after 1 year) is provided
- ☐ Maintain proper service records & termination records
- ☐ Give 60 days notice before any plant-level action that may affect employment
- ☐ Do not engage in unfair labour practices

SS Code

- ☐ Register under EPFO & ESIC immediately on deployment
- ☐ Deposit PF contribution (12%+12%) by 15th every month
- ☐ File ECR on EPFO portal by 15th; share compliance report with NTPC
- ☐ Deposit ESIC (3.25%+0.75%) by 15th; file half-yearly returns
- ☐ Pay gratuity within 30 days of separation
- ☐ Register all inter-state migrant workers under SS Code
- ☐ Take Employees Compensation insurance for all site workers

OSHWC Code

- ☐ Obtain Contractor License from Labour Dept (50+ workers)
- ☐ Ensure work hours: max 8 hrs/day, 48 hrs/week, 2 hrs OT max
- ☐ Provide first aid box, drinking water, toilets at worksite
- ☐ Report accidents within 24 hours to ESIC/Labour Dept
- ☐ Ensure PPE provided; display safety notices
- ☐ Register all inter-state migrants before they start work
- ☐ Submit annual labour return within 30 days of year end

BUDGET 2029 PROPOSALS

What Is Coming — And What Is Not Yet Official

⚠ ALL items below are PROPOSALS. Rules are NOT YET OFFICIALLY NOTIFIED. Continue compliance as per current notified rules.

1	SS Code	**ESIC wage ceiling: ₹21,000 → ₹25,000/month** Impact: More workers covered; vendor ESI contributions increase proportionally.	Proposed
2	SS Code	**PF wage ceiling: ₹15,000 → To be revised upward** Impact: Higher mandatory PF for more workers; significant payroll cost impact.	Under discussion
3	Wages Code	**National floor wage to be enhanced** Impact: All state minimum wages to be revised upward once floor is enhanced.	Proposed
4	OSHWC	**Unified digital compliance portal — Shram Suvidha 2.0** Impact: Single window for PF, ESIC, labour returns, contractor license.	In development
5	IR Code	**Retrenchment threshold review (300 → possibly 500)** Impact: Larger vendors get more flexibility in workforce restructuring.	Under discussion
6	SS Code	**Gig worker social security fund contributions notified** Impact: Tech-platform vendors to contribute to national gig worker SS fund.	Proposed

📊 ALL 4 CODES — MASTER QUICK REFERENCE

Parameter	Code on Wages	IR Code	SS Code	OSHWC Code
Year passed	2019	2020	2020	2020
Laws consolidated	4	3	9	13
Establishment threshold	ALL — no minimum	300+ for Standing Orders	20+ for PF; 10+ for ESIC	50+ for contractor license
Key wage / salary limit	Minimum wages (floor concept)	Equal pay for same work	PF: ₹15,000 basic; ESI: ₹21,000 gross	No wage limit — covers all
Contribution / Payment	Min wages; Bonus 8.33–20%	N/A (employment relations)	PF 12%+12%; ESIC 3.25%+0.75%	N/A (safety compliance)
Key filing deadline	Wages: 7th; Bonus: Nov 30	Standing Orders: 60 days notice	PF & ESIC: 15th monthly	Annual return: Jan 30
Max penalty (1st offence)	₹50,000	₹50,000	₹25,000 + 12% interest	₹2,00,000
Repeat offence	₹1L + 3 months jail	₹1L + imprisonment	Prosecution + 3 yrs jail (PF)	₹3L + 2 years jail
Inspector type	Inspector-cum-Facilitator	Conciliation Officer / Tribunal	Social Security Officer	Inspector-cum-Facilitator
Gig/platform workers	Yes — covered	Partially	Yes — new SS fund	Yes — if on worksite
FTE / contract workers	Equal minimum wages	FTE formalized; benefits mandatory	Pro-rata PF, ESI, Gratuity (1yr)	Full OSHWC protections

KEY TAKEAWAYS

Remember These 7 Things and You Will Stay Compliant

Wages Code	Pay minimum wages, pay on time, pay by bank transfer. Bonus by Nov 30 every year. Basic pay must be ≥50% of CTC.
IR Code	Issue written contracts to everyone. FTE is now legal — use it. Give 60-day notice before any major workforce action.
SS Code	PF by 15th. ESIC by 15th. Gratuity within 30 days of exit. FTE workers get pro-rata gratuity after 1 year — budget for it.
OSHWC Code	Contractor license mandatory for 50+ workers. PPE, first aid, drinking water at every site. Safety officer for 250+ workers.
All Codes	New "wages" definition = Basic+DA only. If allowances exceed 50% of pay, the excess is wages. Restructure payroll now.
Budget 2029	ESIC limit hike to ₹25,000, PF revision — PROPOSED but not notified. Follow current rules until official notification.
Golden Rule	Checks: appointment letters, PF challan, ESIC challan, wage register, contractor license. Have them ready always.

For questions on compliance, contact your HR / Legal / Labour Compliance team. | Always verify latest state-level notifications.

NEW INDIA LABOUR CODES

4 Labour Codes:
A Complete Practical Guide

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Note: Rules under Budget 2029 / Final notifications are yet to be fully issued. Comply per notified rules.