

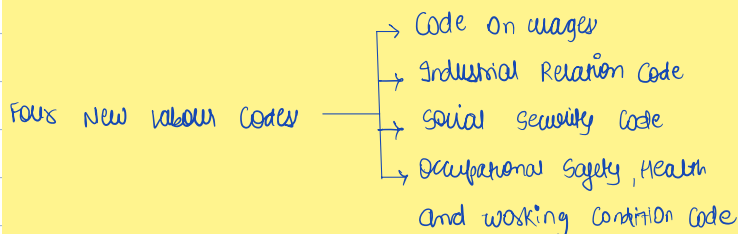
New Labour Codes



INTRODUCTION

labour law are continuously being updated to be more effective, feasible and in sync (coordination) with emerging economic scenarios.

Therefore, in 2019, Ministry of labour has submitted four (4) labour code Bills to codify (combine and simplify) 29 existing labour law.



Present Status and Applicability of New Labour Codes

As of October 2020, the four codes have been passed and notified by central Govt but have not yet been brought into force, since the date of commencement has not been notified.

Once the Govt issues a notification to enforce these codes, the old law will automatically stand repealed and new code will be applicable.

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Objectives / Purpose of New Labour Code

1. **Streamlining and Consolidation**: The need to bring together disparate labour law under a consistent framework.
2. **Enhanced labour coverage**: Framework in which workers' right and employer obligation are clearly defined.
3. **Standardisation in Terminology**: Harmonise definitions and terms used across different laws.
4. **Balancing flexibility and Employee Rights**: Facilitate employment development while protecting their rights.
5. **Guaranteeing fundamental rights at work**.

Features of New Labour Code

1. **Size Based applicability of rules**
2. Code introduces one registration, one license and one return.
3. Establishment having 100 or more employees require govt approval for closure, layoff or retrench workers.
4. Recognition to Trade Union for collective bargaining.
5. New Code prohibits gender discrimination in hiring and pay for similar jobs.
6. Representation of women in central and state Advisory Boards.

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Acts subsumed by Labour Code

1. Code on wages 2019

- Payment of wages Act 1936
- Minimum Wages Act 1948
- Payment of Bonus Act 1965
- Equal Remuneration Act 1976

2. Industrial Relation Code 2020

- Trade Union Act 1926
- Industrial Employment (standing orders) Act 1946
- Industrial Dispute Act 1947

3. Occupational Safety, Health and Working Condition Code, 2020

- Factories Act 1948
- Mines Act 1952
- Contract Labour Act 1970
- Dock workers Act 1986
- Plantation Labour Act 1951
- Building and other Construction workers Act 1996
- Inter State Migrant Workmen Act 1979
- Motor Transport workers Act 1961
- Sales Promotion Employees Act 1976
- Beedi and Cigar workers Act 1966
- Cine workers and Cinema Theatre workers Act 1982
- Working Journalist Act 1958
- Working Journalist and other Newspaper Employee Act 1955

4. Code on Social Security, 2020

- Employees Provident fund Act 1952
- Employee State Insurance Act 1948
- Maternity Benefit Act 1961
- Payment of Gratuity Act 1972
- Employee Compensation Act 1923
- Employment Exchange Act 1959
- Cine workers welfare fund Act 1982
- Building and other Construction workers welfare cess Act 1996
- Unorganised workers Social Security Act, 2008

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Reforms Proposed by New Labour Code

I. Code on Social Security, 2020

- Introduction of Concept of Gig worker - Gig worker means a person who perform work or participate in work arrangement and earns from such activity outside of Traditional employer-employee relationship.

engages in short term, flexible jobs, typically as freelancers, consultant or independent contractor. Unlike traditional employees who are bound to single employer, gig workers operate in gig economy. They are self employed.

Benefits

- Flexibility - freedom to choose when and where to work
- Variety - opportunity to work on various projects, diverse portfolio
- Independence - have control over their work
- Cost effectiveness - work remotely, which can save cost.

Challenges

- Income Instability - work is unpredictable, leading to fast or famine.
- Isolation - work alone, may get depression.
- Job Security - uncertainty over work as hired on project basis
- Lack of benefit like ESI, PF

- Universal Pension (EPFO) coverage to all workers organized, unorganized, self employed.

- Compulsory Registration of Hazardous Industries with ESIC

- Employer shall deposit 25% of disputed EPF amount with EPFO before any appeal.

- Introduction of UAN (Universal Account Number) for ESIC, EPFO, integrated with Aadhar.

II. Occupational Safety, Health and Working Condition Code, 2020

- Applicability on the basis of no. of employees with 10 or more.
- Mandatory appointment letter and free health checkup.
- One Nation One Ration Card for labour and his family
- Mandatory helpline facility in every state for grievance.
- Enhanced benefit under Maternity Benefit Act

III. Code on Wages, 2019

- For the first time, all workers across organised and unorganised sector have guaranteed Right to Minimum wages.
- Guarantees timely payment of wages
- Ensure wage security, social security and health security for workers in all sectors.
- Ensure equal remuneration for male and female workers
- Increases limitation period for worker to file case upto three years.
- Shifts burden upon employer to prove that all due wages, bonus and deduction have been properly made.

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IV. Industrial Relation Code, 2020

- Redefines the worker to include even those who are working in supervisory role, if their remuneration is upto specified limit, ensuring wider coverage.
- Introduced Atal Bimit Vyakti Kalyan Yojna
Under this Yojna, a worker of organised sector who loses his job get financial aid from govt.
Also, if contractual workers are not regularised and are retrenched, they may be facilitated under this scheme.
This is a type of unemployment allowance, the benefit of which is available to workers covered under ESI.
At the time of retrenchment, a worker would be provided 15 days wages for re-skilling. The wages would be directly credited into bank account of worker.
- Recognition of Trade Union if they represent 51+ or more workers

Fox Remaining chapters notes



Notes Dec 2025



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YouTube Revision Video



SBILL Writing Session



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