



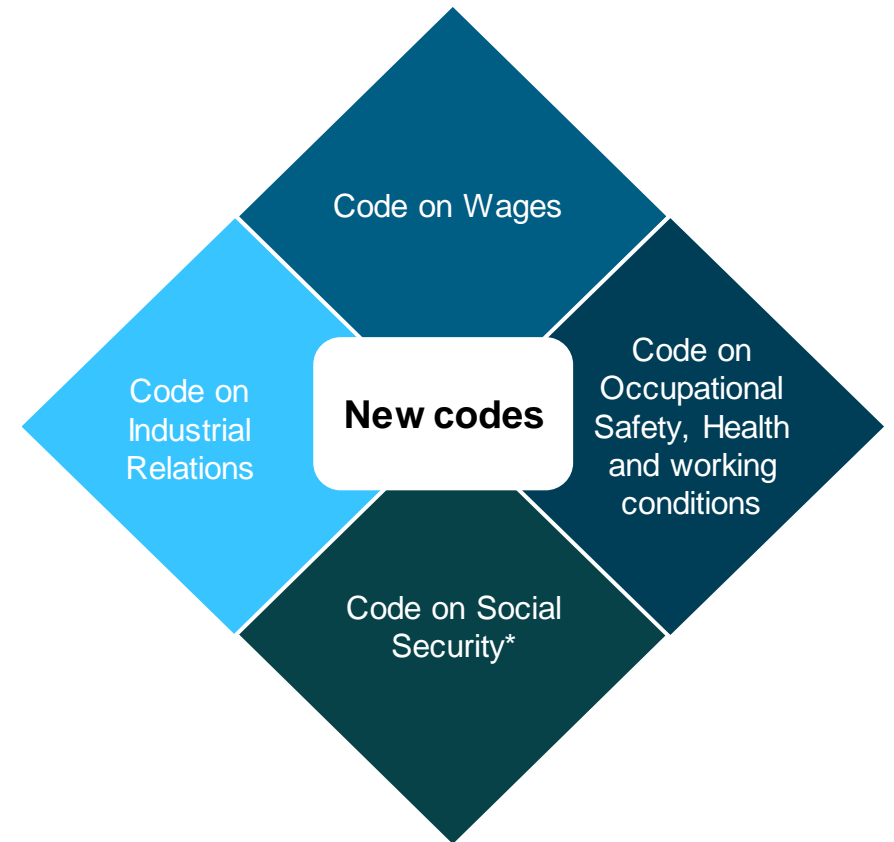
Labour Codes Session AMCHAM

Confidential
August 2022

Labour Codes – An overview

Proposed new codes

Consolidated 29 Central Labour Laws	Uniformity in definitions
Emphasis on use of technology	Accountability and transparency
Effective enforcement	Ease of implementation



*All 4 codes have received Presidential assent - Awaiting Notification of Effective Date and final rules

Existing schemes to be valid for one year to the extent they are not contrary

Existing Legislations Subsumed to new Codes

₹ Existing Legislations subsumed under Code on Wages

- The Payment of Wages Act, 1936;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965; and
- The Equal Remuneration Act, 1976

🔒 Existing Legislations subsumed under Code on Social Security

- The Employee's Compensation Act, 1923;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- The Maternity Benefit Act, 1961;
- The Payment of Gratuity Act, 1972;
- The Cine-Workers Welfare Fund Act, 1981;
- The Building and Other Construction Workers' Welfare Cess Act, 1996;
- The Unorganised Workers' Social Security Act, 2008

₹ Existing Legislations subsumed under Industrial Relations Code

- The Trade Unions Act, 1926,
- The Industrial Employment (Standing Orders) Act, 1946 and
- The Industrial Disputes Act, 1947

🔒 Existing Legislations subsumed under Occupational Safety Code

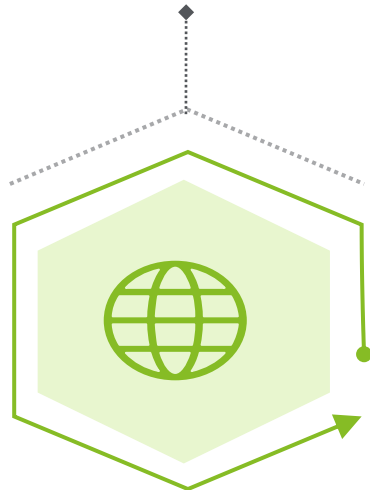
- The Factories Act, 1948;
- The Mines Act, 1952;
- The Dock Workers (Safety, Health and Welfare) Act, 1986;
- The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- The Plantations Labour Act, 1951;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Inter-state migrant workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Working Journalist and other News Paper Employees (Conditions of Service and Misc. Provision) Act, 1955;
- The Working Journalist (Fixation of rates of Wages) Act, 1958;
- The Motor Transport Workers Act, 1961;
- Sales Promotion Employees (Condition of Service) Act, 1976;
- The Beedi and Cigar Workers (Condition of Employment) Act, 1966;
- The Cine Workers and Cinema Theatre Workers Act 1981

Labour Codes – Current status

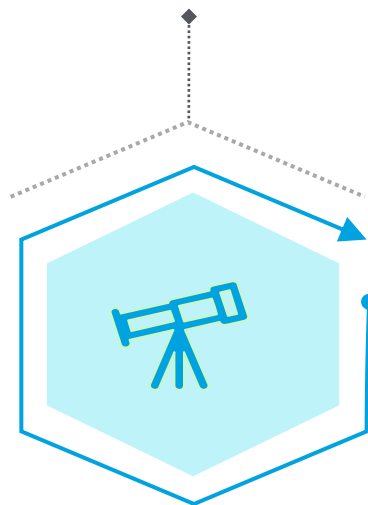
- Legislative process is completed with Presidential assent
- Changes to the Central Codes themselves are expected to be minimal
- Draft rules for most states is in place
- Final Central rules and State rules are awaited – expecting final rules to reflect industry and trade bodies’ feedback.

The Government is on track to implement the Codes during FY 2022-23

The government issued a publication “New Labour code for New India”



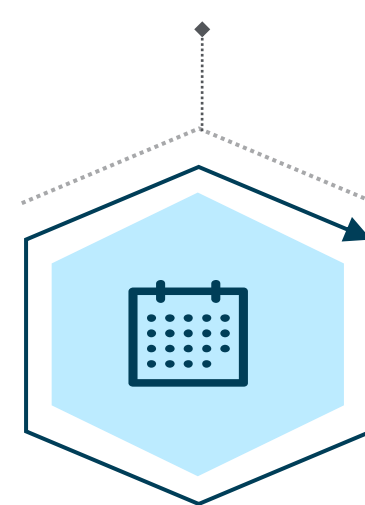
Outreach to industry bodies for feedback



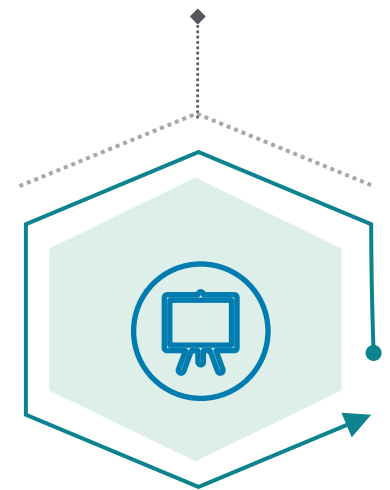
More states join the bandwagon



Few sections of the Codes notified (Section 142 of COSS, section 67 of COW)



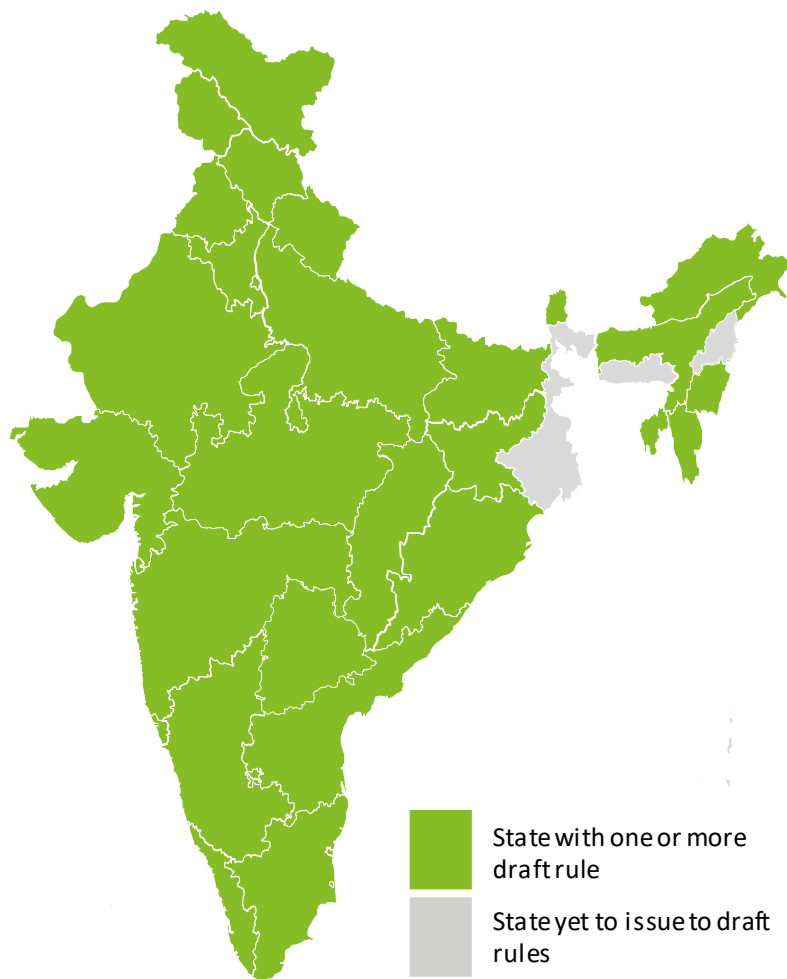
Minister’s press statement to implement the Codes in 22-23
Upcoming meeting at Thirupati



Wage definition and key provisions not expected to change, clarifications expected

Minimal transition period is expected


State rules - Current status





Source – Economic Survey 2021- 22 / State Labour Department websites

Gearing up for the labour codes

 Code on wages (31)		
• Uttarakhand	• Himachal Pradesh	• Puducherry
• Uttar Pradesh	• Chhattisgarh	• Manipur
• Gujarat	• Jharkhand	• Kerala
• Bihar	• Maharashtra	• Chandigarh
• Madhya Pradesh	• Haryana	• Tamil Nadu
• J&K	• Telangana	• Andhra Pradesh
• Punjab	• Delhi	• Andaman and Nicobar Islands
• Karnataka	• Sikkim	• Goa
• Odisha	• Mizoram	• Ladakh
• Tripura	• Arunachal Pradesh	
• Rajasthan	• Assam	

 Code on social security (21)		
• Uttarakhand	• Assam	• Chandigarh
• Uttar Pradesh	• Maharashtra	• Kerala
• Madhya Pradesh	• Haryana	• Andaman and Nicobar Islands
• Bihar	• Tripura	• Ladakh
• J&K	• Himachal Pradesh	
• Punjab	• Manipur	
• Odisha	• Gujarat	
• Chhattisgarh	• Goa	
• Jharkhand		

 Industrial relations code (26)		
• Uttarakhand	• Tripura	• Goa
• Uttar Pradesh	• Chhattisgarh	• Puducherry
• Madhya Pradesh	• Jharkhand	• Maharashtra
• Bihar	• Haryana	• Chandigarh
• J&K	• Telangana	• Tamil Nadu
• Punjab	• Himachal Pradesh	• Andhra Pradesh
• Karnataka	• Manipur	• Ladakh
• Gujarat	• Arunachal Pradesh	• Mizoram
• Odisha	• Assam	

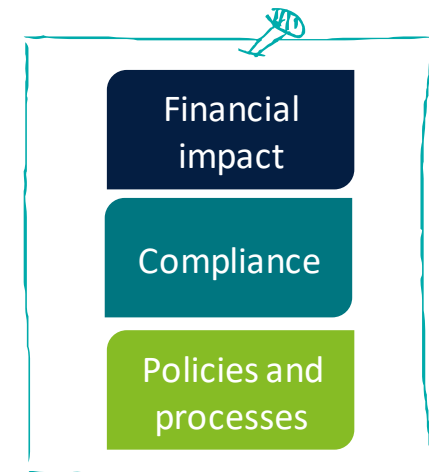
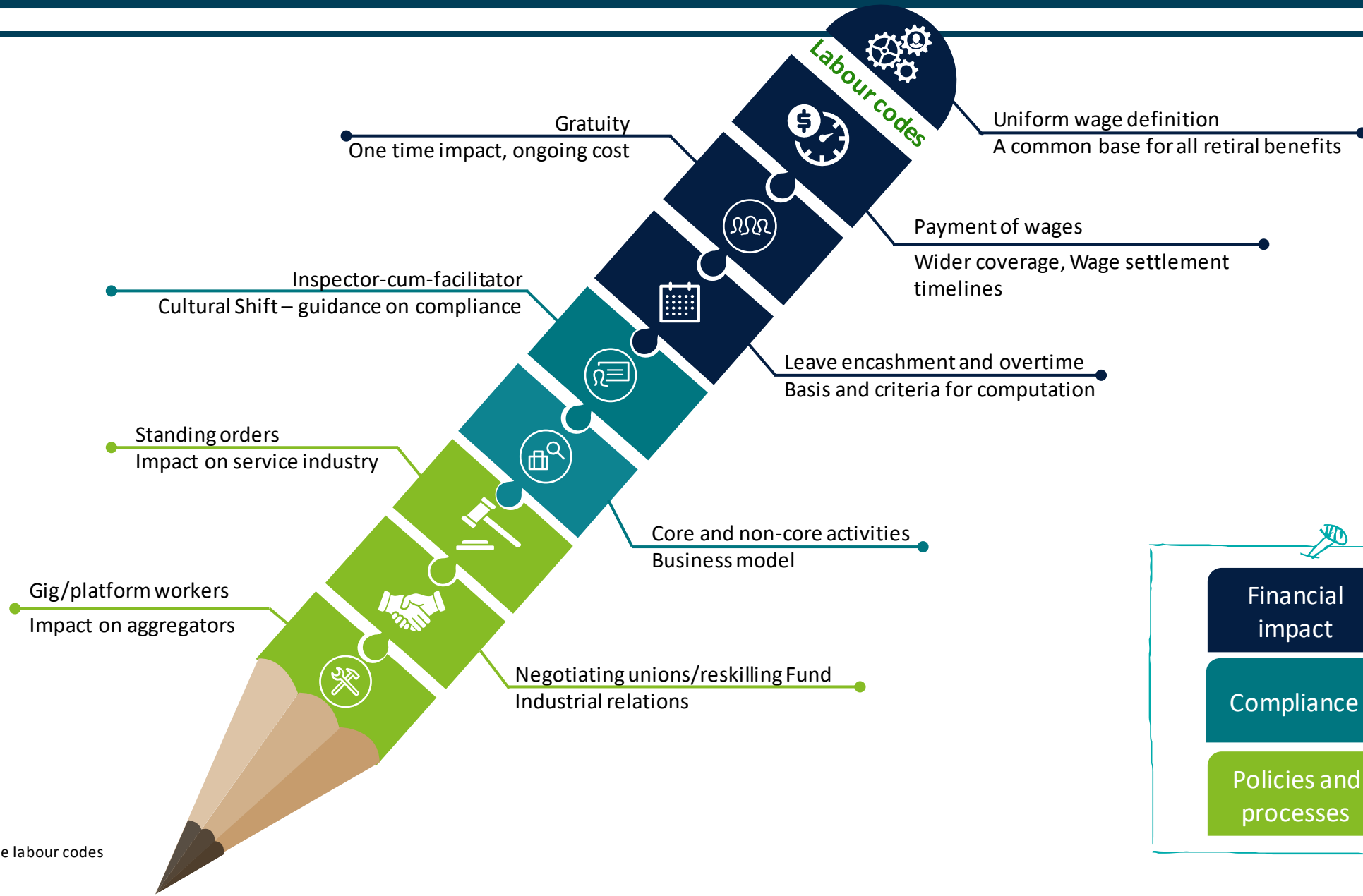
 Occupational safety, health and working conditions code (21)		
• Uttarakhand	• Manipur	• Ladakh
• Uttar Pradesh	• Bihar	• Assam
• Madhya Pradesh	• Gujarat	• Arunachal Pradesh
• Punjab	• Kerala	
• J&K	• Himachal Pradesh	
• Chhattisgarh	• Chandigarh	
• Odisha	• Goa	
• Haryana	• Tamil Nadu	
• Jharkhand	• Andhra Pradesh	



Labour Codes Impact Areas



Areas of change under the labour codes - Impact on Organisations





**Labour Codes
Some Asks from
Industry**



Some Asks – Key wish-list



- New Wage Definition - Clearly laid down provisions backed up by practical illustrations leaving no room for ambiguity
e.g. Variable pay, One – time payments, Benefits in kind, Last drawn wages for gratuity, Annual calculation Vs Monthly calculation
- Review widening of coverage of the Codes (for e.g. applicability of overtime to all employees, Wage settlement timelines, Capon deduction from wages, consistency in working hours)
- Clarity on date of implementation and expectation of a transition window to ensure seamless changeover with a window for no penalty
- Clarity on how the provisions of States’ Shops and Establishments Act, Central and State Rules to Labour Codes to work in tandem

Thank You !