FREQUENTLY ASKED QUESTIONS (FAQ)

Based on developments after November 2025, including the notified Central Rules (8 May 2026) and the Draft Maharashtra State Rules (April–May 2026).

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Section I — The Basics

Q1. When did the four Labour Codes come into force?

All four Labour Codes came into force on 21 November 2025.

Q2. What are the four Labour Codes?

The four Codes are:

- The Code on Wages, 2019
- The Industrial Relations Code, 2020
- The Code on Social Security, 2020
- The Occupational Safety, Health and Working Conditions Code, 2020

Together they replace and consolidate 29 existing central labour laws.

Q3. Have the Central Rules also been notified?

Yes. Draft Central Rules were published on 30 December 2025. After the public objection period, all four sets of Central Rules were notified on 8 May 2026 and are now in force.

Q4. Do the old labour laws still apply?

Yes, during the transition period. Existing laws, rules, and schemes continue to apply to the extent they are not inconsistent with the new Codes. They will be phased out as new State Rules come into force.

Q5. What is the position in Maharashtra?

The Government of Maharashtra has published draft State Rules under all four Codes between April and May 2026. These are still proposals and have not yet been finally notified. Until they are notified, the earlier Maharashtra rules continue to apply so far as they are consistent with the new Codes.

Section II — Wages and Employment

Q6. What does "wages" mean under the new Codes?

The Codes introduce a single, uniform meaning of "wages" across all labour laws. It includes all monetary pay for work done, but leaves out certain items like housing, employer provident fund contributions, and statutory bonuses.

Q7. What is the 50% rule on wages?

At least 50% of an employee’s total pay must be treated as “wages.” If the excluded items (like allowances) together exceed 50% of total pay, the excess is added back and treated as wages. This prevents employers from structuring most of the salary as allowances.

Q8. Are certain payments excluded from wages for calculating gratuity?

Yes, but this specific list of excluded payments does not appear in the Central Rules. It is found in the Draft Maharashtra Social Security Rules, 2026. The draft Maharashtra Rules specify that the following are not counted as wages for gratuity:

a) Annual performance-linked payments not forming part of contractual remuneration

b) Reimbursement of medical expenses

c) Stock options or their cash equivalents

d) Crèche allowance

e) Telephone and internet reimbursements

f) Value of meal vouchers

Q9. Can a fixed-term employee get gratuity?

Yes. Under the Code on Social Security, an employee on a fixed-term contract of one year or more is entitled to gratuity on a proportionate basis, even without completing five years of continuous service.

Section III — Industrial Relations

Q10. What has changed under the Industrial Relations framework?

The Industrial Relations Code brings together the laws on trade unions, standing orders, and industrial disputes. Key changes include revised thresholds for standing orders, recognition of negotiating unions or councils, fixed-term employment provisions, and updated rules on retrenchment and closure for larger establishments.

Q11. What do the Maharashtra IR Draft Rules add?

The Draft Maharashtra Industrial Relations Rules, 2026, set out State-specific procedures for trade union registration, certification of standing orders, and State-level conciliation and adjudication. They will operate only after final notification.

Section IV — Social Security

Q12. What does the Code on Social Security cover?

It brings nine earlier laws together into one framework, covering provident fund, ESI, gratuity, maternity benefit, employees’ compensation, and welfare schemes now extended also to gig and platform workers and unorganised workers.

Section V — Occupational Safety, Health and Working Conditions (OSH)

Q13. What does the OSH Code cover?

The OSH Code replaces thirteen earlier laws including the Factories Act, Contract Labour Act, and Mines Act with a single framework covering registration of establishments, contractor licensing, working hours, leave, safety standards, and welfare facilities.

Q14. Is there now a requirement to issue appointment letters?

Yes. The Central OSH Rules require employers to issue formal appointment letters to employees containing prescribed details of employment, wages, and conditions of service.

Q15. Are health check-ups mandatory for all employees?

No. Health check-ups are required only for employees in specified categories of hazardous or high-risk work not for all employees universally. The frequency and scope depend on the nature of the work.

Q16. What are the accident reporting requirements?

Employers must report serious accidents, dangerous occurrences, and occupational diseases to prescribed authorities within a short, specified time from the occurrence or its coming to knowledge. This modernises and harmonises the earlier requirements under the Factories Act and other laws.