



NEWSLETTER

December 2025

INDEX

Sr. No.	Section	Page No.
1.	Four New Codes	
1.1.	Code on Wages, 2019	2-3
1.2.	Industrial Relations Code, 2020	4-5
1.3.	Code on Social Security, 2020	6-9
1.4.	Occupational Safety, Health & Working Conditions Code, 2020	10
2.	Prevention of Sexual Harassment at Workplace (POSH) Act, 2013	11

NEWSLETTER

Section 1: Four New Codes

1.1. CODE ON WAGES ACT (2019)

Notifications



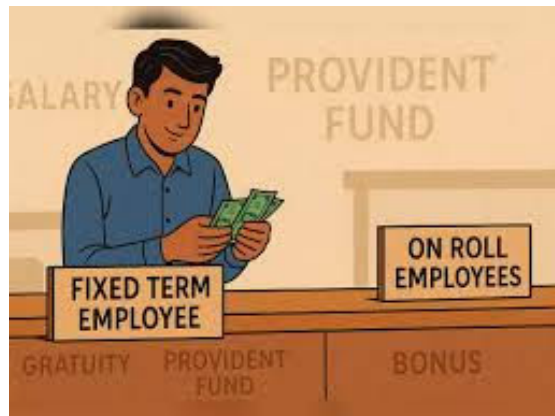
• **Minimum Wage Fixation Methodology Proposed in Draft Central Rules (30th Dec 2025)**

- The draft **Code on Wages (Central) Rules, 2025** proposes a **new minimum wage** fixation methodology based on a standard **four-member family budget**, including 2,700 calories per person daily, clothing needs, housing, fuel, education, health, and contingency costs.
- This **socioeconomic base for wage** floors is designed to **move beyond arbitrary employer-specific** wage boards towards a more **universal and needs-based wage structure**.
- A technical expert committee will be constituted to recommend **minimum wage rates** using these criteria, adding **formal structure and data basis to wage setting**.
- Alongside, the proposed **national minimum wage** is envisioned to harmonise wage floors across sectors and regions while **ensuring worker welfare** in the new Codes framework.

Source: <https://timesofindia.indiatimes.com/business/india-business/draft-labour-rules-pave-way-for-higher-minimum-wages/articleshow/126280815.cms>

● Prospective Gratuity Norms and Fixed-Term Employee Eligibility under Draft Rules (30th Dec 2025)

- The draft **Code on Wages and Social Security Code (Central) Rules** specify that **gratuity provisions will apply** prospectively from **November 21, 2025**, the date the labour codes came into force.
- For the **first time, fixed-term employees** become **eligible for gratuity after one year of continuous service, instead of the older five-year threshold for permanent staff** under prior law.



Source: <https://indianexpress.com/article/business/govt-notifies-draft-rules-for-labor-codes-seeks-feedback-in-45-days-10448583/>



- The draft rules require employers to classify employment types clearly, ensuring statutory benefit coverage for **all categories of workers, including fixed-term staff**.
- This change harmonizes **benefit entitlements and aligns labour cost calculations** with modern workforce structures under the new codes.

● Clarification of Wage Definition and Its Impact on Gratuity and Employer Costs (30th Dec 2025)

- The draft **Code on Wages (Central) Rules, 2025** clarifies that “wages” include **all remuneration** but if **allowances (other than basic pay, DA and retaining allowance) exceed 50% of total pay**, the **excess is treated as wages** for statutory purposes.
- It further specifies that **performance-linked incentives, ESOPs, variable/reimbursement payments and leave encashment** will **not be included in wages**.
- This change **affects calculation of PF, gratuity, overtime and other statutory benefits** because a broader **wage base increases employer liabilities** while **strengthening worker benefits**.
- The draft rules retain existing definitions during the **transition period until new notifications are finalised**, reducing immediate compliance uncertainty.

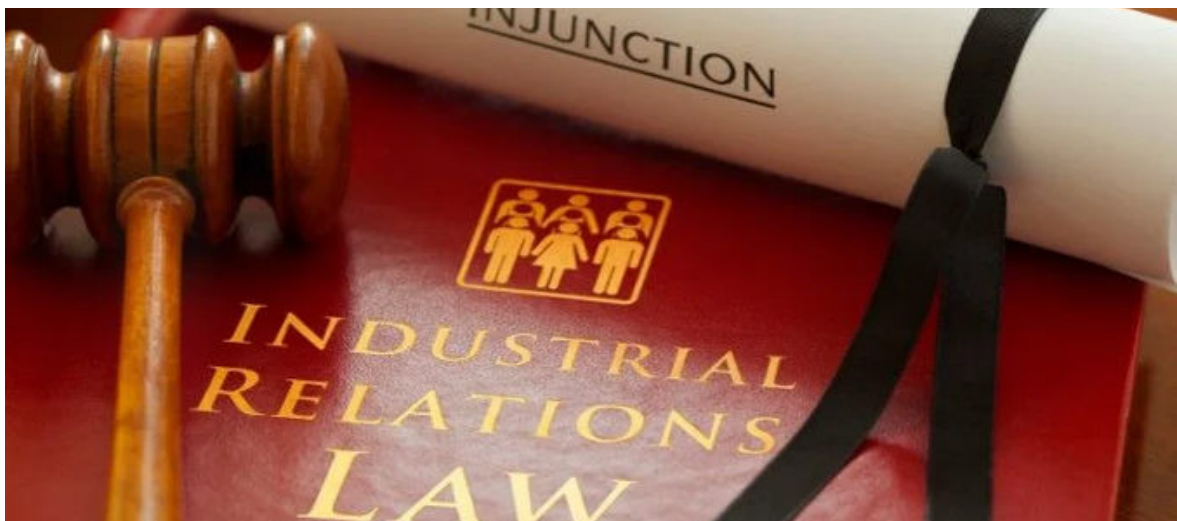
Source: <https://indianexpress.com/article/business/govt-notifies-draft-rules-for-labour-codes-seeks-feedback-in-45-days-10448583/>

1.2. INDUSTRIAL RELATIONS CODE (IRC, 2020)

Notifications

- **Industrial Relations Code Draft Rules Reforms the Old Framework (30th Dec 2025)**

- One **major shift** is the introduction of **government-prescribed Model Standing Orders for different sectors**, which establishments can directly adopt; **earlier, employers had to draft and certify their own standing orders** under the 1946 Act, often **leading to delays, inconsistent conditions of service, and state-level variations**.
- The draft rules give clear **procedural steps for retrenchment and re-employment**, such as **mandatory display of seniority lists** and preference to retrenched workers when vacancies arise. Areas where the **old Industrial Disputes Rules** provided only **broad principles, leaving much to interpretation and litigation**.



- A **new operational framework** is laid down for the **Worker Re-skilling Fund**, requiring **employers to deposit the equivalent of 15 days' last drawn wages** for every retrenched worker; this is a significant departure from the earlier regime, which focused only on **retrenchment compensation** and had **no structured re-employment or transition support mechanism**.
- The rules also **standardise the role of trade unions and Works Committees**, including **representation norms and reporting requirements, replacing the fragmented recognition and functioning practices** that existed under the **Trade Unions Act and Industrial Disputes Act-linked rules**.

Source: <https://taxguru.in/corporate-law/draft-industrial-relations-central-rules-2025.html>

- **Removal of Difficulties Order Issued to Ensure Continuity (8th Dec 2025)**

- The Central Government issued the **Industrial Relations Code (Removal of Difficulties) Order, 2025** under section 103 of the **Industrial Relations Code, 2020** to **address a transition gap in labour dispute forums.**
- The Order clarifies that existing **Labour Courts, Industrial Tribunals and National Industrial Tribunals constituted under the Industrial Disputes Act, 1947** will continue to hear both pending and new cases until new tribunals under the IR Code are actually constituted.
- This is significant because the IR Code's own provisions (especially section 51) contemplate transfer of cases to new tribunals, but those tribunals had not been **set up by December 2025**, creating a potential adjudicatory vacuum.
- By expressly preserving the jurisdiction of the old fora, the Order **prevents disruption of dispute resolution and avoids denial of access** to justice for workers and employers during the Code's transition phase.
- The notification therefore provides **legal certainty and procedural continuity** in industrial relations enforcement while the structural adjudicatory framework under the IR Code is formally established.



Source: <https://www.sconline.com/blog/post/2025/12/09/industrial-relations-code-removal-of-difficulties-order-2025/>

3. CODE ON SOCIAL SECURITY (CSS, 2020)

Notifications

• Govt Issues Corrigendum Clarifying Enforcement Dates under the Code on Social Security, 2020 (19th Dec 2025)

- The **Ministry of Labour and Employment** issued a **corrigendum notification** to clarify the **exact enforcement dates of different provisions** of the Code on Social Security, 2020, especially those **linked to EPS, 1995 and repeal of parts of the EPF Act, 1952**.
- It clarified that **several pension-related provisions** under the **Employees' Pension Scheme, 1995 (EPS) and repeal/savings clauses of the EPF Act, 1952** were already in force **since 3 May 2023, and were not newly implemented in 2025**.



- The corrigendum also confirms that most other social security provisions under the Code, **covering registration, benefits and administration**, were brought into force later, on **21 November 2025**.
- By clearly **separating EPS-related provisions (2023) from general social security provisions (2025)**, the notification **removes confusion for employers and authorities** and ensures that compliance is based on the correct effective dates, **avoiding duplication or misinterpretation**.

Source: <https://www.sconline.com/blog/post/2025/12/24/corrigendum-to-code-on-social-security-2020-enforcement-dates/>

- **Draft Central Rules Under the Four Labour Codes Released – Social Security Code Draft Rules**
30th Dec 2025



- Ministry of **Labour and Employment** issued **Central Draft Rules** for the four labour codes on **30th December**. These rules are currently open to **public consultation**, and the **final rules would be enacted after considering the same**.
- The draft Code on **Social Security (Central) Rules, 2025** **consolidates and streamlines various social security schemes** (EPF, ESI, maternity benefits, etc.) into a unified rule set for implementation **under the new Social Security Code**.



- Draft rules propose that a **worker will be deemed engaged** (and counted towards eligibility) on any **calendar day they earn income**, and if associated with **multiple aggregators, engagement days are counted cumulatively** (including multiple jobs on the same day).

- The proposed framework also **outlines governance via a National Social Security Board** with representation from **central and state governments, employers, and workers** to formulate and monitor policies for broad social security coverage **including insurance and pension schemes** under the Code.

Source: <https://www.ndtvprofit.com/india/centre-proposes-new-rules-for-gig-workers-to-get-social-security-details-inside-10193419>



• The Social Security Code Draft Rules Propose Several Provisions for Gig and Platform Workers (30th Dec 2025)

- For the first time, the draft outlines comprehensive **eligibility, registration and benefit mechanisms** for broad worker categories **including formal, unorganised, gig and platform workers, with Aadhaar-linked digital registration**.
- Gig and platform workers **above the age of 16 must register** on the designated **central portal with universal account numbers**, and **employers (aggregators) must share worker data for compliance and benefit administration**.

- The rules propose **eligibility conditions for gig and platform workers**, requiring **at least 90 days of engagement** with a single aggregator in a financial year, or **120 days** where work is spread across multiple aggregators, **to qualify for social security benefits**.
- **“Engagement”** is defined broadly, with any **income earned** on a calendar day counting as **one day of engagement per aggregator**, and **days being aggregated across platforms**, even if multiple aggregators are worked for **on the same day**.

Source: https://www.business-standard.com/economy/news/centre-90-days-work-rule-gig-workers-social-security-benefits-draft-rules-126010200300_1.html

• **ESIC Mandates Registration for Educational Institutions under Social Security Code 3rd Dec 2025**



- The **Employees’ State Insurance Corporation (ESIC)** issued a notification clarifying that **educational institutions** meeting the prescribed criteria must register with ESIC under the Code on Social Security, 2020. This made **ESIC registration mandatory** for **schools, colleges, universities and similar establishments** to enrol eligible employees and remit contributions.

- This directive reflects the transition of ESI coverage under the Social Security Code, **replacing standalone ESI Act compliance and aligning institutions** with the new statutory framework.
- ESIC field units were instructed to **identify covered institutions and issue compliance directions to ensure uniform implementation**.
- This change has **practical compliance significance for educational employers** who previously were **unsure about the applicability of ESI under the Code**.

Source: <https://uncomplycate.com/wp-content/uploads/2025/12/ESIC-notified-regarding-the-mandatory-ESIC-Registration-DEC052025.pdf>

Judgement

- **Jharkhand High Court Rules on the Scope of Appellate Tribunal's Power to Waive or Reduce Pre-Deposit under the EPF Act**
Kashish Developers Limited vs EPFO, 02/12/2025



- A **real-estate company** challenged an **EPF** determination fastening **liability of over ₹12.49 crore** for alleged **non-payment of provident fund dues** relating to **contract labour**, and assailed the appellate tribunal's **direction to deposit 25% of the assessed amount** as a condition for **hearing its statutory appeal under Section 7-I of the EPF Act**.
- The **Jharkhand High Court** held that while **Section 7-O mandates a 75% pre-deposit**, the proviso confers wide discretion **on the tribunal to waive or reduce the deposit**, which must be exercised by recording reasons and by applying the **settled triple test of prima facie case, balance of convenience, and irreparable injury**.
- The Court found that the **tribunal's order was non-speaking and mechanical**, as it failed to consider the petitioner's prima facie case based on contractor registration under the EPF Act, **ignored binding Supreme Court precedents, and selectively relied on fixed assets while overlooking severe financial stress reflected in the audited accounts**.
- Setting aside the impugned order, the Court **directed reconsideration of the pre-deposit issue** and further ordered expeditious disposal of the statutory appeal on merits, emphasizing that waiver proceedings under **Section 7-O cannot be reduced to a ritualistic or arbitrary exercise**.

Source: <https://indiankanoon.org/doc/25811352/>

4. OCCUPATIONAL SAFETY, HEALTH & WORKING CONDITIONS CODE (OSHC, 2020)

Notification

● Improved Safety Measures in the OSHWC Code Draft Rules (30th Dec 2025)

- The draft rules lay down detailed standards for **health examinations, safety training, and medical facilities**, including **periodic medical check-ups for employees** in hazardous occupations, which were **earlier scattered** across multiple factory-specific rules.
- They clearly prescribe **working hour limits, daily and weekly rest, spread-over, overtime calculation, and compensatory holidays**, creating one uniform framework in place of different rules under the **Factories Act, Mines Act, and other repealed laws**.



- The rules **specify mandatory welfare facilities** such as **crèches, canteens, first-aid rooms, drinking water, washing facilities, and rest rooms**, with thresholds linked to **number of workers, reducing uncertainty for establishments transitioning from old laws**.
- A structured system **for safety committees, safety officers, and reporting of workplace accidents** and dangerous occurrences is introduced, strengthening employer **accountability and standardising compliance procedures across sectors**.
- The draft also operationalises the Code's approach to **inter-State migrant workers, contract labour, and gig-adjacent categories**, by detailing registration, records, and employer obligations that were previously unclear under fragmented labour legislation.

Source: <https://www.sconline.com/blog/post/2026/01/05/labour-ministry-released-draft-rules-for-four-labour-codes-explained/>

Section 2: Prevention of Sexual Harassment at Work (POSH)

Judgement

- **Supreme Court Clarifies the Jurisdiction of Internal Committee to Inquire into Complaints against Govt Employees Belonging to a Different Department**
Dr Sohail Malik vs Union of India, 10th Dec 2025



- A **senior IAS officer** alleged **sexual harassment by an IRS officer** in connection with an incident at **Krishi Bhawan** and filed a **complaint before the IC of her own department**; the respondent challenged the IC's jurisdiction on the ground that **he was employed in a different Central Government department**.

- The **Supreme Court** upheld the decisions of the **CAT and the Delhi High Court**, holding that the **IC constituted at the workplace of the aggrieved woman has jurisdiction to entertain the complaint even if the respondent is an employee of another department**.

- Interpreting Sections 9, 11 and 13 of the POSH Act, the Court held that the expression **“where the respondent is an employee”** in Section 11 is procedural in nature and does not mandate that **proceedings must be initiated only before the ICC of the respondent's department**.
- It also noted the wide definition of **“workplace”** under Section 2(o), and that a **narrow interpretation would create undue procedural barriers for victims**.
- The ruling is significant as it affirms a purposive interpretation of the POSH Act, prevents jurisdictional **objections from obstructing redressal**, and ensures that **women can seek remedies for workplace sexual harassment at their own workplace even in inter-departmental contexts**.

Source: <https://indiankanoon.org/doc/184184467/>

