

HIGHLIGHTS OF THE CENTRAL LABOUR RULES, 2026

I. CODE ON WAGES (CENTRAL) RULES, 2026

The Code on Wages (Central) Rules, 2026 has been notified by the Ministry of Labour and Employment on May 08, 2026. It replaces several earlier wage-related rules framed under laws such as the Minimum Wages Act, Payment of Wages Act, Equal Remuneration Act and Payment of Bonus Act. The rules operationalise the Code on Wages, 2019 and create a unified framework for wage administration, minimum wage fixation and gender-neutral remuneration practices.

1. Consolidation of Earlier Wage Laws

One of the most significant aspects of the rules is the consolidation of multiple wage-related legislations into a single compliance framework. The new rules supersede earlier central rules relating to minimum wages, wage payments, bonus payments and equal remuneration. This reduces the multiplicity of registers, returns and procedures that employers previously had to maintain.

The rules formally recognise electronic modes of compliance, including digital payments, electronic filing and portal-based submissions. This reflects the government's emphasis on digitisation and paperless governance.

2. Uniform Definitions and Classification of Workers

The rules introduce standardised definitions and classifications relating to skilled, semi-skilled, highly skilled and unskilled occupations. Such categorisation becomes important for fixation of minimum wages and for wage parity across sectors.

The concept of "highly skilled occupation" has been specifically defined to include jobs requiring technical expertise, specialised training and independent decision-making. Similarly, definitions for skilled and semi-skilled work seek to reduce ambiguity in wage categorisation.

3. Minimum Wage and Floor Wage Framework

The rules support the Code's objective of ensuring a universal minimum wage regime applicable across organised and unorganised sectors. The Central Government is empowered to notify floor wages after considering geographical variations and living standards.

Geographical categorisation has also been recognised as a factor for wage determination. Different wage structures may therefore be prescribed depending on the cost of living and economic conditions in various regions.

The rules also simplify procedures relating to revision and fixation of wages through advisory boards and committees constituted by the Central Government.

4. Equal Remuneration and Gender Neutrality

A key feature of the rules is the continuation of the principle of equal remuneration irrespective of gender. By subsuming the Equal Remuneration Act framework within the Code on Wages, the rules reinforce non-discrimination in recruitment, wages and service conditions.

The rules are aligned with broader policy objectives of encouraging greater female workforce participation and reducing discriminatory wage practices.

5. Digital Compliance and Ease of Doing Business

The rules place strong emphasis on electronic governance. Employers may maintain records digitally and submit returns electronically through designated portals. Digital wage payments and online compliance systems are expected to reduce administrative burdens and increase transparency.

The Inspector-cum-Facilitator mechanism also reflects a shift from traditional enforcement to a facilitative compliance approach. Inspectors are expected not only to monitor compliance but also assist establishments in understanding statutory requirements.

6. Bonus Payments

The rules also contain provisions relating to payment of bonus and maintenance of relevant records and registers.

These provisions continue the framework previously governed under the Payment of Bonus Act while integrating them into the unified wage code structure.

7. Claims, Appeals and Authorities

The rules prescribe procedures relating to filing of claims, appeals and adjudication before authorities appointed under the Code.

Appellate authorities and designated officers have been empowered to address wage disputes and ensure enforcement of statutory obligations.

8. Impact on Employers and Employees

For employers, the rules reduce duplication of compliance obligations and provide greater clarity in wage administration. For employees, the framework aims to ensure timely wage payment, fair minimum wages and protection against discriminatory wage practices.

The rules are particularly significant for sectors employing contract workers, gig-linked workers and low-wage employees, where wage-related disputes and inconsistencies have historically been common.

II. INDUSTRIAL RELATIONS (CENTRAL) RULES, 2026

The Industrial Relations (Central) Rules, 2026 notified on May 08, 2026 operationalise the Industrial Relations Code, 2020 and consolidate rules framed under earlier laws such as the Industrial Disputes Act and Industrial Employment (Standing Orders) framework. The rules aim to modernise labour-management relations, streamline dispute resolution and promote industrial harmony.

1. Replacement of Earlier Industrial Relations Framework

The rules establish a unified procedural structure governing conciliation, settlements, trade unions and industrial dispute management.

2. Digitalisation of Industrial Relations Processes

A notable feature of the rules is the extensive use of electronic modes of communication. Notices, settlements, digital payments and submissions may be made electronically through designated portals or by email.

This digital orientation seeks to reduce procedural delays and improve accessibility for workers, employers and authorities.

3. Settlement Agreements and Conciliation

The rules provide a detailed framework for settlements between employers and workers. Settlement agreements reached during conciliation proceedings must be documented in prescribed forms and submitted to authorities.

The rules specify who may sign settlement agreements on behalf of employers and workers. Trade union office bearers such as presidents, vice-presidents and secretaries are authorised to execute settlements. In cases involving individual workers, both the worker and employer must sign the agreement.

Conciliation officers are required to maintain electronic registers of industrial settlements. The rules also distinguish between settlements reached during conciliation and those arrived at independently through mutual negotiations.

4. Works Committees and Bipartite Mechanisms

The rules provide for the constitution of Works Committees in establishments where required by the government. These committees are intended to foster cooperation between employers and workers and help resolve workplace concerns at an early stage.

The emphasis on bipartite forums reflects the government's policy objective of reducing industrial disputes through dialogue and participative management.

5. Trade Unions and Recognition

The rules strengthen the role of registered trade unions in collective bargaining and industrial dispute resolution. Recognition of negotiating unions and negotiating councils under the Industrial Relations Code framework is expected to reduce multiplicity of representation and streamline negotiations.

At the same time, concerns remain among labour organisations regarding possible limitations on collective bargaining power and increased compliance thresholds for strikes and lockouts.

6. Lay-off, Retrenchment and Closure

The rules prescribe procedures relating to lay-offs, retrenchment and closure of industrial establishments.

Applications, notices and permissions relating to workforce reduction and closure are required to be made in prescribed forms, including through electronic modes.

These provisions seek to balance industrial flexibility with worker protection.

7. Arbitration and Tribunals

The rules provide procedural mechanisms relating to voluntary arbitration and adjudication before Industrial Tribunals.

Tribunals are empowered to adjudicate industrial disputes concerning wages, service conditions, retrenchment and other employment-related issues.

8. Strikes and Lockouts

The rules prescribe procedural requirements relating to strikes and lockouts, including notice requirements and timelines.

These provisions aim to regulate industrial action and reduce sudden disruptions in industrial operations.

9. Worker Re-skilling Fund

The rules also support implementation of the Worker Re-skilling Fund framework introduced under the Industrial Relations Code.

The objective of the fund is to support retrenched workers through skill development and employability enhancement measures.

10. Shift Towards Structured Industrial Governance

The rules reflect a broader shift towards institutionalised industrial governance. Electronic registers, prescribed forms, procedural timelines and standardised settlement mechanisms are intended to bring greater predictability to industrial relations administration.

The framework also aligns with the government's objective of improving investor confidence by reducing uncertainty relating to industrial disputes.

III. SOCIAL SECURITY (CENTRAL) RULES, 2026

The Social Security (Central) Rules, 2026, notified on May 08, 2026 operationalise the Social Security Code, 2020 and integrate multiple social welfare legislations governing provident fund, employee state insurance, gratuity, maternity benefits and unorganised workers' welfare.

The rules constitute one of the most comprehensive labour welfare frameworks introduced in recent years and aim to extend social protection coverage across organised, unorganised and gig-based employment sectors.

1. Consolidation of Multiple Welfare Laws

The rules replace several existing frameworks including rules relating to Employees' State Insurance, gratuity, employee compensation, building and construction workers' welfare and unorganised worker welfare. This consolidation seeks to create a unified and simplified social security administration system.

2. Digital Governance and Portal-Based Compliance

The rules strongly promote electronic governance. Applications, appeals, registrations and payments may be made electronically through designated portals.

The “Shram Suvidha Portal” has been recognised as a central compliance platform for labour-related filings. The use of electronic systems is expected to improve transparency, reduce paperwork and simplify interactions between employers, employees and authorities.

3. Provident Fund and Insurance Administration

The rules establish procedures relating to provident fund administration, employee insurance and related contributions. Employers may apply electronically for exemptions or exclusions in specified circumstances, subject to employee consent and approval by authorities.

The rules also prescribe timelines for decisions by authorities, including deemed approval provisions where applications are not decided within specified periods. Such provisions are intended to improve administrative efficiency and reduce delays.

These provisions also deal with provident fund administration, pension schemes and employee deposit-linked insurance schemes. The rules prescribe procedures relating to employer contributions, administration of funds, exemptions, appeals and electronic filings.

4. Employees’ State Insurance

The ESI-related provisions govern medical benefits, insurance contributions, administration of benefits and procedures relating to insured employees.

The rules aim to strengthen access to healthcare and insurance protection for employees covered under the scheme while also introducing digital compliance systems.

5. Gratuity and Maternity Benefits

These provisions regulate gratuity payments, nomination procedures and related employee entitlements. The rules also continue protections relating to maternity benefits and prescribe maintenance of registers relating to women employees.

The objective is to strengthen social welfare protections for employees while ensuring procedural clarity for employers.

6. Employee Compensation

The rules prescribe procedures relating to employee compensation claims, transfer of compensation amounts and jurisdictional matters. Authorities and appeal mechanisms under the employee compensation framework are also addressed.

These provisions aim to ensure financial protection for workers and their dependents in cases involving workplace injury, disability or death.

7. Career Centres and Employment Information

The rules recognise career centres at central and regional levels for employment-related coordination and labour market information dissemination.

These provisions are intended to modernise employment information systems and improve access to job-related services.

8. Building and Construction Workers

Special provisions have been included for building and construction workers and welfare boards. The rules provide for registration systems, cess collection, nodal officers and welfare fund administration.

The emphasis is on improving delivery of welfare benefits and increasing registration of workers in the construction sector.

9. Unorganised, Gig and Platform Workers

The rules support the broader objective of extending social security coverage to workers outside traditional formal employment structures.

Provisions relating to registration, identification and welfare administration for unorganised, gig and platform workers reflect the changing nature of employment in India's economy.

10. Finance, Accounts and Administration

These provisions deal with maintenance of accounts, audits, investment of funds, administrative procedures and functioning of various authorities and boards constituted under the Code.

The rules seek to establish transparent and accountable systems for management of social security funds.

IV. OCCUPATIONAL SAFETY, HEALTH AND WORKING CONDITIONS (CENTRAL) RULES, 2026

The Occupational Safety, Health and Working Conditions (Central) Rules, 2026 ("**OSH Rules**") are among the most extensive of the four labour rules, consolidating numerous laws relating to workplace safety, contract labour, inter-state migrant workers, mines, construction workers and welfare conditions.

The rules operationalise the Occupational Safety, Health and Working Conditions Code, 2020 and seek to establish a unified framework governing workplace safety and labour welfare.

1. Consolidation of Multiple Safety and Welfare Laws

The rules replace a large number of earlier regulations including rules governing contract labour, inter-state migrant workers, building and construction workers, dock workers and mines.

This consolidation significantly reduces fragmentation in occupational safety regulation and establishes a common compliance architecture.

2. Registration Through Digital Platforms

One of the central features of the rules is the introduction of electronic registration through the Shram Suvidha Portal or other designated government portals.

Employers are required to apply electronically for establishment registration using prescribed forms and supporting documents. Registration certificates are to be issued electronically within specified timelines.

The rules also introduce “deemed registration” provisions where authorities fail to act within prescribed periods. Similar deemed approval mechanisms apply for amendment and cancellation of registration certificates.

3. Mandatory Appointment Letters

The rules require employers to issue appointment letters to all employees before engagement. The prescribed format includes details such as wages, designation, nature of employment, social security benefits and date of joining.

This requirement is particularly significant because formal appointment letters were often absent in sectors relying on informal or contract labour.

The move is expected to strengthen employment documentation, reduce disputes and support worker access to social security benefits.

4. Annual Medical Examinations

Employers engaged in dock work, mining, construction and related sectors are required to arrange annual medical examinations for workers above 40 years of age.

The examinations must be conducted by qualified medical practitioners and certificates are to be issued to workers and employers. Employers may utilise facilities available under the Employees’ State Insurance Corporation framework.

The provision reflects growing policy attention towards occupational health and preventive healthcare.

5. Accident Reporting and Hazardous Incidents

The rules prescribe detailed procedures for reporting workplace accidents and hazardous occurrences.

In cases involving death, employers must immediately notify the police and family members of the affected worker. Serious accidents causing incapacity must also be reported within prescribed timelines.

Hazardous incidents involving pressure systems, chemicals or other dangerous operations must be reported to authorities including the Inspector-cum-Facilitator and district administration.

These provisions are aimed at improving workplace accountability and strengthening safety oversight.

6. Contract Labour and Migrant Worker Compliance

The rules contain significant provisions relating to contract labour and inter-state migrant workers. Employers are required to notify commencement and closure of operations involving contract labour and construction activities.

Digital sharing of information with authorities such as the Employees' Provident Fund Organisation and Employees' State Insurance Corporation is also envisaged.

The rules seek to improve transparency in sectors traditionally associated with weak compliance and worker vulnerability.

7. Inspector-cum-Facilitator Regime

Like the other labour rules, the OSH rules adopt the Inspector-cum-Facilitator model. The emphasis is on compliance facilitation, digital inspections and risk-based enforcement rather than purely punitive regulation.

This reflects the broader reform philosophy underlying the labour codes.

8. National Occupational Safety and Health Advisory Board

The rules also contain provisions relating to National Occupational Safety and Health Advisory Board, which is expected to play an important role in advising the Central Government on standards, policies and regulatory measures concerning occupational safety, health and working conditions across sectors.

The Board is intended to function as a key institutional mechanism for recommending improvements in workplace safety standards, monitoring emerging occupational risks and facilitating coordination between governments, employers and worker representatives. Its role becomes particularly significant in sectors involving hazardous operations and vulnerable workers.

9. Sector-Specific and Common Safety Standards

A major feature of the OSH Rules, 2026 is the prescription of both sector-specific standards and common rules applicable across industries.

Detailed health, safety and working condition provisions have been prescribed for sectors such as mines, factories, construction work, beedi and cigar establishments, motor transport undertakings, dock work and plantations. These sectors involve varying degrees of occupational risk and therefore require specialised compliance and welfare measures.

At the same time, the rules also prescribe common standards applicable across establishments, thereby ensuring a baseline framework for worker welfare, safety compliance and working conditions irrespective of the sector.

10. Hours of Work and Annual Leave with Wages

The rules contain provisions relating to hours of work, overtime and annual leave with wages. These provisions aim to regulate working hours and ensure adequate rest and leave benefits for workers.

The framework seeks to balance productivity requirements with worker welfare and health considerations. By prescribing structured leave and work-hour regulations, the rules attempt to reduce excessive working conditions and improve workplace wellbeing.

11. Special Provisions Relating to Employment of Women

The rules also contain special provisions relating to the employment of women during night or before 6.00 a.m. and beyond 7.00 p.m. in any day. These provisions are intended to ensure safety, dignity and equal opportunity for women workers across sectors.

The framework reflects the broader policy objective of encouraging greater participation of women in the workforce while ensuring adequate safeguards relating to working conditions, welfare and occupational safety especially during night shifts.

Conclusion:

The notification of the four Central Labour Rules in May 2026 marks a historic phase in India’s labour law reform process. Together, the rules seek to consolidate decades of fragmented labour legislation into a simplified, technology-enabled and compliance-oriented framework.

The reforms aim to balance labour welfare with ease of doing business by promoting digital governance, reducing overlapping compliance requirements and formalising employment relationships. At the same time, the transition to the new framework will require substantial awareness, administrative preparedness and coordination between the Central and State Governments.

For employers, the rules offer procedural clarity and unified compliance systems. For workers, they promise improved documentation, social security coverage, workplace safety and wage protection.

The coming years will determine how effectively these rules translate legislative intent into practical workplace reforms across India’s rapidly evolving labour market.

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Date: May 20, 2026
