

iGlobal Law 2021 Annual Alert : India

Legal Change	Effective Date	Action required
<p>The New Labour Codes</p> <p>The 4 new labour Codes which have been passed by the Parliament of India and assented to by the President, are expected to be made effective as law in 2021. Once brought into force, the labour codes will repeal most of the existing central labour laws and amend and consolidate their provisions under 4 Codes as below:</p> <ul style="list-style-type: none"> ➤ Code on Wages 2019; ➤ Code on Social Security 2020; ➤ Industrial Relations Code 2020; and ➤ Occupational Safety, Health and Working Conditions Code 2020. <p>The enactments will make several significant changes to the existing labour law regime, including:</p> <ul style="list-style-type: none"> ➤ amended definitions of important terms such as ‘wages’, ‘employees’, ‘industry’, ‘appropriate government’; ➤ increased thresholds for applicability of certain chapters and compliances; ➤ fixation of minimum ‘floor wages’ at the Central level; ➤ manner of recognition of trade unions; ➤ wider restrictions on strikes by employees and lockouts by employers; ➤ provisions for benefits to fixed-term employees, gig workers and platform workers; ➤ digitisation of statutory procedures such as registrations, intimations etc; ➤ streamlined dispute resolution mechanism; and ➤ increased penalties along with compounding of less grave offences. 	<p>No official date has been notified. Enforcement is expected in 2021, upon formulation of rules under each of the labour codes by the appropriate government.</p>	<p>From a business perspective, it is advisable to ensure HR is already familiar with the new framework and evaluate the organisational changes that may be required when Codes come into effect.</p>