

## CENTRE LIKELY TO ROLL OUT LABOUR CODES BY EARLY NEXT FINANCIAL YEAR

The Government of India plans to introduce the highly anticipated Labour Codes during early 2025. The government combines 29 labour laws into 4 codes to simplify work rules and create better experiences for employers and workers.

### Key Highlights of the Code:

- 1. Simplification:** The four Labour Codes, namely – Health and Working Conditions (OSH) Code, 2020; the Code on Social Security, 2020; the Industrial Relations Code, 2020; and the Code on Wages, 2019 – enacted by amalgamating 29 central laws, aim to simplify the legal framework for labour and employment in India.
- 2. Inclusivity:** The codes aim to promote social and financial inclusion for all workers. People in regular and irregular jobs alike will gain new forms of social security and healthcare benefits.
- 3. Improved Standards:** These codes aim to improve the standard of living for workers by providing health care and social security across various job profiles.

### Implementation Strategy:

Implementation options are under consideration, including a three-phase deployment. Large organisations with 500+ employees would need to comply in the first year, followed by medium-sized firms (100–500 employees) in the second year, and smaller enterprises (up to 100 employees) in the third year. This arrangement would provide small establishments, which constitute over 85% of India's business landscape, a two-year period to achieve compliance with the Codes.

### Impact:

By offering better social security and improved grievance redressal options, covering workers who don't have regular job contracts, the new system ensures employees get stronger rights. Furthermore, under one legal framework, businesses have fewer governance procedures to follow, making conducting business operations simpler. However, since implementation still hinges on state-level preparations, as labour is a concurrent subject under the Constitution, the nationwide enforcement of the new legislation may face delays as several states are still working on their rules.

As India adopts these changes, all stakeholders need to acquaint themselves and ensure compliance with the new provisions to benefit from the new rules. Using several main laws, this powerful act brings new workplace regulations and safeguards for employees and employers throughout India.

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