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IN THIS ISSUE

UCS POV | Key Highlights and Applicability of the Four Labour Codes in India

New Labour Codes Empower Women with Greater Safety, Equality, and Workplace Flexibility

EPFO Pension Hike: Minimum Monthly Pension May Rise to ₹5,500

Karnataka govt. notifies menstrual leave policy with a day's leave a month

Labour codes spark industry concerns over ESI burden, gratuity costs

Karnataka moves to expand disability rights with new job and education quotas in private sector

Labour unions protest against new codes



Kerala not to implement new Labour Codes: Minister Sivankutty

Latest Notifications..

UCS POV | Key Highlights and Applicability of the Four Labour Codes in India

*- Shaiju Mathew,
Chief Operating Officer*

The Government of India consolidated 29 existing labour laws into four Labour Codes with the aim of simplifying, modernizing, and strengthening labour regulations in the country, and creating a more transparent, uniform, and business-friendly framework while ensuring protection and welfare for workers.

The Four Labour Codes were implemented by the Central Government on 21st November 2025, and the enforcement of rules under these Acts by the respective states is still pending. However, each establishment needs to make changes only after understanding the applicability of existing Labour Laws and the Labour Codes relevant to their operations. We would like to list a few such points for better understanding of the following Labour Codes:



Key Points:

- Establishments registered under the Shops & Establishments Act (S&E Act) in the respective states shall continue to follow the compliances as per the S&E Act. Working hours, intervals, spread-over, overtime, opening and closing hours, conditions for female employees working at night, leaves, National and Festival Holidays, registers/returns, and registration/renewal under the S&E Act shall remain as per the respective state S&E Act. The provisions mentioned under the Labour Codes for these compliances will not impact establishments registered under the S&E Act.
- Section 143 of the Code on Social Security: Even though the Social Security Code is “in force” from 21st November 2025, PF & ESI continue under the old Acts because Section 143 protects all existing schemes. Therefore, there is no change in the definition of “wages,” wage ceiling, employee eligibility under the scheme, or rate of contribution until new PF and ESIC schemes are notified.
- Section 53 of the Code on Social Security: For the purpose of Payment of Gratuity, expiration of fixed-term employment has been added to the separation of employment category. Gratuity shall be payable to an employee who has rendered not less than five years of service with the same employer. However, the five-year service condition shall not apply in cases of death, disablement, or expiration of fixed-term employment. Therefore, employees on a fixed-term employment agreement shall be eligible for gratuity after completing one year of service.
- Payment of Bonus Act, 1965: The definition of “wages” under this Act is not limited to Basic and DA. However, under the Code on Wages, the definition of “wages” is limited to Basic, DA, and retaining allowance. Therefore, employees whose Basic & DA are up to ₹21,000 per month shall be eligible for payment of bonus, which will include more employees under the Payment of Bonus Act bracket. For the purpose of bonus calculation, monthly wages shall be considered as ₹7,000 or minimum wages (whichever is higher).
- Code on Wages: Core wages such as Basic, DA, and retaining allowance must constitute at least 50% of gross wages, ensuring that allowances do not exceed 50% of gross wages. This may impact gratuity payable for establishments where Basic & DA are less than 50% of gross wages. However, there will be no impact on Employees’ Provident Fund contributions for establishments already contributing EPF on the wage ceiling.
- State-specific remittances such as Professional Tax, Labour Welfare Fund, etc., shall continue as these Acts do not fall under the Labour Codes.



New Labour Codes Empower Women with Greater Safety, Equality, and Workplace Flexibility

Introduction

Women constitute a vital and growing segment of India’s workforce, and the new Labour Codes mark a significant step towards creating a more inclusive, safe, and enabling work environment for them. With progressive provisions on equality, maternity benefits, workplace safety, and representation in decision-making bodies, the Codes modernise labour regulations to meet the needs of today’s economy. These reforms not only safeguard the rights of women workers but also expand opportunities by ensuring equal treatment, and supporting their participation across all sectors, including night shifts and hazardous industries.

Together, these measures strengthen women’s economic empowerment and contribute to a more resilient and gender-balanced labour ecosystem.

The following provisions outline the key benefits extended to women under the new Labour Codes:

Representation of Women in the GRC

The Industrial Relations Code 2020 mandates adequate representation of women in the Grievance Redressal Committee (GRC), not less than their proportion in the total workforce of the establishment.

- Ensures women workers have a fair voice in workplace dispute resolution.
- Women’s perspectives help address issues more comprehensively and sensitively.

Maternity Benefits

As per the Code on Social Security, to be eligible for maternity benefits, a woman must have worked in an establishment for at least 80 days in the 12 months immediately preceding the expected delivery. Eligible women receive maternity benefit equal to their average daily wages for the duration of the leave. The maximum period of maternity leave is 26 weeks, of which up to 8 weeks may be taken before the expected date of delivery. Additionally, a woman who legally adopts a child below three months of age, or a "commissioning mother" (a biological mother who uses surrogacy), is entitled to 12 weeks of maternity benefit from the date of adoption or from the date the child is handed over.

Work from home

In case the work assigned to a woman is of such a nature that she may work from home, the employer may allow her to do so, after availing of the maternity benefit for such period and on such conditions as the employer and the woman may mutually agree.

Simplification of certification for proof of delivery, etc. Proof of maternity-related conditions such as pregnancy, delivery, miscarriage, medical termination of pregnancy, tubectomy operation, or illness arising from such events may now be furnished through a form issued by:

- a registered medical practitioner,
- an accredited social health activist (ASHA),
- a qualified auxiliary nurse, or
- a midwife.

This provision, under Code on Social Security, simplifies the certification process, which under the Maternity Benefit Act, 1961 can only be obtained from a registered medical practitioner or a hospital or midwife.

Medical bonus

If the employer does not provide free pre-natal confinement & post-natal care, the woman is entitled to a medical bonus of ₹3,500.

Provision of Nursing breaks

After resuming duty post-childbirth, a woman is entitled to two breaks during her daily work for nursing the child until the child attains the age of 15 months.

Boost to female labour force participation

Women workers can work in all establishments for all types of work. They may also work at night, i.e. before 6 a.m. and beyond 7 p.m, with their consent, and the employer is required to make adequate arrangements for their safety, facilities, and transportation.

Allowing women to work across all establishments, including night shifts with necessary safety measures, promotes gender equality, expands employment opportunities, and supports higher female participation in the workforce.

Prohibition of Gender Discrimination

Employers shall not discriminate on ground of gender in matter relating to recruitment, wages, or conditions of employment in respect of the same work or work of a similar nature done by employees. Such a provision under Code on Wages, 2019:

- Ensures equal pay for equal work, removing unfair wage disparities based on gender.
- Expands protection to cover not just wages, but also recruitment and employment conditions, ensuring fairness throughout the employment.
- Promotes workplace equality, giving women and men the same opportunities in hiring, pay, and treatment.

Women's Representation on Advisory Boards

One-third members in the Central/State Advisory Board shall be women. Central/State Advisory Board shall give advice on fixation or revision of minimum wages, providing increasing employment opportunities for women, the extent to which women may be employed in such establishments or employments. This ensures women's voices in policy-making, leading to more inclusive and balanced employment policies. It helps design policies that increase employment opportunities for women, promoting gender equality in the labour market.



Conclusion

The progressive provisions under the new Labour Codes collectively strengthen the women workforce by ensuring equality and safety across all establishments by bringing gender parity. The codes through provisions like equal pay for equal work, enhanced maternity benefits, crèche facility and non-discrimination in recruitment, etc. will encourage greater female participation by permitting women to work in all sectors, including hazardous industries and night shifts, with adequate safety measures.

Increased representation of women in grievance redressal will also protect their interest. Overall, these reforms create a more inclusive, secure, and empowering work environment for women, enabling them to contribute fully and confidently to India's economic growth.

Source : Press Information Bureau

EPFO Pension Hike: Minimum Monthly Pension May Rise to ₹5,500

In a move that could bring long-awaited relief to millions of private-sector employees, the central government is reportedly considering an increase in the minimum pension amount under the Employees' Pension Scheme (EPS). According to recent reports, the minimum monthly pension — which currently stands at ₹1,000 — may soon be raised to ₹5,500 per month.

If approved, this would represent a ₹4,500 hike, significantly improving the financial security of retired employees across the country. The decision is expected to be discussed and possibly finalised in the upcoming Central Board of Trustees (CBT) meeting of the Employees' Provident Fund Organisation (EPFO).

Background — A Decade-Old Demand for Pension Revision

The current minimum EPS pension of ₹1,000 was last revised in 2014. For over a decade, employee organisations have been demanding an upward revision, citing rising living costs, inflation, and the growing gap between pension payouts and basic living expenses.

Unions representing EPF members have repeatedly submitted memorandums to the Ministry of Labour and Employment, urging the government to take immediate action to improve pension amounts for retired employees.



Now, with discussions gaining momentum, there is renewed optimism that the government may soon take a favourable decision — one that could benefit over 7.8 million pensioners currently receiving EPS benefits.

Proposed Increase — What the New Pension Could Look Like

If the proposal gets the green light, the minimum pension under EPS will rise from ₹1,000 to ₹5,500 per month.

This revision would:

- Increase the base pension by ₹4,500, offering meaningful support to lower-income retirees.
- Potentially benefit millions of EPFO subscribers who depend on EPS for post-retirement income.
- Mark the first pension revision in 11 years, a move that many see as long overdue.

However, officials have clarified that no final decision has been made yet, and the proposal will undergo review during the next CBT meeting, after which it will be forwarded to the Union Ministry of Labour for approval.

Who Is Eligible to Receive EPS Pension?

The Employees' Pension Scheme (EPS) is a retirement benefit plan managed by the EPFO and designed to provide social security to employees in the organised sector.

Eligibility criteria include:

- The employee must have been a member of the EPFO for at least 10 years.
- Pension benefits begin after the employee reaches the age of 58.

- In the event of early retirement (after 50 years), reduced pension benefits may apply.
- Nominees or family members are eligible for benefits in case of the employee's death.

Once eligible, pensioners receive a monthly payout based on their average salary and years of service, as per the EPS formula.

Current Scenario — Pensioners and Interest Rates

As of now, around 7.8 million employees are beneficiaries of the EPS pension scheme. The minimum pension remains fixed at ₹1,000, a figure that has not changed since 2014, despite multiple recommendations from labour unions to adjust it in line with inflation.

Alongside pension benefits, the EPFO also provides interest on employees' Provident Fund (PF) deposits. For the financial year 2024–25, the government credited 8.25% interest to the PF accounts of subscribers — the highest in several years.

Discussions for the next financial year's interest rate are already underway, with expectations that it will remain competitive to protect employee savings from inflation.

Employees' Reaction — Hope and Cautious Optimism

Employee unions and PF subscribers have welcomed the reports with cautious optimism. Many have expressed hope that the government will finally honour their decade-long demand for a pension increase.

"It has been 11 years since the last revision. With the rising cost of living, ₹1,000 is no longer enough to sustain even basic needs," said a senior member of an employee federation.

"An increase to ₹5,500 would make a huge difference, especially for retired workers who have no other source of income."

However, they also emphasised that the implementation should be swift once approved, as many pensioners continue to struggle financially due to stagnant pension rates.

Government's View — Balancing Reform with Sustainability

While the proposal has gained widespread support, the central government must also weigh the financial implications of the revision.

The EPS fund operates within specific actuarial limits, and a significant increase in the minimum pension would require careful recalibration of contributions and government support.

Sources close to the Ministry of Labour suggest that the government is exploring ways to make the pension increase sustainable without overburdening the fund. This could involve a combination of additional government funding and contribution restructuring.

When Will the Decision Be Made?

The final decision regarding the pension hike is expected to be taken during the next Central Board of Trustees (CBT) meeting, likely scheduled before the end of the financial year.

If the proposal is approved, it will be the first EPS pension hike in over a decade and will likely take effect in the 2025–26 financial year.

Until an official announcement is made, pensioners are advised to regularly check updates from the EPFO website (www.epfindia.gov.in) and trusted media sources for verified information.

Why This Update Matters

- Higher financial security for retired private-sector employees.
- First pension hike in 11 years, marking a major policy shift.
- Increased transparency and government focus on welfare of organised sector workers.
- A boost in confidence among current contributors, reassuring them that their retirement benefits remain a government priority.

Source : MSN

Karnataka govt. notifies menstrual leave policy with a day's leave a month

In what brings cheer and relief to the female workforce across Karnataka, the State government on Wednesday notified the menstrual leave policy, allowing one day leave a month, paving the way for its implementation.

Women in the age group of 18 to 52 are eligible to seek menstrual leave, and it will be applicable for permanent, contract or outsourced workforce. The policy will be applicable to the workforce employed in establishments registered under Factories Act, 1948, Karnataka Shops and Establishments Act, 1961,

Plantation Workers Act 1951, Beedi and Cigar Workers (Conditions of Employment) Act, 1966, and Motor Transport Workers Act, 1961.

The GO does not specify anything on leaves for government employees or anganwadi workers or Accredited Social Health Activists (ASHA).

An expert committee that deliberated on the policy earlier had recommended six days annually, which the government increased to 12 when it was approved in the Cabinet. In their feedback, four employers have suggested 12 leaves annually.

A GO issued by the Labour Department said that the menstrual leave is being extended considering health aspects, and to increase efficiency, besides increasing women participation in the workforce. As per the conditions imposed in the GO, there will be no provision to carry over the leave to the next month and women are not mandated to provide any medical certificate to use the leave.



Feedback was received from individuals, organisations and trade unions among others, of which 56 backed the policy. Twenty six of those who supported the policy were from the management, the GO said.

Welcoming the GO, Divya Biradar, convener, Karnataka Domestic Workers' Union, affiliated to AITUC, said: "However, the government should take immediate measures to formalise the policy. A legislation is stronger than a government order."

She also said that the policy has to be amended to include a vast section of women workforce engaged in domestic work, agricultural and construction work, apart from scheme workers such as anganwadis and ASHAs.

The fixing of age limit has also been objected to. A senior executive in a reputed organisation said: "Women would not have menopause before 52 in all cases. The policy should accommodate the interest of those people too."

Source : The Hindu

Labour codes spark industry concerns over ESI burden, gratuity costs

While officials describe the new labour codes notified by the Centre as a step in the right direction since they offer better health safeguards for workers, industry bodies say the public sector must extend ESI coverage to employees in smaller establishments instead of shifting the cost burden to them. Under the codes gazetted, employers must offer all workers above 40 years a free annual health check-up. But ESIC coverage will be voluntary for firms with fewer than 10 employees, and mandatory for those with even one worker engaged in hazardous processes. DP Danappa, president, Peenya Industries Association (PIA), said 40% of the 13 lakh employees in the cluster earn more than the current ESI wage ceiling of Rs 21,000 and are, therefore, excluded.

"We proposed that the govt raise coverage limit to Rs 30,000 so workers in small and medium industries benefit," he said. He said, currently, garment workers (around five lakh) and employees in micro-industries — the most vulnerable to closures — are covered under ESI. "Health checks should be covered under ESI," he said. "We contribute about 3.2% of the 4% towards ESI. The scheme becomes stronger when more workers are covered. This is especially important now that minimum wages have been raised to Rs 23,000." PC Rao, honorary president, Bangalore Hotels Association, and director, Federation of Karnataka Chambers of Commerce and Industry (FKCCI), said the proposal to increase ESI coverage was also raised during the regional committee meeting. "More than 50% of employees in the small and medium segment will benefit. A huge percentage of micro-industry workers will also come under the fold," he said. Subramanya Holla, president, Bangalore Hotels Association, added: "The Centre has released the codes, but we must see what amendments the state brings in. Allowing women to work round-the-clock is a positive step — earlier there were restrictions.

However, gratuity provision, which now kicks in after one year instead of five, will increase employer costs." Danappa agreed that the revised gratuity norms and wage-linked costs could strain MSMEs. "Gratuity coming in at one year is tough for MSMEs. Also, even one employee can now join a trade union for dispute matters," he said. BC Prabhakar, president, Karnataka Employers' Association, reminded members that the codes — already passed with presidential assent and with a gazette issued — now carry an implementation date of Nov 21. "Once the Centre and state frame and notify rules under each code, there will be complete clarity for establishments," he said.

Meanwhile, a state committee on Karnataka's labour policy, in its Oct 2025 report, observed that the four labour codes provide little substantive regulation on wages, industrial relations or occupational safety for informal workers, who make up almost 90% of India's workforce of over 500 million. Meanwhile, a platform of 10 central trade unions has condemned the Union govt's new labour codes, calling them "unilateral, anti-worker, and pro-employer". The unions and independent industrial federations have called a protest on Nov 26, demanding the scrapping of the codes and the withdrawal of the draft Shram Shakti Niti 2025. They say they had urged the Union finance ministry, during pre-budget consultations on Nov 20, to scrap the codes and convene an Indian Labour Conference (ILC). The last ILC was held in 2015. They argued that codes cater to demands of employers' representatives and fringe supporters of the govt, while "snatching rights and entitlement of workers". The state's committee on Karnataka labour policy, in its Oct 2025 report, noted that the four codes add to precarity among formal-sector workers and offer little to informal workers in terms of regulating conditions of work.

Source : Times Of India

Karnataka moves to expand disability rights with new job and education quotas in private sector

The State government has released a draft of the Karnataka Rights of Persons with Disabilities in Employment and Education Bill, 2025, proposing 5% reservation for persons with disabilities in all private establishments with 20 or more employees.



The draft also mandates that educational institutions earmark 10% of seats in every course for students with disabilities, one of the State's most expansive attempts to overhaul inclusion in employment and in higher education. The draft sets out a phased introduction of the 5% job quota across the private sector.

Companies must distribute these posts across disability categories based on a formula prescribed by the proposed State regulatory authority, file annual compliance reports, and can carry forward unfilled posts for up to three recruitment cycles. Exemptions will be granted only when essential job functions cannot be performed even with reasonable accommodation.

For education, the Bill makes 10% reservation course-specific, not institution-level, preventing colleges from averaging seats across programmes. Institutions must provide reasonable accommodation at the admission, classroom and examination stages, including scribes, extra time and alternative formats of question papers. They must prepare Accessibility and Inclusion Plans within six months and make their physical and digital infrastructure fully accessible within five years.

Students with disabilities will receive relaxations such as a five-year upper-age extension and 5% cut-off relaxation, while educational loans must be available at concessional rates with simplified processes and dedicated facilitators. Unfilled seats may be carried forward for three years. Beyond quotas, the Bill proposes comprehensive safeguards against discrimination in recruitment, promotion, training and service conditions. Employers must provide reasonable accommodation such as assistive devices, flexible work arrangements and workplace modifications. Any denial on grounds of "undue hardship" must be explained in writing and may be reviewed by the State regulatory authority.

Employers are barred from disclosing disability-related information without informed consent, except where required for safety or legal compliance. Employees who acquire a disability during service cannot be terminated or demoted and must be reassigned or placed in a supernumerary post.

To enforce the framework, the draft sets up two bodies -- a State Regulatory Authority to oversee compliance, conduct audits and issue guidance, and a State Enforcement Authority to adjudicate complaints and award compensation. All establishments and educational institutions must appoint trained Grievance Redressal Officers and provide multiple accessible complaint channels.

The government has sought objections and suggestions within 30 days.

Source : The Hindu

Labour unions protest against new codes

Members of various labour unions and associations staged a protest against the new labour codes implemented by the Union government calling them anti-labour.

In Belagavi, Centre of Indian Trade Unions activists burnt a copy of the codes, saying they are legalising corporate slavery.

"These codes are snatching away our rights. They exempt any company or establishment that employs less than 12 people from all labour laws. They are extending working hours, reducing compensation and other benefits and also, the powers of regulation by government agencies. They also reduce all permanent jobs to temporary contractual jobs. These codes are made to benefit corporates and big business houses and not workers, district coordinator Gaibu Jainekhan said.

In Karwar, leaders burnt copies of the codes at Subhas Circle and raised slogans against the Union government. A protest march was taken through the main streets of the city. They marched from Maladevi Maidan to the Deputy Commissioner's office.

The protestors submitted a request to the President to withdraw the Central government's new labour policies. They also urged Chief Minister Siddaramaiah not to implement them.

Additional Deputy Commissioner Sajid Mulla received the submissions.

CITU district vice-president Yamuna Gaonkar and activists were present.

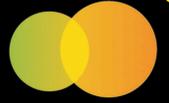
In Hubballi, protestors submitted a memorandum to the government. They took out a protest march holding placards and raised slogans against the Union government.

Source : The Hindu

Kerala not to implement new Labour Codes: Minister Sivankutty

In a significant political and policy move, Kerala Labour Minister V. Sivankutty recently categorically said that the state will not implement the new Labour Codes introduced by the Central government. He announced the decision after holding discussions with central trade union leaders, marking a strong stance on federal labour policy and workers' rights. Representatives from major trade unions and senior officials from the Labour Department attended the meeting. The union leaders unanimously decided to urge the Centre to withdraw the new Labour Codes, citing concerns over dilution of workers' rights, job security, and collective bargaining protections.

As a follow-up, Kerala will host a Labour Conclave on December 19, inviting labour ministers from other states who also oppose the implementation of the Codes. The conclave will bring together around 100 delegates, including trade union leaders, policy experts, and legal specialists, to evolve a joint strategy and explore the possibility of drafting state-specific labour laws. Sivankutty said the meeting would discuss Kerala's legal scope to formulate independent labour legislation, assess the extent of state intervention possible under the existing framework, and consider legal opinions on constitutional autonomy in labour matters.



"We will formally inform the Centre requesting withdrawal of the Codes, and after the conclave, a delegation is expected to meet the Union Labour Minister to submit a memorandum," said Sivankutty.

The minister also referred to nationwide protests held on Wednesday, during which workers wore black badges in symbolic resistance.

Reports emerged that some establishments issued notices against employees displaying protest badges.

Sivankutty warned that such punitive actions would not be allowed in Kerala.

"No institution can take action against any worker for peaceful protest in this state. The government will not permit any attempt to intimidate or suppress workers," he asserted.

Kerala's move is likely to energise national debates on federal autonomy, labour rights, and the future of the 'One Nation, One Law' policy approach.

Source : HR World

HR Shops and Commercial Establishments (Amendment) Ordinance, 2025

AP Shops and Establishments (Amendment) Act, 2025

India's Four Labour Codes Operational from November 21, 2025

Holiday List 2026

Haryana Order Standing Exemption for 5 years

EPS Pension option_New Alert

Delegation of Powers under EPF Act (Sections 14AC & 14B)

Implementation of Revised Definitions under the Code on Social Security, 2020 - ESI



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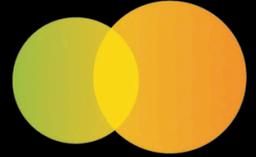
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