

THE COMPLIANCE WATCH

QUALITY | WILL TO WIN | BUILDING & LEVERAGING RELATIONSHIPS

Beyond Notification — Is Your Organisation Truly Labour Code Ready?

BALA HARISH
VICE PRESIDENT

The notification of Central Rules under all four Labour Codes — effective 8 May 2026 for the Code on Wages, and 9 May 2026 for the Code on Social Security, the Industrial Relations Code, and the Occupational Safety, Health and Working Conditions Code — is not a regulatory milestone to be noted and filed away.

It is a commencement. Prescribed forms are mandatory. Statutory timelines are running. The unified inspection scheme is operational. For establishments covered by Central Rules, compliance obligations are live today — they are not contingent on States notifying their corresponding Rules.

The majority of States have not yet notified their Rules. This does not create a compliance holiday. It creates a dual-layer obligation: Central Rules govern where notified; prior State enactments continue to govern where State Rules remain pending.

For several decades, labour compliance in India operated on a broadly predictable rhythm — obtain registrations, maintain registers, file returns, respond to inspections. That rhythm no longer describes the environment organisations are operating in.

The four Codes framework introduces a unified inspection protocol under which a single inspector can traverse all four Codes in one visit. An anomaly in wage computation can trigger scrutiny of PF contributions, gratuity calculations, and contractor oversight simultaneously — because the wage definition under the Code on Wages Section 2(y) governs all of them. A discrepancy that once stayed contained within a single statute is now a cross-Code exposure.



Government portals, EPFO systems, and the Shram Suvudha platform are increasingly data-centric. Inconsistencies between statutory filings, payroll records, and employer declarations are more detectable today than at any point previously. The inspection framework is being built to expose exactly these inconsistencies.

Several obligations are operational now and cannot wait for State-level clarity:

Karnataka's revised minimum wage notification (May 2026) is under challenge before the High Court, with the next hearing on 3 July 2026. Employers in Karnataka are navigating a live compliance dilemma – the notified rates are in force unless stayed, yet the judicial outcome remains open.

The Code on Social Security has revised the interest rate framework for delayed contributions. New prescribed forms for gratuity have replaced the legacy Forms F, I, J, and L under the Payment of Gratuity Act. Career Centre registration is also mandatory. Each of these is a present obligation for Central-sphere establishments.

For employers, this means compliance cannot remain a reactive exercise triggered only by inspections or annual audits. Organisations must ensure that their compliance processes are continuously monitored, documented, and aligned with statutory requirements as they evolve.



Five Areas That Require Immediate Attention :

- Wage Structures - Review salary structures against the Wage Code Section 2(y) wage definition, applicable minimum wage notifications, and the permissible deductions list under Section 18(2).
- Digital Documentation - Employment records, statutory registers, declarations, and supporting documentation must be maintained in an audit-ready format aligned to the new prescribed forms under the Central Rules.



- Vendor Compliance - Principal Employers must strengthen oversight of contractors and service providers. The OSH Code Central Rules impose enhanced disclosure and verification obligations that go beyond the legacy Contract Labour Act framework most establishments currently use.
- Payroll Governance - Payroll systems should be validated to ensure statutory deductions, PF contributions, and wage calculations are compliant with the Wage Code – not just internally consistent. The wage definition under the Code simultaneously governs minimum wages, PF, gratuity, and overtime computations.
- Compliance Monitoring - Internal compliance reviews and management reporting must become a continuous governance practice. Under the unified inspection framework, an anomaly in one domain – wages, contract labour, OSH – is visible across all four Codes in the same inspection.



One significant trend emerging from recent regulatory developments is the growing integration of technology in compliance administration. Government portals, EPFO systems, and the Shram Suvidha platform are increasingly data-centric, enabling greater visibility of employer records and faster identification of anomalies. Inconsistencies in statutory filings, payroll discrepancies, or delayed registrations are more detectable today than at any point in the past.

Organisations should therefore approach compliance not merely as a legal obligation but as an integral component of corporate governance. Robust compliance practices reduce litigation exposure, support audit readiness, and demonstrate responsible business conduct — particularly relevant as the four Codes framework matures and enforcement infrastructure strengthens.

Prime Minister to disburse ₹2,400 crore worth incentives to new employees, employers

With an outlay of ₹99,446 crore, around 15 lakh beneficiaries will receive the incentive under the Pradhan Mantri Viksit Bharat Rojgar Yojana as direct benefit transfer



Prime Minister Narendra Modi will interact with a few first-time employees and employers benefiting under Pradhan Mantri Viksit Bharat Rojgar Yojana. File.

Prime Minister Narendra Modi disbursed ₹2,400 crore worth of incentives under the Pradhan Mantri Viksit Bharat Rojgar Yojana (PM-VBRY) in New Delhi on June 19, 2026.

Union Labour Minister Mansukh Mandaviya told reporters in New Delhi on Thursday (June 18, 2026) that 15 lakh beneficiaries will receive the incentive as a Direct Benefit Transfer (DBT).

Mr. Mandaviya added that Mr. Modi will interact with a few first-time employees and employers benefiting under PM-VBRY. The total outlay for the programme is ₹99,446 crore, which is targeted to create 3.5 crore jobs in two years. The Minister said first-time employees will get benefits worth ₹15,000 and employers will receive up to ₹3,000 per month per new employee.

He added that the scheme is to boost employment in the manufacturing sector and extended benefits are being provided for up to four years. “Since August 2025, more than 63 lakh first-time employees have been brought into the formal workforce under PM-VBRY, of which nearly 30% are women. More than 80% of establishments incentivised under Part B are small enterprises with fewer than 25 workers. This highlights PM-VBRY’s role in supporting small and emerging enterprises while promoting employment generation, which remains the backbone of India’s economy,” he said.

Mr. Mandaviya added that various Chief Ministers and Cabinet Ministers will attend the programme virtually from 200 industrial clusters in their respective States on Friday. “Regional programmes will be organised simultaneously at these industrial clusters and will be attended by Governors, Chief Ministers, Union Ministers, Deputy Chief Ministers, State Labour Ministers, Members of Parliament, Members of Legislative Assemblies, Mayors and other distinguished dignitaries,” he added.

Source - The Hindu





Exempt from law: Entry-level IT staff earn less than unskilled labourers in Karnataka

Amidst the Karnataka government's loud proclamations about hiking the minimum wage and making it the highest in the country, IT and IT-enabled services workers in the state are alleging that many employers in the sector do not pay the minimum wage. IT workers unions also point out that the minimum wage does not apply to the IT industry because the Karnataka government has exempted the industry from most labour laws.

The Karnataka government on May 22, notified the final draft of a revision of minimum wages across the state. Under the updated regulations, minimum monthly earnings for unskilled labourers would be set at Rs 21,251 in rural and semi-urban districts, Rs 23,376 in municipal corporations outside of Bengaluru, and Rs 25,714 for positions located within the Greater Bengaluru area.

Meanwhile, monthly earnings for highly skilled workers would be set at Rs 28,285 in rural and semi-urban districts, Rs 31,114 in municipal corporations outside of Bengaluru, and Rs 34,225 for positions located within the Greater Bengaluru area.

Dushyant Dubey, founder of human rights NGO Broseph Foundation, told TNM that IT workers were being paid less as they had been "made skilled enough to produce wealth, but too powerless to demand a fair share of it."

According to Dushyant, numerous IT and ITeS workers involved in entry-level software testing, data entry, and BPO voice support roles are currently earning around Rs 15,000 to Rs 20,000, while being coerced into unpaid overtime work and denied employment benefits.

He congratulated the labour ministry for introducing progressive minimum wage reforms but implored them to reconsider the exemptions given to IT companies in Karnataka and called for introduction of legislation to address the particular issues within the IT and ITeS sector.

It was in 2009 that the Karnataka government first exempted a range of "knowledge-based industries" including the IT and IT enabled industries from the Industrial Employment (Standing Orders) Act 1946.

The Standing Orders stipulate conditions such as working hours, attendance, shifts, salaries including over time, termination, grievance redressal, etc. The Karnataka government has extended the exemption since then, which IT workers and labour activists allege is discriminatory because all workers should have equal protection under the law.

Dushyant said that companies used fear as a management tool by making employees work nights and meet impossible deadlines and telling them that this was normal because “there are 10 others waiting to replace them.”

Suman Das, the convenor of IT and ITES Democratic Employees Association (IIDEA) told TNM that many in IT-related and ITeS fields such as those in entry-level digital marketing, data entry, and call centres continue to earn even below these limits, despite being classified as skilled workers. IIDEA is affiliated to the All India Central Council for Trade Unions (AICCTU).

Suman reiterated that services from the IT and ITeS sector were one of the biggest exports for the Indian government, yet the government failed to bring any regulations to support the sector’s human resource.

He claimed that the government's actions were an attempt to create a more “investment-friendly” industry, effectively prioritising the interests of private investors and employers over those of the workforce.

He told TNM that the government was paralysing and diluting the protection that previous laws provided to employees, alleging, “The government is moving from a socialistic approach towards a more capitalistic approach.”

He said that the IIDEA had submitted their demand for a rise in the minimum wage for all sectors, accounting for rise in prices to the labour secretary and hoped that the secretary would issue a timely response. “It is very difficult for basic livelihood. So, it is important to increase the wage,” he said.

Dushyant advocated for the enactment of an IT Workers Act to tackle the unique challenges of the industry. He emphasised that such legislation should regulate critical areas, including working hours, overtime compensation, and health insurance.

He also urged that the law address access to mental and physical health resources, unemployment support during layoffs, transparency in hiring and internship processes, as well as oversight on salary disbursements and final settlements. “We need the IT Workers Act to address the specific issues and problems of this sector as well,” he said

Source - The News Minute



Big Relief for Employees as Karnataka HC Clears Path for Higher EPS-95 Pension

In a significant relief for Employees' Pension Scheme (EPS-95) subscribers, the Karnataka High Court has ruled that employees who were members of EPS on September 1, 2014, and contributed to the Employees' Provident Fund (EPF) on their actual wages cannot be denied the benefit of a higher pension merely because contributions to the pension fund were restricted by wage ceilings.



The judgment came while hearing petitions filed by employees of exempted establishments whose applications for higher pension were rejected by the Employees' Provident Fund Organisation (EPFO).

The court held that employees who had contributed to EPF on actual salaries and remained EPS members as of September 1, 2014, are entitled to exercise the joint option for a higher pension, subject to other eligibility requirements.

EPFO Rejections Quashed

The High Court set aside EPFO orders that denied higher pension claims on grounds such as non-payment of pension contributions above the statutory wage ceiling before September 1, 2014, or the absence of a prior option exercise.

The court observed that such reasons were legally unsustainable when employees had already contributed to the provident fund on actual wages.

Relying on earlier Supreme Court precedents, including the landmark R.C. Gupta case, the court emphasized that procedural limitations cannot override substantive pension rights.

It further clarified that trust rules of exempted establishments cannot defeat benefits available under the Employees' Pension Scheme, 1995.

Key Highlights:

- Karnataka High Court grants relief to EPS-95 subscribers, ruling that eligible employees cannot be denied higher pension benefits solely due to wage ceiling restrictions on pension contributions.
- Employees who were EPS members on September 1, 2014, and contributed to EPF on actual salaries remain eligible to opt for a higher pension under EPS-95.
- The court quashed EPFO's rejection orders in cases where higher pension applications were denied on grounds such as non-contribution above the wage ceiling or failure to exercise an earlier option.
- The judgment reinforces Supreme Court precedents, including the R.C. Gupta case, emphasizing that procedural or administrative hurdles cannot override employees' pension rights.
- The ruling could benefit thousands of employees and retirees, particularly those from exempted establishments, and may influence similar higher-pension cases pending before courts across India.

Wider Impact on Pensioners

The ruling is expected to benefit thousands of employees and retirees from exempted establishments who contributed to EPF on higher salaries but were denied enhanced pension benefits.

Legal experts believe the judgment strengthens the position of employees seeking higher EPS-95 pensions and may influence similar cases pending across various High Courts.

However, the court did not decide whether the ruling would apply to employees who retired before September 1, 2014.

The decision adds to a growing series of judicial rulings favouring employees in higher pension disputes, reinforcing the principle that pension benefits cannot be curtailed by administrative or procedural hurdles

Source - SightsInPlus



Special Drive for Expeditious Disposal of Long-Pending Labour Cases: ₹10.32 Lakh Disbursed to Workers in New Delhi

As part of the Special Drive launched by the Office of the Chief Labour Commissioner (Central), Ministry of Labour & Employment, to expedite the disposal of long-pending labour cases, a consolidated hearing of claim cases involving Delhi Metro Rail Corporation (DMRC) Ltd. and its contractors was conducted today before the Regional Labour Commissioner (Central), New Delhi-cum-Authority under the Code on Wages, 2019, at the Office of the Deputy Chief Labour Commissioner (Central), New Delhi.

To facilitate the effective resolution of pending cases, the Chief Labour Commissioner (Central), Smt. Sonal Mishra, attended the proceedings and addressed officers of the Delhi Region, representatives of the management, and workers participating in the hearings. She emphasized the need for timely disposal of labour disputes and strict adherence to labour laws to ensure speedy justice for workers.

During the proceedings, 193 claim cases were taken up, of which 23 cases were successfully resolved, resulting in the disbursement of ₹10,32,484 to 12 workers towards their rightful dues. Substantive hearings were also conducted in the remaining cases, paving the way for their likely resolution on the next scheduled date.

Representatives of the management, including the Senior Labour Welfare Inspector and Labour Welfare Inspector of DMRC Ltd., along with representatives of the contractors, were sensitized on the importance of strict compliance with labour laws, particularly regarding timely payment of wages, maintenance of statutory records, and protection of workers' rights. The management assured the labour authorities that necessary corrective measures would be implemented to strengthen compliance.

The Special Drive reflects the Ministry of Labour & Employment's continued commitment to ensuring timely grievance redressal, improving access to justice for workers, strengthening compliance with labour laws, and fostering harmonious industrial relations through effective and time-bound dispute resolution.

EPFO user alert! Claim submission, processing unavailable from June 26-28; UMANG services also affected

The Employees' Provident Fund Organisation (EPFO) has announced a three-day online shutdown of its request submission and claims processing system this month (June 2026) due to a planned technology upgrade on its portal.

Not just that, EPFO services will also not be available on the Umang app till July 2, 2026, as per a message on the app.



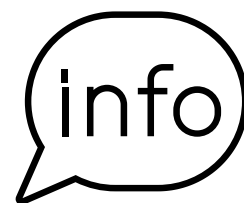
An EPF notice states, "To enhance service delivery, improve processing efficiency and provide a better user experience, EPFO is undertaking a planned database consolidation and upgradation of software applications for the claims processing system. As part of this transition, submission and processing of claims through this portal will remain temporarily unavailable from 00:00 hrs on June 26, 2026, to 23:59 hrs on June 28, 2026."

Users can check their PF balance, raise claim, apply for a scheme certificate or a UAN, seed UAN with Aadhaar, check claim status, search for establishment, view EPFO office address, register grievance and apply for the Jeevan Pramaan certificate using the Umanag app.

However, EPFO services are undergoing scheduled maintenance on the Umang app till July 2, 2026, as per a message on the Umang app.

EPF interest rate

The government has ratified a 8.25% rate of interest on the EPF to its subscribers for the Financial Year (FY) 2025-26.



When will EPFO services be unavailable on its portal?

According to a notice available on the EPFO's official website, submission and processing of Employees' Provident Fund (EPF) claims through the portal will remain temporarily unavailable from June 26, 2026, 12:00 am, to June 28, 2026, until 11:59 pm.

Services will be fully restored by 12 am, June 29, 2026, EPFO said in a statement.

Which EPFO services will be affected during three-day scheduled maintenance?

The EPFO says that during the migration period, EPFO members will not be able to avail these services:

- Submission of new claim requests will be temporarily unavailable.
- Claim processing services will be temporarily unavailable.
- Claims already submitted before the migration period will be taken up for processing after services resume.
- EPF subscribers who have already submitted their claims will have to wait for more days due to a halt in services for three days.

How to check EPF balance using missed call

If you are registered on the UAN site, you can access your EPF balance information by making a missed call from your registered mobile number to 011-22901406. Make sure your bank account information, Aadhaar and PAN are seeded into your UAN. You might even request that your employer plant them for you. There is no charge for this service.

How to check EPF balance by sending SMS

Sending an SMS to 7738299899 will provide you with information regarding your most recent contribution and the PF balance if your UAN is registered with the EPFO. You must transmit the following message: EPFOHO UAN ENG. The desired language's first three letters are "ENG." Therefore, type EPFOHO UAN MAR to receive the message in Marathi.

Make sure that your UAN is seeded with your bank account, Aadhaar, and PAN, or update the latest information.

Source - Economic Times

Highlights

- [POSH Act – NCW Advisory Dated 19 June 2026](#)

- [Andhra Pradesh – Final Notification for Industrial Relations Code, 2020, The Industrial Relations AP Rules](#)

- [Central Government's share the Revision of stipend payable to apprentices under direct benefit transfer](#)

- [Gratuity New compliance process w.e.f 8th May 2026](#)

- [Revision in Inspection Charges for Exempted PF and EDLI Establishments](#)

- [Section 127 of the Social Security Code – Uniform Interest Component](#)

 READ MORE



UCSCompliTool is a technology to ease the complexities of navigating through the changing Labour laws. With our past experiences and feedbacks, we have developed an in-house Software solution and have created this robust mechanism which represents our motto - Compliance simplified. It provides a real time and 360-degree view of compliance status for the Principal employer (CompliTool - Compliance) and with risk matrix to monitor the contractors (CompliTool - Audit). We have developed a Role Based Access Control model and being a cloud-based system, we are offering an absolute security and protection of data.

Following are some of the major benefits of the Tool:

- Real Time Statistical Data
- Informative Tool
- Transparency
- Ease of Documentation
- Ease of Monitoring
- Highlighting of Critical Points
- Security and Data Confidentiality
- Centralization of Data
- Readily Available Documents
- Data Integrity
- Extensive Reporting
- User friendly Dash Boards
- Overall compliance review from front end maneuver

For Demo, Please write to us at enquiry@ucsdel.com or Call us @ 0124 2656864

UCSCompliTool.com

ABOUT US



United Consultancy Services is one of the leading consulting firms in India providing compliance, advisory, and audit services in the field of Labour Laws, Human Resource Development, and Legal matters pertaining to Industrial Relations. We provide meaningful, forward-looking and compliance-oriented solutions to help organizations grow while being compliant with labour laws. Proactive teams led by domain experts, use insight, experience and best practices to understand complex issues of publicly listed and privately owned clients and simplify compliance.

With over 30 years of existence and with more than 200 professionals the firm provides robust compliance services and solutions on complex requirements under Labour law. The information shared in the newsletter is based on Government notifications and newspaper articles.

This is for general information purposes only and does not constitute legal advice. Please reach out to your UCS contact or the Company's legal counsel before taking any action.

We Simplify Compliance For You.



Unit No. 852 - 856, 8th Floor,
JMD Megapolis, Tikri, Sector-
48, Sohna Road, Gurugram,
Haryana-122018.



0124 2656864



enquiry@ucsdel.com



www.unitedconsultancy.com



**PAN INDIA OFFICES: AHMEDABAD | BENGALURU | CHENNAI | GURUGRAM | HYDERABAD
| KOCHI | KOLKATA | MUMBAI | PUNE**