

Ministry of Labour and Employment notifies the Central Rules under the four Labour Codes

On May 8, 2026, the Central Government has notified the long-awaited Central Rules under the 4 (four) Labour Codes, namely;

1. the Code on Wages (Central) Rules, 2026 (“**Central Wage Rules**”);
2. the Social Security (Central) Rules, 2026 (“**Central SS Rules**”);
3. the Industrial Relations (Central) Rules, 2026 (“**Central IR Rules**”); and
4. the Occupational Safety, Health and Working Conditions (Central) Rules, 2026 (“**Central OSH Rules**”).

The notification of the rules offers much-needed clarity on the operational architecture of the Labour Codes, particularly around forms, registers, timelines, digital filings, and procedural compliance. With this, the State Governments are expected to follow suit and release their rules in the upcoming months.

These rules, however, are not universally applicable to every business in India. Instead, their reach is dictated by the precise legal definition of ‘appropriate Government’, and whether the Central Government or the relevant State Government is the ‘appropriate Government’ for the establishment in question.

Applicability of the Central Rules

The 4 (four) Labour Codes generally divide power between the Central and State Governments based on the nature of the industry and the level of ownership.

The Central Government acts as the ‘appropriate Government’ for specific strategic sectors, including railways, mines, oil fields, major ports, air transport, telecommunications, banking, and insurance companies. Its jurisdiction also extends to any Central Public Sector Undertaking, its subsidiaries, or autonomous bodies owned or controlled by the Centre. Conversely, the State Government is designated as the ‘appropriate Government’ for all other establishments. This includes factories, motor transport undertakings, plantations, newspaper establishments, and businesses related to beedi and cigar production.

That said, the position is not uniform across all 4 (four) Labour Codes. The Code on Social Security, 2020 (“**SS Code**”) explicitly centralises authority for multi-State establishments, which means that the Central SS Rules may assume direct relevance even for private establishments with branches or operations in more than 1 (one) State. The Central IR Rules are also relevant beyond the public sector in certain contexts, as they contemplate National Industrial Tribunals for disputes involving questions of national importance or disputes affecting industrial establishments situated in more than 1 (one) State. Interestingly, it also adds a nuance for contractor disputes: the ‘appropriate

Government’ is determined by which entity has control over the specific industrial establishment where the dispute first originated.

The practical takeaway, therefore, is that for most private employers, the Central Rules should be viewed less as a universally applicable compliance mandate and more as a combination of: (a) an immediately binding framework for establishments within central jurisdiction; (b) a directly relevant regime for multi-State establishments under the SS Code; and (c) a strong indicator of the compliance direction that State-level rules are likely to follow.

Key compliance themes under the Central Rules

Administrative rigor and financial discipline – Central Wage Rules

The Central Wage Rules reiterate that the normal working day for an employee on a daily wage period is 8 (eight) hours, while for other wage periods, weekly working hours must not exceed 48 (forty-eight) hours. They also set out a structured framework for weekly rest days, substitution of rest days, and the payment consequences where employees work on a rest day, including overtime-linked treatment in specified cases.

It further introduces a strict regimen for documentation. Employers are no longer permitted to maintain casual records; instead, they must preserve specific registers, such as the Employee Register (Form I) and the Register of Wages and Overtime (Form IV), for a minimum of 5 (five) years. The era of manual ambiguity is ending, as these records can be maintained electronically.

A cornerstone of these rules is the protection of employee earnings. Wage slips must be issued in a prescribed format (Form V) either physically or electronically on or before the day wages are disbursed. When it comes to discipline, the rules emphasise natural justice; an employer cannot impose a fine or deduction for damage or loss without first issuing a show cause notice. The employee must be granted 7 (seven) days to respond, and any penalty must be communicated within 15 (fifteen) days of the final decision. To ensure that final dues reach the right hands, every employee is also required to file a nomination (Form VII), a crucial safeguard for handling undisbursed dues in the event of an untimely death.

Social security in the digital age – Central SS Rules

The Central SS Rules, leverage the *Shram Suvidha* portal to create a unified digital identity for establishments and workers alike. New businesses must register electronically, while establishments already registered under any central labour law are tasked with updating their particulars within the timeframe prescribed. This digital integration extends to individual workers, where existing insurance or universal account numbers are used to ensure portability of benefits.

The Central SS Rules also provide a long-awaited framework for the ‘gig economy’. Aggregators, that is, the platforms engaging gig and platform workers, must share worker data with the Government and fulfil contribution requirements by specific annual deadlines. The Central SS Rules also specify several key compliance actions for employers and aggregators regarding registration, record-keeping, and the administration of employee benefits.

Welfare is further humanised through mandates like the provision of crèches for establishments with 50 (fifty) or more employees and the requirement that maternity benefits be processed within 48 (forty-eight) hours of receiving proof of delivery.

Safety, health, and the modern workplace – Central OSH Rules

The Central OSH Rules elevate the physical welfare of the worker to a mandatory corporate responsibility. A person’s journey in an organisation now begins with a formal letter of appointment, which must, amongst others, detail their designation, skill category, and social security benefits. The rules also prescribe sector-specific health obligations. For

those in high-risk sectors like dock work or construction, the burden of health monitoring falls on the employer, who must provide free annual medical examinations for employees over the age of 40 (forty).

Workplace infrastructure is also strictly regulated based on workforce size. Once an establishment crosses the threshold of 100 (one hundred) workers, a canteen becomes mandatory. If the workforce reaches 500 (five hundred), the establishment must provide an ambulance room managed by a qualified medical practitioner. Safety is treated as a collaborative effort; establishments with 500 (five hundred) or more workers (or 100 (one hundred) in the case of mines) must constitute a Safety Committee where workers and employers have equal representation.

The Central OSH Rules establish a comprehensive compliance framework for establishments regarding registration, safety infrastructure, employee health, and record-keeping.

Harmonising industrial relations – Central IR Rules

The final pillar of this framework, the Central IR Rules, focuses on fostering amity and resolving conflict through structured dialogue. Establishments with 20 (twenty) or more workers are required to set up a Grievance Redressal Committee, ensuring women workers are adequately represented. To streamline collective bargaining, the Central IR Rules provide a mechanism to recognise a ‘negotiating union’ if it commands at least 30% of the workforce's support. The Model Standing Orders, 2026, have also been notified by the Government for the mining, manufacturing and services sectors on May 8, 2026. For further details, please refer to the [JSA Prism of May 11, 2026](#)

Transparency is also required for major organisational changes. If an employer intends to alter service conditions or initiate a lockout, they must provide formal notice through prescribed forms to both the workers and the Government. In the difficult event of retrenchment, the Central IR Rules introduce a socially conscious ‘Worker Reskilling Fund’. Employers must contribute an amount equivalent to 15 (fifteen) days of the worker's last wages to this fund within 10 (ten) days of retrenchment, ensuring that the transition for the worker is backed by tangible financial support for their reskilling.

Overall, the Central IR Rules establish a framework for managing employer-employee relations, focusing on dispute resolution, workplace committees, and organisational changes.

Other relevant notifications

Along with the notification of the Central Rules, the Ministry of Labour and Employment has also issued allied notifications to ensure smooth implementation of the Labour Codes, and the Central Rules. These notifications *inter alia* relate to the following:

1. setting up of a ‘Worker Re-skilling Fund’;
2. Model Standing Orders, 2026 for mining, manufacturing and services sectors, notified under the Industrial Relations Code, 2020; and
3. appointment of various authorities and officers to undertake the defined functions.

Conclusion

The notification of the Central Rules is undoubtedly the most important operational development since the Labour Codes were brought into force.

By emphasising digital transparency, consolidating redundant paperwork, and introducing progressive concepts like the ‘Worker Re-skilling Fund’ and gig worker protections, the Central Government has provided a clear roadmap for industrial harmony. It also signals a decisive move toward a more integrated, technology-enabled, and process-driven labour law framework. Further, the shift toward a ‘single-window’ compliance culture *via* the *Shram Suvidha* portal

promises to significantly reduce the administrative burden on employers while ensuring that worker rights are not just preserved but enhanced through better portability and faster dispute resolution.

However, for the vast majority of employers especially in the Indian private sector, these Central Rules represent only one half of the legislative puzzle. Because the definition of the 'appropriate Government' leaves the regulation of most commercial establishments and factories, to individual regions, the full impact of the Labour Codes remains in a state of transition.

While full operational clarity will only emerge once the various State Governments also notify their respective rules, needless to mention, the Central Rules offer a practical blueprint for what employers should begin preparing for. The Central Rules reveal the compliance architecture that the Labour Codes are intended to operationalise; that is, a framework that is increasingly digital, standardised, document-heavy, and deadline-driven. They also provide useful insights into the government's broader enforcement philosophy which is less tolerance for informal practices, greater insistence on auditable records, and a stronger emphasis on structured processes around wages, benefits, workplace facilities, and industrial relations.

Employers that begin preparing now will be far better placed to manage implementation smoothly, avoid reactive compliance exercises later, and align their internal practices with the direction in which India's labour law regime is clearly moving.

Employment Practice

JSA has a team of experienced employment law specialists who work with clients from a wide range of sectors, to tackle local and cross-border, contentious and non-contentious employment law issues. Our key areas of advice include (a) advising on boardroom disputes including issues with directors, both executive and non-executive; (b) providing support for business restructuring and turnaround transactions, addressing employment and labour aspects of a deal, to minimize associated risks and ensure legal compliance; (c) providing transaction support with reference to employment law aspects of all corporate finance transactions, including the transfer of undertakings, transfer of accumulated employee benefits of outgoing employees to a new employer, redundancies, and dismissals; (d) advising on compliance and investigations, including creating compliance programs and policy, compliance evaluation assessment, procedure development and providing support for conducting internal investigations into alleged wrongful conduct; (e) designing, documenting, reviewing, and operating all types of employee benefit plans and arrangements, including incentive, bonus and severance programs; and (f) advising on international employment issues, including immigration, residency, social security benefits, taxation issues, Indian laws applicable to spouses and children of expatriates, and other legal requirements that arise when sending employees to India and recruiting from India, including body shopping situations.

JSA also has significant experience in assisting employers to ensure that they provide focused and proactive counselling to comply with the obligations placed on employees under the prevention of sexual harassment regime in India. We advise and assist clients in cases involving sexual harassment at the workplace, intra-office consensual relationships, including drafting of prevention of sexual harassment (POSH) policies, participating in POSH proceedings, conducting training for employees as well as Internal Complaints Committee members, and acting as external members of POSH Committees

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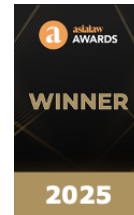
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