

PART-1

THE CODE ON WAGES, 2019

The Code replacing:

- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- The Payment of Bonus Act, 1965
- The Equal Remuneration Act, 1976

Alongwith

CODE ON WAGES (CENTRAL) RULES, 2025 [DRAFT RULES]

(G.S.R. 936(E), dt. 30-12-2025)

THE CODE ON WAGES (CENTRAL ADVISORY BOARD) RULES, 2021

[GSR 143(E), dt. 1-3-2021]

EFFECTIVE DATE NOTIFICATION

SO 4604(E), dt. 18-12-2020

In exercise of the powers conferred by sub-section (3) of section 1 of the Code on Wages, 2019 (29 of 2019) read with section 14 of the General Clauses Act, 1897 (10 of 1897), the Central Government hereby appoints the date of publication of this notification in the Official Gazette as the date on which the following provisions of the said Code shall come into force, namely:—

<i>Sl. No.</i>	<i>Provisions of the Code</i>
(1)	sub-sections (1), (2), (3), (10) and (11) of section 42 [to the extent they relate to the Central Advisory Board];
(2)	clauses (s) and (t) of sub-section (2) of section 67 [to the extent they relate to the Central Advisory Board];
(3)	section 69 [to the extent it relates to sections 7 and 9 (to the extent they relate to the Central Government) and section 8 of the Minimum Wages Act, 1948 (11 of 1948)]

SO 5322(E), dt. 21-11-2025

In exercise of the powers conferred by sub-section (3) of section 1 of the Code on Wages, 2019 (29 of 2019), the Central Government hereby appoints the 21st day of November, 2025 as the date on which the following provisions of the said Code, shall come into force, namely:—

<i>Sl. No.</i>	<i>Provisions of the Code</i>
1.	sections 1 to 41;
2.	sub-sections (4) to (9) of section 42;
3.	sections 43 to 66;
4.	sub-section (1) and clauses (a) to (r) and (u) to (zc) of sub-section (2) and sub-sections (3) to (5) of section 67;
5.	section 68;
6.	section 69, except the provisions of the Code mentioned at serial number 3 of SO 4604(E), dated the 18th December, 2020.

INTRODUCTORY

The Central Government had been endeavouring for a long time to bring a simplified and uniform legislation to bring together the existing labour laws, i.e. the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965; and the Equal Remuneration Act, 1976. For this purpose, the Second National Commission on Labour submitted its reports in June, 2002, with recommendations to amalgamate said existing enactments into certain groups, i.e., industrial relations; wages; social security; safety; and welfare and working conditions.

The Code on Wages, 2017 Bill was referred to the Department related Parliamentary Standing Committee on Labour, which submitted its report on 18.12.2018. Finally, the Bill was introduced in Lok Sabha on 18.7.2019.

Salient features of the Code on Wages, 2019:

- it provides for all essential elements relating to wages, equal remuneration, its payment and bonus;
- the provisions relating to wages shall be applicable to all employments covering both organised as well as un-organised sectors;
- the power to fix minimum wages continues to be vested in the Central Government as well the State Government in their respective sphere;
- it enables the appropriate Government to determine the factors by which the minimum wages shall be fixed for different category of employees. The factors shall be determined taking into account the skills required, the arduousness of the work assigned, geographical location of the workplace and other aspects which the appropriate Government considers necessary;
- the provisions relating to timely payment of wages and authorised deductions from wages, which are presently applicable only in respect of employees drawing wages of twenty-four thousand rupees per month, shall be made applicable to all employees irrespective of wage ceiling. The appropriate Government may extend the coverage of such provisions to the Government establishments also;
- it provides that the wages to employees may also be paid by cheque or through digital or electronic mode or by crediting it in the bank account of the employee. However, the appropriate Government may specify the industrial or other establishment, where the wages are to be paid only by cheque or through digital or electronic mode or by crediting the wages in the bank account of the employee;
- it provides for floor wage for different geographical areas so as to ensure that no State Government fixes the minimum wage below the floor wage notified for that area by the Central Government;
- in order to remove the arbitrariness and malpractices in inspection, it empowers the appropriate Government to appoint Inspectors-cum-Facilitators in the place of Inspectors, who would supply information and advice the employers and workers;

- it empowers the appropriate Government to determine the ceiling of wage limit for the purpose of eligibility of bonus and calculation of bonus;
- in the place of number of authorities at multiple levels, it empowers the appropriate Government to appoint one or more authorities to hear and decide the claims under the proposed legislation;
- it enables the appropriate Government to establish an appellate authority to hear appeals for speedy, cheaper and efficient redressal of grievances and settlement of claims;
- it provides for graded penalty for different types of contraventions of the provisions of the proposed legislation;
- it provides that the Inspector-cum-Facilitator shall give an opportunity to the employer before initiation of prosecution proceedings in cases of contravention, so as to comply with the provisions of the proposed legislation. However, in case of repetition of the contravention within a period of five years such opportunity shall not be provided;
- it provides for the appointment of officers not below the rank of Under Secretary to the Government of India or an officer of equivalent level in the State Government to dispose of cases punishable only with fine up to fifty thousand rupees, so as to reduce the burden on subordinate judiciary;
- it provides for compounding of those offences which are not punishable with imprisonment;
- it provides that where a claim has been filed for non-payment of remuneration or bonus or less payment of wages or bonus or on account of making deduction not authorised by the proposed legislation, the burden shall be on the employer to prove that the said dues have been paid to the employee;
- it enables the appropriate Government to constitute Advisory Boards at Central and State level to advise the Central Government and the State Governments, respectively, on matters relating to wages, women employment, etc.;
- the period of limitation for filing of claims by a worker has been enhanced to three years, as against the existing time period varying from six months to two years, to provide a worker more time to settle his claims.

The Code on Wages, 2019 Bill was passed by both the Houses of Parliament and received the assent of the President on 8.8.2019. Now it has been enacted as: the Code on Wages 2019 (No. 29 of 2019), dated 8-8-2019, certain provisions enforced w.e.f. 18-12-2020 while remaining provisions enforced w.e.f. 21-11-2025, along with the Code on Wages (Central) Rules, 2025 (Draft Rules), vide G.S.R. 936(E), dt. 30-12-2025) and the Code on Wages (Central Advisory Board) Rules, 2021, vide GSR 143(E), dt. 1-3-2021 (*As amended vide GSR 720(E), dt. 26-9-2025*).

This book comprises the Code on Wages, 2019 for overall reference on the subject.

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**Comparison between
the Equal Remuneration Act, 1976
and Code on Wages, 2019**

Section No. of Equal Remuneration Act	Section No. of Code of Wages	Description (as used in Code on wages)
2(a)	2(d)	Definition of “appropriate Government”
2(c)	2(l)	Definition of “employer”
2(e)	2(t)	Definition of “notification”
2(f)	2(u)	Definition of “prescribed”
2(h)	2(v)	Definition of “same work or work of a similar nature”
2(i)	2(z)	Definition of “worker”
4 and 5	3	Prohibition of discrimination on ground of gender
7(3)	4	Authority to decide whether a work is same or similar nature
11	55	Offences by companies
17	68	Power to remove difficulties

**Comparison between
Minimum Wages Act, 1948
and Code on Wages, 2019**

Section No. of Minimum Wages Act, 1948	Section No. of Code of Wages	Description (as used in Code on wages)
2(b)	2(d)	Definition of "appropriate Government"
2(e)	2(l)	Definition of "employer"
2(i)	2(k)	Definition of "employee"
2(f)	2(u)	Definition of "prescribed"
2(h)	2(y)	Definition of "wages"
3	6	Fixing of minimum wages
4	7	Components of minimum wages
5	8	Procedure for fixing and revising minimum wages
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13	13	Fixing hours for a normal working day
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19	2(r) and 51	Inspector-cum Facilitator appointed under section 51(1) of Code of Wages
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**Comparison between
Payment of Wages Act, 1936
and Code on Wages, 2019**

Section No. of Payment of Wages Act, 1936	Section No. of Code of Wages	Description (as used in Code on wages)
2(i)	2(d)	Definition of “appropriate Government”
2(ib)	2(l)	Definition of “employer”
2(ic)	2(n)	Definition of “factory”
2(iv)	2(u)	Definition of “prescribed”
2(vi)	2(y)	Definition of “wages”
4	16	Fixation of wage-periods.
5	17	Time limit for payment of wages
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7	18	Deductions which may be made from wages
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23	60	Contracting out

**Comparison between
Payment of Bonus Act, 1965
and Code on Wages, 2019**

Section No. of Payment of Bonus Act,1965	Section No. of Code of Wages	Description (as used in Code on wages)
2(1)	2(a)	Definition of "accounting year"
2(3)	2(c)	Definition of "agricultural income-tax law"
2(4)	31	Payment of bonus out of "allocable surplus"
2(5)	2(d)	Definition of "appropriate Government"
2(9)	2(e)	Definition of "company"
2(10)	2(h)	Definition of "co-operative society"
2(11)	2(i)	Definition of "corporation"
2(12)	2(j)	Definition of "direct tax"
2(13)	2(k)	Definition of "employee"
2(14)	2(l)	Definition of "employer"
2(16)	2(m)	Definition of "establishment in Public Sector"
2(17)	2(n)	Definition of "factory"
2(19)	2(p)	Definition of "Income-tax Act"
2(20)	2(u)	Definition of "prescribed"
2(21)	2(y)	Wages
3	30	Establishments to include departments, undertakings and branches
4 r/w 1st and 2nd Schedule	32	Computation of gross profits
5	33	Computation of available surplus
6	34	Sums deductible from gross profits
7	35	Calculation of direct tax payable by employer
8	26	Eligibility for bonus,etc.
9	29	Disqualification for bonus
13	27	Proportionate reduction in bonus in certain cases
14	28	Computation of number of working days

15	36	Set on and set off of allocable surplus
17	37	Adjustment of customary or interim bonus against bonus payable under this Code
18	38	Deduction of certain amounts from bonus payable
19	39	Time-limit for payment of bonus
20	40	Application of Act to establishments in public sector in certain cases

THE CODE ON WAGES, 2019

(No. 29 of 2019, dt. 8-8-2019]

The following Act of Parliament received the assent of the President on the 8th August, 2019, and is hereby published for general information:—

An Act to amend and consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

CHAPTER I PRELIMINARY

¹1. Short title, extent and commencement

(1) This Act may be called the Code on Wages, 2019.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint; and different dates may be appointed for different provisions of this Code and any reference in any such provision to the commencement of this Code shall be construed as a reference to the coming into force of that provision.

¹2. Definitions

In this Code, unless the context otherwise requires,—

(a) “accounting year” means the year commencing on the 1st day of April;

(b) “Advisory Board” means the Central Advisory Board or, as the case may be, the State Advisory Board, constituted under section 42;

(c) “agricultural income-tax law” means any law for the time being in force relating to the levy of tax on agricultural income;

(d) “appropriate Government” means,—

(i) in relation to, an establishment carried on by or under the authority of the Central Government or the establishment of railways, mines, oil field, major ports, air transport service, telecommunication, banking and insurance company or a corporation or other authority established by a Central Act or a central public sector undertaking or subsidiary companies set up by central public sector undertakings or autonomous bodies owned or controlled by the Central Government, including establishment of contractors for the purposes of such establishment, corporation or other authority, central public sector undertakings, subsidiary companies or autonomous bodies, as the case may be, the Central Government;

(ii) in relation to any other establishment, the State Government;

- (e) “company” means a company as defined in clause (20) of section 2 of the Companies Act, 2013 (18 of 2013);
- (f) “contractor”, in relation to an establishment, means a person, who—
 - (i) undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through contract labour; or
 - (ii) supplies contract labour for any work of the establishment as mere human resource and includes a sub-contractor;
- (g) “contract labour” means a worker who shall be deemed to be employed in or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer and includes inter-State migrant worker but does not include a worker (other than part-time employee) who—
 - (i) is regularly employed by the contractor for any activity of his establishment and his employment is governed by mutually accepted standards of the conditions of employment (including engagement on permanent basis), and
 - (ii) gets periodical increment in the pay, social security coverage and other welfare benefits in accordance with the law for the time being in force in such employment;
- (h) “co-operative society” means a society registered or deemed to be registered under the Co-operative Societies Act, 1912 (2 of 1912), or any other law for the time being in force relating to co-operative societies in any State;
- (i) “corporation” means any body corporate established by or under any Central Act, or State Act, but does not include a company or a co-operative society;
- (j) “direct tax” means—
 - (i) any tax chargeable under the—
 - (A) Income-tax Act, 1961 (43 of 1961)¹;
 - (B) Companies (Profits) Surtax Act, 1964 (7 of 1964);
 - (C) Agricultural income-tax law; and
 - (ii) any other tax which, having regard to its nature or incidence, may be declared by the Central Government, by notification, to be a direct tax for the purposes of this Code;
- (k) “employee” means, any person (other than an apprentice engaged under the Apprentices Act, 1961) (52 of 1961) employed on wages by an establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union;

1 Now refer Income-tax Act, 2025 (30 of 2025).

- (l) “employer” means a person who employs, whether directly or through any person, or on his behalf or on behalf of any person, one or more employees in his establishment and where the establishment is carried on by any department of the Central Government or the State Government, the authority specified, by the head of such department, in this behalf or where no authority, is so specified the head of the department and in relation to an establishment carried on by a local authority, the chief executive of that authority, and includes,—
- (i) in relation to an establishment which is a factory, the occupier of the factory as defined in clause (n) of section 2 of the Factories Act, 1948 (63 of 1948) and, where a person has been named as a manager of the factory under clause (f) of sub-section (1) of section 7 of the said Act, the person so named;
 - (ii) in relation to any other establishment, the person who, or the authority which, has ultimate control over the affairs of the establishment and where the said affairs is entrusted to a manager or managing director, such manager or managing director;
 - (iii) contractor; and
 - (iv) legal representative of a deceased employer;
- (m) “establishment” means any place where any industry, trade, business, manufacture or occupation is carried on and includes Government establishment;
- (n) “factory” means a factory as defined in clause (m) of section 2 of the Factories Act, 1948 (63 of 1948);
- (o) “Government establishment” means any office or department of the Government or a local authority;
- (p) “Income-tax Act” means the Income-tax Act, 1961 (43 of 1961)¹;
- (q) “industrial dispute” means,—
- (i) any dispute or difference between employers and employers, or between employers and workers or between workers and workers which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person; and
 - (ii) any dispute or difference between an individual worker and an employer connected with, or arising out of, discharge, dismissal, retrenchment or termination of such worker;
- (r) “Inspector-cum-Facilitator” means a person appointed by the appropriate Government under sub-section (1) of section 51;
- (s) “minimum wage” means the wage fixed under section 6;
- (t) “notification” means a notification published in the Gazette of India or in the Official Gazette of a State, as the case may be, and the expression “notify” with its grammatical variations and cognate expressions shall be construed accordingly;
- (u) “prescribed” means prescribed by rules made by the appropriate Government;
- (v) “same work or work of a similar nature” means work in respect of which the skill, effort, experience and responsibility required are the same, when

1 Corresponding to erstwhile Act. Now refer Income-tax Act, 2025 (30 of 2025).

performed under similar working conditions by employees and the difference if any, between the skill, effort, experience and responsibility required for employees of any gender, are not of practical importance in relation to the terms and conditions of employment;

- (w) "State" includes a Union territory;
- (x) "Tribunal" shall have the same meaning as assigned to it in clause (r) of section 2 of the Industrial Disputes Act, 1947 (14 of 1947);
- (y) "wages" means all remuneration whether by way of salaries, allowances or otherwise, expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes,—
 - (i) basic pay;
 - (ii) dearness allowance; and
 - (iii) retaining allowance, if any,but does not include—

- (a) any bonus payable under any law for the time being in force, which does not form part of the remuneration payable under the terms of employment;
- (b) the value of any house-accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the appropriate Government;
- (c) any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon;
- (d) any conveyance allowance or the value of any travelling concession;
- (e) any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment;
- (f) house rent allowance;
- (g) remuneration payable under any award or settlement between the parties or order of a court or Tribunal;
- (h) any overtime allowance;
- (i) any commission payable to the employee;
- (j) any gratuity payable on the termination of employment;
- (k) any retrenchment compensation or other retirement benefit payable to the employee or any *ex gratia* payment made to him on the termination of employment:

PROVIDED that, for calculating the wages under this clause, if payments made by the employer to the employee under clauses (a) to (i) exceeds one-half, or such other per cent. as may be notified by the Central Government, of the all remuneration calculated under this clause, the amount which exceeds such one-half, or the per cent. so notified, shall be deemed as remuneration and shall be accordingly added in wages under this clause:

PROVIDED FURTHER that for the purpose of equal wages to all genders and for the purpose of payment of wages, the emoluments specified in clauses (d), (f), (g) and (h) shall be taken for computation of wage.

Explanation : Where an employee is given in lieu of the whole or part of the wages payable to him, any remuneration in kind by his employer, the value of such remuneration in kind which does not exceed fifteen per cent. of the total wages payable to him, shall be deemed to form part of the wages of such employee;

- (z) “worker” means any person (except an apprentice as defined under clause (aa) of section 2 of the Apprentices Act, 1961 (52 of 1961) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and includes—
- (i) working journalists as defined in clause (f) of section 2 of the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 (45 of 1955); and
 - (ii) sales promotion employees as defined in clause (d) of section 2 of the Sales Promotion Employees (Conditions of Service) Act, 1976 (11 of 1976), and for the purposes of any proceeding under this Code in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched or otherwise terminated in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person—
- (a) who is subject to the Air Force Act, 1950 (45 of 1950), or the Army Act, 1950 (46 of 1950), or the Navy Act, 1957 (62 of 1957); or
 - (b) who is employed in the police service or as an officer or other employee of a prison; or
 - (c) who is employed mainly in a managerial or administrative capacity; or
 - (d) who is employed in a supervisory capacity drawing wage of exceeding fifteen thousand rupees per month or an amount as may be notified by the Central Government from time to time.

COMMENTS

This section defines “accounting year”, “Advisory Board”, “agricultural income-tax law”, “appropriate Government”, “Company”, “Contractor”, “contract labour”, “co-operative society”, “corporation”, “Direct tax”, “employee”, “employer”, “Establishment”, “Factory”, “Government establishment”, “Income-tax Act”, “industrial dispute”, “Inspector-Cum-Facilitator”, “Minimum Wage”, “Notification”, “Prescribed”, “Same work or work of a similar nature”, “State”, “Tribunal”, “wagea” and “worker”.

¹3. Prohibition of discrimination on ground of gender

(1) There shall be no discrimination in an establishment or any unit thereof among employees on the ground of gender in matters relating to wages by the same employer, in respect of the same work or work of a similar nature done by any employee.

¹ Enforced w.e.f. 21-11-2025 vide SO 5322(E), dt. 21-11-2025.