



LABOUR CODES Industrial Relation Code 2020



New and Important Provisions under Industrial Relations Code 2020*

Definition of Employee

Any person other than apprentice as per the Apprentices Act, 1961, employed by the establishment to do any skilled, semi-skilled, unskilled, manual, operational, supervisory, managerial, administrative, technical, or clerical work.

Definition & Benefits to Fixed Term Contract (FTC)

The engagement of a worker through a written contract of employment for a fixed period.

The hourly wages, allowances, and other benefits shall not be less than those of a permanent worker doing the same work or similar nature of the job. Also, a person engaged as FTC will be eligible for all statutory benefits available to permanent workers proportionately according to the period of service rendered.

Definition of Wages

Wages means all remuneration, whether by way of salary, allowances, or otherwise, expressed in terms of money payable to a person employed in respect of his employment or of work done including basic pay, dearness allowance, retaining allowance (if any) but, does not include - any bonus payable under Payment of Bonus Act, 1965, the value of any house accommodation, or supply of light, water, medical attendance or the amenity or of any service excluded from the computation of wages as declared by the appropriate Government. Similarly, any contribution paid by an employer to any pension or provident fund (PF), any conveyance allowance or value of any traveling concession, any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment, house rent allowance (HRA), remuneration payable under award or settlement between the parties or order of a court or Tribunal, any overtime allowance (OT), any commission payable to the employee, any gratuity payable on the termination of employment, and any retrenchment compensation or other retirement benefit payable to the employee or any ex-gratia payment made to him/her on the termination of employment. The wages payable to employee as may be notified by the Government exceeds one-half or such other percent of all remuneration, shall be deemed to be remuneration and shall be accordingly added to wages. The remuneration in kind given by the employer does not exceed fifteen percent of the total wages payable to him/her and shall be deemed to form part of the wages of such employee.

Definition of Worker

All persons employed in trade or industry but excluding people employed mainly in a managerial or administrative capacity or, who are employed in a supervisory capacity drawing wages exceeding 18000 per month or an amount notified by Central Government from time to time.

Works Committee

In any industrial establishment in which one hundred or more workers are employed, the employer has to constitute a works committee, consisting of representatives of employees and workers engaged in the establishment. The equal representation of employers and workers (in consultation with Trade Unions if any) has to be formed. The objective of the committee will be to promote measures for securing and preserving amity and good relations between the employer and workers. The discussion on the matter of common interest has to be discussed and mutually agreed upon.

Grievance Redressal Committee

Every industrial establishment employing 20 or more workers shall have one or more Grievance Redressal Committees for the resolution of disputes arising out of individual grievances. The committee should have equal representation of employers and workers. The chairperson of the committee shall be selected from among persons representing the employer and worker alternatively on a rotational basis every year. The total number of members of the Grievance Redressal Committee shall not exceed ten. There shall be adequate representation of women workers in the committee. Any dispute can be registered before the committee within one year from the date of such incident. The committee may complete its proceedings within 30 days of receipt of the application. The decision on any application has to be agreed by more than half of the committee members. A worker may apply for conciliation to the conciliation officer within 60 days from the date of such decision made by the committee. A worker may file an application directly to a tribunal for the adjudication of the dispute after the expiry of 45 days from the date of application to the conciliation officer.

Trade Union Registration

Any seven or more members of the Trade Union may by subscribing their names to the rules of the Trade Union and complying with the provisions of the Industrial Relations Code with respect to registration, apply for registration of the Trade Union. A registered trade union of workers shall at all times continue to have not less than ten percent of the workers or one hundred workers, whichever is less subject to a minimum of seven, engaged or employed in an industrial establishment or industry with which is connected as its members.

Standing Orders

The Central Government shall make standing orders relating to conditions of services and other matters incidental thereto or connected therewith. The employer shall prepare the draft standing orders, within a period of six months from the date of commencement of this code.

As per the standing provisions of standing orders, where any worker is suspended by the employer pending investigation or inquiry into complaints or charges of misconduct against him/her, both the investigation and inquiry shall be completed ordinarily within a period of ninety days from the date of suspension. During this period, a worker shall be eligible for subsistence allowance at the rate of fifty percent of wages for the first ninety days and at the rate of seventy-five percent of his/her total wage for the remaining period of suspension (in case of delay in completion of proceedings).

Notice of Change

Any employer, who proposes to effect any change in the conditions of service applicable to any worker in respect of any matter specified in the third schedule, shall effect such change by giving 21 days' notice in advance of such changes proposed.

Strikes and Lockouts

No person employed in an industrial establishment shall go on strike, in breach of contract without giving to the employer a notice of strike or within 14 days of giving such notice or during the pendency of any conciliation proceedings before a conciliation officer and seven days after the conclusion of such proceedings or, during the pendency of any arbitration proceedings before arbitrator and sixty days after the conclusion of such proceedings.

No employer of an industrial establishment shall lockout any of his workers, without giving a notice of lockout within 60 days before locking out or, within 14 days of giving such notice or, during the pendency of any conciliation proceedings before a conciliation officer and seven days after the conclusion of

such proceedings or, during the pendency of any arbitration proceedings before an arbitrator and sixty days after the conclusion of such proceedings.

Retrenchment

No worker employed in any industry who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until a worker has been given one month's notice in writing or the worker has been paid in lieu of such notice, wages for the period of the notice; a worker has been paid, at the time of retrenchment, compensation which shall be equivalent to 15 days average pay, for every completed year of continuous service or any part thereof in excess of six months;

Closure of industrial establishment

Any employer who intends to close down an undertaking shall serve, at least 60 days before the date on which the intended closure is to be effective. The compensation to workers in case of closing down of undertakings beyond the control of the employer, shall not exceed average pay for three months.

Worker re-skilling fund

The contribution of the employer of an industrial establishment an amount equal to fifteen days' wages last drawn by the worker immediately before the retrenchment, or such other number of days as may be notified by the central government, for every retrenched worker in case of retrenchment only. The fund shall be utilized by crediting fifteen days wages last drawn by the worker to his account who is retrenched, within forty-five days of such retrenchment, in such manner as prescribed.

Penalty and Offences

Where a person fails to pay the penalty within a period of 90 days from the date of receipt of the copy of the order, he/she shall be punishable with a fine which shall not be less than Rs 50,000/- but may extend upto Rs 2 lakhs. In case the employer contravenes the provisions of Layoff, retrenchment, and closure of establishment, shall be punishable with a fine which shall not be less than Rs 01 lakh, but which may extend to Rs 10 lakhs. If an employer again commits the same offense then, the punishable amount shall not be less than Rs 05 lakhs, but it may extend up to Rs 20 lacs or with an imprisonment for a term which may extend to six months or, with both.

Any person who commits any unfair labour practices shall be punishable with a fine which shall not be less than Rs 10,000/- but which may extend to Rs 02 lakhs. If an employer again commits the same offense then, the punishable amount shall not be less than Rs 50,000/-, but it may extend up to Rs 05 lacs or with an imprisonment for a term which may extend to six months or, with both.

Designed by

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