

HR & Compliance Audit Checklist for Labour Codes Readiness (2025 Edition)

Covers:

- ✓ Code on Wages, 2019
- ✓ Industrial Relations Code, 2020
- ✓ Social Security Code, 2020
- ✓ Occupational Safety, Health and Working Conditions (OSH) Code, 2020

❖ ORGANISATIONAL POLICY & DOCUMENTATION READINESS

Policy Updates

- ☐ Updated **HR Policy Manual** aligned to the four labour codes
- ☐ Updated **Standing Orders** (mandatory if 300+ employees)
- ☐ Updated **Leave Policy** per OSH Code state rules
- ☐ Updated **Wage Structure Policy** to meet the Wage Code definitions
- ☐ Updated **Grievance Redressal Policy** (mandatory committee if 20+ employees)
- ☐ Updated **POSH compliance** remains separately intact

Documentation & Contracts

- ☐ Updated **Appointment Letters** to match new Code requirements
- ☐ Updated **Consultant/Freelancer Contracts** in line with gig & platform worker definitions
- ☐ Updated **Contract Labour Agreements** as per OSH + IR + Social Security Codes
- ☐ Updated **Work-from-Home / Hybrid Work Policy**
- ☐ Ensured **All HR templates** meet legal requirements (warnings, showcause, suspension, termination)

❖ WAGE CODE COMPLIANCE CHECKS

Salary Structure Alignment

- ☐ “Wages” (Basic + DA + Retaining Allowance) are $\geq 50\%$ of total CTC
- ☐ Allowances do not exceed 50% of total wages
- ☐ Varying allowances restructured (Special, HRA, Transport, etc.)
- ☐ Clear split between wages vs reimbursements

Impact Analysis

- ☐ Recalculated PF, Gratuity, Bonus impact due to revised wage definition
- ☐ Financial modelling done for increased liabilities
- ☐ Exemption checks done for higher PF contribution choices

Payroll System Readiness

- ☐ Payroll software updated to new wage definition
- ☐ Overtime calculation complies with Wage Code rules
- ☐ Minimum wages updated based on State & Scheduled Employment

❖ SOCIAL SECURITY CODE AUDIT

Mandatory Requirements

- ☐ PF eligibility rules updated with new wage definition
- ☐ ESIC eligibility updated for new wage limits
- ☐ Fixed-term employees covered under gratuity eligibility
- ☐ Gig/Platform workers contractor register maintained (if applicable)

Contributions & Records

- ☐ Unified Social Security Account (USSA) mapping (when notified)
- ☐ Single Electronic Registration of workers and establishments ready
- ☐ Records maintained in digital format for Social Security Inspections

❖ OSH (OCCUPATIONAL SAFETY & HEALTH) CODE COMPLIANCE

Mandatory Safety Provisions

- ☐ Updated workplace Health & Safety Policy
- ☐ Safety committees formed (mandatory depending on employee count & industry)
- ☐ Working hours aligned to state rules (8–12 hours shifts depending on state notifications)
- ☐ Daily & weekly overtime limits checked
- ☐ Appointment of Safety Officer (if threshold met)

Mandatory Safety Provisions

- ☐ Mandatory Registration under OSH Code completed

- ☐ Updated contractor registrations & license submissions
- ☐ Restroom, canteen, creche, drinking water facilities compliance audit done
- ☐ Maintenance of Muster Roll, Health Registers as per new formats

❖ INDUSTRIAL RELATIONS (IR) CODE COMPLIANCE

Employee Relations

- ☐ Grievance Redressal Committee formed (mandatory for 20+ employees)
- ☐ Standing Orders implemented (mandatory for 300+ employees)
- ☐ Works Committee (if applicable) established
- ☐ Union data & negotiation process updated

Industrial Dispute Management

- ☐ Updated SOPs for lay-off, retrenchment, and closure
- ☐ HR team trained on new Notice & Compensation rules
- ☐ Proper records kept for discipline, misconduct, inquiry procedures

❖ CONTRACT LABOUR & THIRD-PARTY COMPLIANCE

Vendor Compliance

- ☐ All contractors registered and licensed under OSH/IR Codes
- ☐ SLAs updated to reflect wage, working hour, and safety obligations
- ☐ Real-time compliance tracking for PF, ESIC, LWF, Bonus, Leave
- ☐ Contractor onboarding checklist revised

Contract Labour Records

- ☐ Digital registers (attendance, wage payment, overtime) maintained
- ☐ Bio-metric attendance integrated (if applicable)
- ☐ Third-party audits scheduled quarterly

❖ WORKFORCE CATEGORY AUDIT (ALL TYPES)

Check compliance for each class of worker:

- ☐ Permanent employees
- ☐ Fixed-term employees
- ☐ Contract labour
- ☐ Apprentices
- ☐ Trainees
- ☐ Gig workers
- ☐ Platform workers
- ☐ Inter-state migrant workers
- ☐ Women workers (night shift compliance)

❖ SYSTEMS & SOFTWARE READINESS

HRMS / Payroll / ERP Check

- ☐ System ready for new wage definition & contribution changes
- ☐ Overtime & working hours automation updated
- ☐ Digital registers updated to new formats
- ☐ PF/ESI API integrations updated

❖ TRAINING & COMMUNICATION

Internal Awareness

- ☐ HR team trained on Labour Codes
- ☐ Line managers trained on disciplinary processes
- ☐ Workers informed about revised rights & obligations
- ☐ Communication issued on revised wage structure

❖ INTERNAL AUDIT & INSPECTION READINESS

Internal Awareness

- ☐ Internal labour compliance audit completed
- ☐ Inspection-ready digital documents maintained
- ☐ All monthly/annual statutory returns updated to new Code formats
- ☐ Legal vetting of all new policies completed
- ☐ Board/Management briefed with impact summary