

# NEW LABOUR CODES

(Labour Law & Industrial Laws)

## Frequently Asked Questions (FAQ)

On

Labour Codes



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## A. GENERAL FAQs ON NEW LABOUR CODES (Q1–Q10)

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| <b>Q1. What are the New Labour Codes?</b><br>Four consolidated labour laws replacing 29 existing Acts                                    | <b>Q2. When will the new Labour Codes come into effect?</b><br>Expected 21 November 2025 (as per your assumption in internal notes). |
| <b>Q3. Why were the labour codes introduced?</b><br>To simplify compliance, improve ease of doing business, and standardise definitions. | <b>Q4. Do the Labour Codes apply to all industries?</b><br>Yes, unless specifically exempted.  |
| <b>Q5. Are the Codes replacing all the old Acts?</b><br>Yes, they subsume 29 old Acts.   | <b>Q6. Do companies need to re-issue appointment letters?</b><br>Yes, mandatory under the new Wage Code.                             |
| <b>Q7. What is the biggest change?</b><br>Uniform definition of “Wages” (50% rule).  | <b>Q8. Does the code apply to contract workers?</b><br>Yes, fully.   |
| <b>Q9. Do companies need new registers?</b><br>Yes — <b>digital registers</b> become mandatory.  | <b>Q10. Does the Code increase compliance penalties?</b><br>Yes — penalties are significantly higher.                                |

## B. CODE ON WAGES — FAQs (Q11–Q35)

| <b>Minimum Wages &amp; Floor Wages</b>   |  |
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| <b>Q11. What is the national floor wage?</b><br>A minimum wage set by the Central Government below which no State may go     | <b>Q12. Will minimum wages increase?</b><br>Likely yes, because they must align with the new floor wage.     |
| <b>Q13. Can States still fix their own Minimum Wages?</b><br>Yes, but they cannot go below the floor wage.                   | <b>Q14. Will contractor wages also increase?</b><br>Yes — contractors must comply with the Wage Code.        |
| <b>Definition of Wages (50% Rule)</b>  |  |
| <b>Q15. What is the new definition of “Wages”?</b><br>Basic + DA must be <b>50% or more</b> of total salary.                 | <b>Q16. What allowances are excluded from “Wages”?</b><br>HRA, OT, bonus, commission, incentives, conveyance |
| <b>Q17. What if allowances exceed 50%?</b><br>The excess must be <b>added back</b> to Basic for statutory calculation.       | <b>Q18. Will this increase PF contribution?</b><br>Yes — for most employees                                  |
| <b>Q19. Will salary slip format change?</b><br>Yes — must show “Wages as defined under Wage Code”.                           | <b>Q20. Can employers split salary into many allowances?</b><br>No — allowed only up to 50%.                 |
| <b>Payment of Wages</b>  |  |
| <b>Q21. What is the new wage payment deadline?</b><br>Within 2 days of termination, and within 7 days of wage period ending. | <b>Q22. Is digital salary mandatory?</b><br>Not mandatory, but digital records are mandatory.                |



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| <b>Q23. What is the OT rate under the Wage Code?</b><br>2× Wages (Basic + DA).                          | <b>Q24. Will OT cost increase?</b><br>Yes, because Basic increases to minimum 50%.     |
| <b>Overtime &amp; Working Hours</b>   |  |
| <b>Q25. Can OT be avoided by productivity allowance?</b><br>Yes — if properly structured and voluntary. |  |
| <b>Bonus</b>  |  |
| <b>Q26. Who is eligible for bonus?</b><br>Employees earning up to ₹21,000/month.                        | <b>Q27. Does higher Basic increase bonus?</b><br>Yes.                                  |
| <b>Deductions</b>   |  |
| <b>Q28. What is the max deduction from wages?</b><br>50% of monthly wages.                              |  |
| <b>Other FAQs</b>   |  |
| <b>Q29. Will the definition of employer change?</b><br>Simplified but holds same meaning.               | <b>Q30. Will wage disputes go to labour court?</b><br>Yes — but with faster timelines. |
| <b>Q31. Does the code apply to gig workers?</b><br>Yes — special provisions exist.                      | <b>Q32. Is equal pay for equal work enforced?</b><br>Yes.                              |
| <b>Q33. Are gratuity rules changed?</b><br>No — formula same but Basic increases.                       | <b>Q34. Must salary structure be redesigned?</b><br>Yes — to comply with the 50% rule. |
| <b>Q35. Can companies reduce allowances?</b><br>Yes — to equalize Basic to 50%.                         |  |

### C. SOCIAL SECURITY CODE — PF/ESI/Gratuity (Q36–Q60)

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|---|---|
| <b>Provident Fund</b>   |   |
| <b>Q36. Will PF threshold change?</b><br>Not immediately.   | <b>Q37. Will PF amount increase?</b><br>Yes — due to higher Basic.                                      |
| <b>Q38. Can an employee opt out of PF?</b><br>No — legally not permitted if eligible.             | <b>Q39. Can Basic be capped to reduce PF?</b><br>Under Wage Code, restructuring options are limited.    |
| <b>Q40. Can UAN be multiple?</b><br>No — one UAN per worker.                                      |   |
| <b>ESI</b>  |   |
| <b>Q41. Will ESI coverage change?</b><br>Not immediately.   | <b>Q42. Will ESI cost increase?</b><br>Only if gross increases.   |
| <b>Q43. Can ESI be opted out?</b><br>No — mandatory for gross ≤ Rs. 21,000.                       |   |
| <b>Gratuity</b>   |   |
| <b>Q44. Has gratuity formula changed?</b><br>No — but Basic increases.                            | <b>Q45. Are fixed-term employees eligible for gratuity?</b><br>Yes — proportional gratuity.             |
| <b>Contract Workers</b>   |   |
| <b>Q46. Are contract workers covered under PF/ESI?</b><br>Yes — contractor must deposit.          | <b>Q47. What if contractor fails to deposit PF/ESI?</b><br>Principal employer is liable.                |
| <b>Q48. Can two contractors deposit PF for the same worker?</b><br>Yes — allowed under UAN rules. | <b>Q49. Can two contractors deposit ESI for the same worker?</b><br>Yes — allowed under same IP number. |



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| <b>Maternity Benefit</b>  |  |
| <b>Q50. Any change in maternity leave under new Codes?</b><br>No — remains 26 weeks.            |  |
| <b>Others</b>   |  |
| <b>Q51. Will social security apply to gig/platform workers?</b><br>Yes — with separate schemes. | <b>Q52. Will PF apply to all employees?</b><br>Universal coverage is proposed.   |
| <b>Q53. Are death benefits affected?</b><br>No — still governed by EDLI/PF.                     | <b>Q54. Are apprentices covered?</b><br>No — apprentices remain exempt.          |
| <b>Q55. Can PF be deducted on incentives?</b><br>No — only on wages (Basic + DA).               | <b>Q56. Will company medical benefits change?</b><br>Not under Wage Code.        |
| <b>Q57. Will statutory forms change?</b><br>Yes — new formats under Social Security Code.       | <b>Q58. Will monthly ECR continue?</b><br>Yes — but formats may change.          |
| <b>Q59. Will workers get combined social security number?</b><br>Yes — integrated with UAN/IP   | <b>Q60. Will SS Code reduce compliance burden?</b><br>Yes — centralised returns. |

#### **D. OSH CODE — WORK HOURS, CONDITIONS, SAFETY (Q61–Q80)**

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| <b>Working Hours</b>  |  |
| <b>Q61. What is the daily work limit?</b><br>8 hours of actual work.  | <b>Q62. What is the maximum spread-over?</b><br><b>12 hours</b> (biggest change).            |
| <b>Q63. Can 4-day week be introduced?</b><br>Yes — with 12 hours/day.                                       | <b>Q64. Is weekly OT limit increased?</b><br>States may allow flexible OT hours.             |
| <b>Shift System &amp; 12-Hour Model</b>   |  |
| <b>Q65. Can companies introduce 12-hour shifts?</b><br>Yes — if weekly hours and spread-over are maintained | <b>Q66. Is OT mandatory beyond 8 hours?</b><br>Yes — unless additional hours are incentives. |
| <b>Q67. Can 6+6 dual contractor system run?</b><br>Yes — with strict documentation.                         | <b>Q68. Is 12-hour model safe legally?</b><br>Yes — under OSH Code with proper structure.    |
| <b>Welfare Facilities</b>   |  |
| <b>Q69. Are crèches mandatory?</b><br>Yes — >50 workers.  | <b>Q70. Are canteen rules changed?</b><br>Yes — more flexible.                               |
| <b>Q71. Are first-aid rules changed?</b><br>More detailed under OSH Code.                                   |  |
| <b>Migrant Workers</b>  |  |
| <b>Q72. Are interstate migrant workers covered?</b><br>Yes — with simplified registration.                  | <b>Q73. Are digital passbooks required?</b><br>Yes.  |
| <b>Contractor Licensing</b>   |  |



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|---|---|
| <b>Q74. Are contractor license conditions changed?</b><br>Yes — more stringent.           | <b>Q75. Is a single licence available?</b><br>Yes — national license option   |
| <b>Accommodation</b>  |   |
| <b>Q76. Is accommodation mandatory?</b><br>Only for specific categories.                  |   |
| <b>Safety</b>   |   |
| <b>Q77. Does safety training become compulsory?</b><br>Yes.                               | <b>Q78. Are penalties increased?</b><br>Yes — significantly.                  |
| <b>Q79. Can factories be closed for violations?</b><br>Yes — for serious safety breaches. | <b>Q80. Are women allowed in night shifts?</b><br>Yes — with safety measures. |

## **E. INDUSTRIAL RELATIONS CODE — IR, TRADE UNIONS (Q81–Q100)**

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|---|--|
| <b>Trade Unions</b>   |  |
| <b>Q81. How many unions can exist?</b><br>Multiple.   | <b>Q82. What is a negotiating union?</b><br>A union with 51% membership.             |
| <b>Hire &amp; Fire Rules</b>  |  |
| <b>Q83. Has the retrenchment threshold increased?</b><br>Yes — from 100 to <b>300 workers</b> . | <b>Q84. Does this make downsizing easier?</b><br>Yes — for establishments up to 300. |
| <b>Q85. Does automatic permission apply?</b><br>Yes — for <300.                                 |  |
| <b>Fixed-term Employment</b>  |  |
| <b>Q86. Is fixed-term employment legal?</b><br>Yes — fully recognised.                          | <b>Q87. Are fixed-term employees eligible for gratuity?</b><br>Yes — proportional.   |
| <b>Strikes &amp; Lockouts</b>   |  |
| <b>Q88. Is strike notice mandatory?</b><br>Yes — 14 days' notice.                               | <b>Q89. Can instant strikes be done?</b><br>No — illegal.                            |
| <b>Q90. Are illegal strikes penalised?</b><br>Yes — new penalties introduced                    |  |
| <b>Dispute Resolution</b>   |  |
| <b>Q91. Are labour courts changed?</b><br>Re-organised.   | <b>Q92. Are timelines faster?</b><br>Yes — strict deadlines.                         |
| <b>Standing Orders</b>  |  |
| <b>Q93. Standing orders applicable to whom?</b><br>Establishments with <b>300+ workers</b> .    | <b>Q94. Has this threshold increased?</b><br>Yes — from 100 to 300.                  |
| <b>Employer Expediency</b>  |  |
| <b>Q95. Can employers change shift rules faster?</b><br>Yes — more flexibility.                 | <b>Q96. Can companies hire fixed-term workers for seasonal load?</b><br>Yes.         |
| <b>Records &amp; Registers</b>  |  |
| <b>Q97. Are electronic records mandatory?</b><br>Yes.   | <b>Q98. Are inspections digitised?</b><br>Yes — risk-based inspections.              |
| <b>Penalties</b>  |  |



**Q99. Have penalties increased?**  
Yes — significantly.

**Q100. Can officers be personally liable?**  
Yes — designated officers can be penalised.

## **MANAGEMENT & LEADERSHIP LEVEL FAQs. @ Industry level Overview (Additional for broader reference)**

### **A. GENERAL & SCOPE (Q1–Q10)**

#### **Q1. What are the “New Labour Codes”?**

A1. Four consolidated codes — Code on Wages, Social Security Code, Occupational Safety, Health & Working Conditions (OSH) Code, and Industrial Relations Code — replacing many older labour laws to simplify and harmonise labour regulation.

#### **Q2. What is the effective date we are using for planning?**

A2. Your organisation’s assumed effective date is **21 November 2025**; firms advise treating that as the target for all compliance and systems work.

#### **Q3. Who must comply with the Codes?**

A3. All employers and establishments unless specifically exempted by rules — public, private, contract labour, gig/platform workers (with certain separate provisions).

#### **Q4. What immediate steps do consultancies recommend on notification?**

A4. Track central & state notifications, set up a cross-functional task force (HR, Legal, Finance, Payroll, IT) and begin payroll-impact modelling immediately.

#### **Q5. Is there a transition or grandfathering period?**

A5. Some rules may have transitional provisions, but consulting firms advise earliest possible compliance planning because states issue rules at different times.

#### **Q6. Will penalties increase?**

A6. Yes — the Codes tighten penalties and introduce more robust enforcement and digital inspection frameworks; prepare inspection-ready files.

#### **Q7. Should we reframe employment contracts now?**

A7. Yes — standardise appointment letters, update offer templates and contractor agreements to reflect new definitions and obligations.

#### **Q8. Do these codes affect outsourcing/contractor models?**

A8. Yes — principal employer liability is emphasised; contractors must be audited and wage payments reconciled.

#### **Q9. Are digital records mandatory?**

A9. Most advisors say digital registers and time-tracking will be required; upgrade payroll/HCM systems.

#### **Q10. What’s the single biggest payroll change?**

A10. Uniform definition of “Wages” (Basic + DA at least 50% of total wages) — this drives PF, gratuity, bonus and OT impacts.

### **B. WAGE CODE – BASIC/ALLOWANCES/COMPLIANCE (Q11–Q30)**

#### **Q11. What is the 50% rule?**

A11. Basic + DA must be at least **50% of total wages**; if not, the difference will be added back to Basic for statutory calculations.





**Q12. Do allowances now have a cap?**

A12. Practically yes — allowances cannot collectively reduce Basic below 50% of total wages.

**Q13. Is the employer allowed to keep CTC unchanged while complying?**

A13. Yes — by rebalancing components (increase Basic to 50%, reduce discretionary allowances) the total cost can remain the same, though statutory outflows like PF may rise.

**Q14. Must salary slips show the new definition?**

A14. Yes — firms recommend explicit wage-code fields in salary slips (Basic, DA, wages as per code, statutory deductions).

**Q15. Will the wage code change overtime calculations?**

A15. OT remains typically 2x the hourly wage; since Basic may rise, OT unit rate will increase proportionally.

**Q16. Can companies keep Basic at current levels to avoid PF increase?**

A16. No — post-Wage Code Basic should be 50%; retaining artificially low Basic risks legal challenge.

**Q17. Can allowances be reclassified to avoid PF?**

A17. No — if allowances are universal and necessary, courts/EPFO may include them in PF wages. Firms recommend transparent reclassification, not circumvention.

**Q18. How should contractors be paid under the new wage definition?**

A18. Contractors must pay at least the minimum wages defined by the code and your contracts should be updated to reflect the wage reclassification.

**Q19. Will minimum wages be harmonised nationally?**

A19. The Code allows a national floor wage; states still notify rates but cannot go below the floor.

**Q20. What is the immediate payroll tech change recommended?**

A20. Add fields for “Wages as per Code”, automated reallocation logic (if Basic <50%), and reports for statutory computations.

**Q21. How should employee communications be handled?**

A21. Transparent communications: explain rebalancing, net take-home effect, voluntary PF options and show illustrative models.

**Q22. How to treat variable pay elements?**

A22. Distinguish between universal fixed allowances (may be treated as wages) and true performance incentives (which can be kept non-wage with careful design).

**Q23. Do bonus and gratuity base change?**

A23. Yes — bonus/gratuity bases often depend on basic/wages; higher Basic will increase liabilities.

**Q24. Can employers mandate employee acceptance of new structure?**

A24. Employers can revise pay structure subject to employment law and consultation (especially where collective agreements exist); major firms advise structured communications and, if needed, negotiations.

**Q25. Will statutory deductions apply to increased Basic?**

A25. Yes — PF/ESI/other statutory dues computed on wages as defined will increase unless employer invokes EPFO ceiling or uses lawful alternatives (VPF).

**Q26. Can we split Basic into two parts to avoid PF?**

A26. No — avoid artificial splits; risk of adverse EPFO/inspection outcome.



**Q27. Are gig workers covered by Wage Code?**

A27. Yes — the Code includes provisions for platform/gig workers; firms advise separate policy frameworks.

**Q28. Should allowances like conveyance be fixed or performance-based?**

A28. If you want them excluded from wage base, make them non-universal, variable or performance-linked as per legal advice.

**Q29. Will states create different rules?**

A29. Yes — states may have their own detailed rules and notifications. Monitor state updates.

**Q30. What's the quick remediation for legacy systems?**

A30. Run parallel payroll models for a 3–6-month period, simulate statutory flows and prepare budgets.

**C. SOCIAL SECURITY & EPF/ESI (Q31–Q50)**

**Q31. Will EPF contributions increase across the board?**

A31. Likely yes in absolute terms because Basic increases; however, employers can compute employer PF on the statutory ceiling (subject to EPF rules) to manage cost.

**Q32. Can employer apply statutory PF ceiling while Basic is higher?**

A32. Yes — employers commonly apply PF contributions up to statutory wage ceiling (as per EPF rules). Major firms advise documenting policy and obtaining employee consent for VPF if employees want higher savings.

**Q33. What happens to employee PF balances when multiple employers contribute?**

A33. EPFO consolidates multiple contributions under one UAN, contributions for multi-employment aggregate.

**Q34. How does the Social Security Code change employer obligations?**

A34. The Code expands coverage (including gig/fixed term) and aims for centralised social security; employers must prepare for broader compliance and potential higher outflow.

**Q35. Will gratuity liability rise?**

A35. Yes — higher Basic increases gratuity accruals.

**Q36. Is ESIC impacted for high-paid employees?**

A36. ESIC applies only to wages up to threshold (~₹21,000); software employees may not be covered, but contract/blue-collar staff will be affected.

**Q37. Can part of pay be converted to employer-paid benefits to manage PF/ESI impact?**

A37. Benefits (medical insurance, meal vouchers, mobility benefits) can be enhanced but avoid classifying regular payments as benefits to evade statutory liability.

**Q38. How should contractors handle PF/ESI post-Wage Code?**

A38. Update contractor costings, ensure contractor compliance certificates, conduct audits and pass through higher vendor costs where needed.

**Q39. Any tech recommendations for PF/ESI compliance?**

A39. Integrate payroll with EPFO/ESIC e-filing, maintain reconciliations, and pre-populate inspection packs.

**Q40. How to handle legacy arrears if code is applied retrospectively?**

A40. Most firms note Code implementation is prospective; however, check state notifications and legal advisories — be prepared for queries and build provisions for risk if needed.





**Q41. Can employees be encouraged to contribute VPF to maintain savings rate?**

A41. Yes — employers can offer VPF options; firms advise clear communication on tax and liquidity effects.

**Q42. Does the social security code change employer contribution rates?**

A42. The general contribution rates under EPF/ESI remain as per the underlying statutes until fresh rules are issued; main change is base/wage definition.

**Q43. Will employer overheads for contractors (PF pass-through) rise?**

A43. Yes — contractors will raise bills to reflect higher PF/ESI and employers must plan budgeting accordingly.

**Q44. Does the Social Security Code allow pooling/unified returns?**

A44. The Code aims for centralised returns and simplified contributions; firms recommend early integration planning.

**Q45. How to manage multi-employer scenarios for PF/ESI?**

A45. Keep accurate daily muster, separate wage registers, contractor declarations, and supporting PF/ESI challans for each engagement.

**Q46. What about PF on performance incentives?**

A46. If incentives are universal and mandatory, EPFO may treat them as PF Wages; design incentives to be non-universal and output-linked if the intent is to exclude them.

**Q47. Should employers prepay or accrue increased PF cost?**

A47. Yes — CFOs should plan for near-term increase and reforecast monthly cashflows.

**Q48. How will the Code affect tax reporting?**

A48. Increased Basic may change tax-shelter dynamics (PF deduction caps, taxability of allowances); coordinate payroll and tax teams.

**Q49. What controls do consultancies recommend for contractor payrolls?**

A49. Quarterly audits, certifications, reconciliation schedules, and termination escrows for statutory liabilities.

**Q50. Will EPF/ESI filings become more frequent or detailed?**

A50. Expect more detailed electronic returns and reconciliations; invest in automation.

**D. OCCUPATIONAL SAFETY & WORKING HOURS (OSH CODE) (Q51–Q70)**

**Q51. What is the change to spread-over/working hours?**

A51. The OSH Code allows more flexible arrangements including a wider permissible spread-over (practical guidance varies by notification); consultancies stress checking state rules.

**Q52. Can companies adopt 12-hour shifts?**

A52. Yes — subject to spread-over and weekly working hours rules; firms advise designing roster and rest-break policies carefully.

**Q53. Does the 12-hour model eliminate OT?**

A53. No — OT liability depends on legal hours and wage definitions; productivity-based pay can be used to manage OT exposure.

**Q54. Are employers required to provide more welfare facilities?**

A54. Yes — enhanced welfare, creche, rest areas, sanitisation and safety training are emphasised.



**Q55. Do consultancies recommend time-tracking systems?**

A55. Strongly — accurate biometric/time solutions and shift management modules are recommended for traceability.

**Q56. How to design 6+6 contractor models compliantly?**

A56. Maintain separate muster registers, documented breaks, separate contractor licences, worker consent and robust audit trails; consultancies caution on inspector risk and recommend robust documentation.

**Q57. What about women and night shifts?**

A57. Women can be employed in night shifts provided safe transport, security and welfare measures are in place.

**Q58. Will safety training be mandatory?**

A58. Yes — training and records will be required; firms recommend digital training logs and refresher programs.

**Q59. Do occupier obligations increase?**

A59. Yes — principal occupier responsibilities are expanded, making compliance oversight essential.

**Q60. How to prepare for OSH inspections?**

A60. Maintain a digital inspection pack: risk assessments, incident logs, training records, PPE inventory and contractor competency certificates.

**E. INDUSTRIAL RELATIONS & FIXED-TERM EMPLOYMENT (Q71–Q85)**

**Q71. Has the threshold for standing orders changed?**

A71. Yes — thresholds may change (consult state notifications). Many advisories note thresholds for retrenchment and standing orders increased to ease operations.

**Q72. Are fixed-term employees permitted?**

A72. Yes — fixed-term employment is recognised, and firms recommend templates and policies for parity of benefits.

**Q73. How does the IR Code affect retrenchment?**

A73. It eases process for certain size establishments, but consultancies caution to follow state-specific rules and maintain documentation.

**Q74. Are unions affected?**

A74. The Code streamlines recognition and negotiation rules; employers should update IR strategies and negotiation protocols.

**Q75. Is strike/lockout law changed?**

A75. Stricter procedural requirements and notice periods are provided; firms recommend updating negotiation playbooks.

**Q76. How to manage employee communication during transition?**

A76. Transparent communication, town-hall Q&As, and illustrative before/after pay comparisons reduce resistance.

**Q77. Should fixed-term employees be on par for benefits?**

A77. Legally firms recommend parity for specified benefits such as leave and social security contributions.

**Q78. How to manage workforce rationalisation?**

A78. Use data-driven IR strategy, legal counsel, and documented business justification for restructuring.



**Q79. Will settlement and severance rules change?**

A79. Possibly — consult local counsel for retrenchment rules under new Code.

**Q80. How to update standing orders?**

A80. Update to reflect new definitions, fixed-term employment, disciplinary procedures and grievance redressal clauses.

**F. PAYROLL TECHNOLOGY & OPERATIONAL CONTROLS (Q86–Q95)**

**Q86. What immediate payroll tech upgrades are recommended?**

A86. HCM upgrades for wage-code fields, time and attendance integration, e-filing automation and inspector-report generation.

**Q87. Are digital payslips mandatory?**

A87. Digital records are encouraged/mandated; ensure secure storage and retention policies.

**Q88. What controls reduce inspection risk?**

A88. Daily reconciliations, separate contractor registers, proof of breaks, PF/ESI challan evidence and HR attestations for payments.

**Q89. Should migration to cloud payroll be accelerated?**

A89. Many advisors recommend cloud HCM to enable frequent updates and central reporting.

**Q90. What internal audit routines should be implemented?**

A90. Quarterly statutory audits, payroll reconciliations and contractor compliance audits.

**Q91. How to maintain inspection packs?**

A91. Single digital folder per site: licence copies, muster, wage registers, PF/ESI receipts, standing orders, appointment letters.

**Q92. How to handle cross-state operations?**

A92. Central policy + state annexures; local law change trackers and one compliance owner per state.

**Q93. How to test the new payroll before go-live?**

A93. Parallel payroll runs for 3 months with scenario testing (best/worst/neutral) and stakeholder approvals.

**Q94. Do consultancies propose outsourcing payroll?**

A94. Some recommend third-party payroll specialists if internal capability is weak, but with robust SLAs and audit rights.

**Q95. What KPIs should CFO/CHRO track?**

A95. PF outflow, gross-to-basic ratio, contractor cost variance, inspection non-conformities, and payroll reconciliation exception rate.

**G. COMMUNICATION, TRAINING & IMPLEMENTATION (Q96–Q100)**

**Q96. How to communicate changes to employees?**

A96. Multi-stage comms: (1) Notice of change, (2) FAQs and examples, (3) one-on-one for impacted staff, (4) offer alternative options (VPF).

**Q97. What training is required?**

A97. Payroll, HRBP, managers, and site-leads on new definitions, muster handling, inspection defence, contractor management and grievance handling.



**Q98. How long is realistic implementation?**

A98. Firms advise 3–9 months depending on payroll complexity, with priority on payroll modelling and contractor audit in the first 90 days.

**Q99. Should the Board be engaged?**

A99. Yes — prepare an executive summary on financial impact, risk mitigation and timeline for board approval.

**Q100. What is the single most important compliance control?**

A100. Accurate, auditable, and digital wage & attendance records mapped to the new wage definition and statutory returns.



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