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Rajasthan Releases Draft Code on Wages Rules, 2026: Key Compliance Changes for Employers

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Introduction

The Government of Rajasthan has issued the Draft Code on Wages (Rajasthan) Rules, 2026, marking a significant step toward operationalising the wage framework under the Code on Wages, 2019 at the state level. Published in the Rajasthan Gazette Extraordinary dated 13 January 2026, the draft rules have been released for public consultation, inviting objections and suggestions from stakeholders before their final notification.

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The **Code on Wages, 2019** consolidates and rationalises India's wage-related labour laws, replacing earlier legislations governing minimum wages, payment of wages, bonus and equal remuneration. While the Code provides the overarching statutory framework, its effective implementation depends on the formulation of detailed rules by both the Central and State Governments.

The Rajasthan Draft Rules aim to establish the procedural, administrative, and compliance architecture required for the operationalisation of the Code within the State. The draft provisions prescribe mechanisms relating to minimum wage fixation, classification of skill categories, working hours, wage deductions, transparency requirements, and institutional advisory structures. Together, these rules translate the broad statutory principles of the Code into a structured regulatory framework applicable to establishments operating in Rajasthan. Once finalised, the rules are expected to significantly reshape wage administration in Rajasthan by promoting greater transparency, standardisation, and accountability in wage practices across sectors.

Rajasthan Draft Code on Wages Rules, 2026: Key Highlights

The **Draft Code on Wages (Rajasthan) Rules, 2026**, proposed under the **Code on Wages, 2019**, lay down the procedural framework for implementing wage-related provisions within the State. The draft rules supplement the statutory scheme of the Code by prescribing detailed mechanisms relating to **minimum wage fixation, working hours, wage deductions, and institutional advisory structures**.

Key Definitions Introduced under the Draft Rules

The Draft Code on Wages (Rajasthan) Rules, 2026 also introduce and clarify several **important definitions that guide the interpretation and implementation of the wage framework** under the **Code on Wages, 2019**. Some of the notable definitions include:

"Family" – The rules provide a detailed definition of family for the purposes of wage-related claims and benefits. It includes the spouse, minor legitimate or adopted children dependent on the employee, children dependent on the employee for education up to 21 years of age, unmarried daughters, infirm children wholly dependent on the employee, and dependent parents including the father-in-law and mother-in-law of a woman employee, subject to income limits notified by the State Government.

Skill-based Occupational Categories – The rules provide specific definitions for **unskilled, semi-skilled, skilled, and highly skilled occupations**, which form the basis for wage categorisation and minimum wage fixation:

- **Unskilled occupation** refers to work requiring only basic operating experience without specialised skill.
- **Semi-skilled occupation** involves application of skill gained through job experience and may include supervision over unskilled work.
- **Skilled occupation** requires competence acquired through training or job experience and involves independent judgment in performing tasks.
- **Highly skilled occupation** refers to work requiring a high degree of technical or professional competence acquired through specialised training or substantial practical experience.

Inspector-cum-Facilitator – The rules define the Inspector-cum-Facilitator as the officer appointed by the State Government under Section 51 subsection (1) of the Code to inspect establishments and facilitate compliance with wage-related provisions.

Board and Committee – The rules also define the State Advisory Board and committees constituted by the State Government for advising on wage-related matters such as minimum wage fixation and classification of occupations.

The key highlights are outlined below:

1. Scientific Criteria for Fixation of Minimum Wages (Rule 3)

Rule 3 of the draft rules adopt a structured methodology for calculating minimum wages. The minimum wage rate will be determined on a **day basis** considering the needs of a standard working-class family which includes a spouse and two children apart from the earning Employee; an equivalent of three adult consumption units.

Code of wages- Rajasthan

The calculation parameters include:

- **2700 calories per day per consumption unit** for nutritional requirements
- **66 meters of cloth per year** per standard working class family
- **Housing rent** equal to 10% of food and clothing expenditure
- **Fuel, electricity and miscellaneous expenses** accounting for 20% of minimum wage
- **Education, medical needs, recreation and contingencies** constituting 25% of minimum wage

These parameters provide a structured basis for the State Government while fixing or revising minimum wages.

2. Categorisation of Skill Levels (Rule 4)

Rule 4 provides for the classification of employments into four skill categories, namely:

- Unskilled
- Semi-skilled
- Skilled
- Highly skilled

To enable this process, the State Government may constitute a **Technical Committee** to advise on the categorisation of occupations and the skill levels required for various types of work, taking into account factors such as the nature of duties, level of training required, and working conditions.

3. Revision of Variable Dearness Allowance (Rule 5)

Rule 5 provides for the **periodic revision of the Variable Dearness Allowance (VDA)** to neutralise the impact of inflation. The VDA component is proposed to be revised **twice a year**, with effect from:

- **1st April**, and
- **1st October**.

The revision will be linked to the **Consumer Price Index published by the Labour Bureau**, ensuring that wage rates remain aligned with fluctuations in the cost of living.

4. Working Hours and Weekly Rest (Rules 6–8)

- **Maximum working hours:** 48 hours per week
- **Spread-over limit:**
- 10.5 hours per day (including rest intervals) for six-day working weeks
- Up to 12 hours where flexible working arrangements are adopted with employee consent
- **Mandatory rest interval:** At least **30 minutes after 5 hours of continuous work**.

Employees are entitled to **one weekly rest day**, typically Sunday, though employers may designate a different day. If an employee works on the rest day, a **substituted rest day and overtime wages** must be provided.

5. Special Provisions for Night Shifts- Rule 8

For employees working night shifts extending beyond midnight:

- The **rest day will be calculated from the end of the shift**.
- Work hours beyond midnight will be counted towards the **previous day's work period**.

These provisions ensure clarity in calculating working hours and rest entitlements.

6. Rules Governing Wage Deductions (12-13)

The draft rules regulate deductions from wages and introduce safeguards for employees.

Key safeguards include:

- **Total deductions cannot exceed 50% of wages in a wage period**.
- If deductions exceed this limit, the balance must be **carried forward to subsequent wage periods**.

Employers must also follow due process before making deductions for **loss, damage, or advances**.

For deductions due to damage or loss:

- the employee must be informed in writing
- given an opportunity to explain
- notified of the deduction within **15 days**.

7. Mandatory Notices and Transparency (14-15)

Employers will be required to display wage-related notices:

- physically or electronically
- in Hindi, English, and the local language
- at conspicuous places in the workplace.

A copy of the notice must also be sent to the Inspector-cum-Facilitator having jurisdiction.

8. Constitution of the State Advisory Board (Rule 20)

The Draft Rules provide for the constitution and functioning of the State Advisory Board on Wages under Section 42 of the Code on Wages, 2019. Key features include:

Composition of the Board (Rule 20):

- The Board will be constituted by the State Government to advise on wage-related matters.
- It will include 12 representatives of employers.
- It will include 12 representatives of employees.
- The State Government will also nominate independent members, including:
- A Chairperson, and
- Four professionals with expertise in wages and labour-related issues.

Governance Requirements:

- Independent members shall not exceed one-third of the total membership of the Board.
- At least one-third of the members must be women, ensuring gender representation.

Meetings of the Board (Rule 21):

- The Chairperson may convene meetings of the Board whenever considered necessary.
- A meeting must also be called upon written requisition by not less than one-half of the members.

Role of the Board:

- To advise the State Government on wage-related matters, including fixation and revision of minimum wages and related policy issues.

9. Forms Prescribed under the Draft Rules

The Draft Code on Wages (Rajasthan) Rules, 2026 prescribe a set of standardised forms to be used for various compliance and procedural requirements under the wage framework. These forms relate to matters such as submission of claims, maintenance of wage records, and other statutory filings. The use of prescribed formats is intended to ensure **uniformity and administrative consistency** in wage-related compliance across establishments in the State.

10. Maintenance of Registers

The draft rules also require employers to maintain prescribed registers and records containing details relating to employees, wages, deductions, fines, and other relevant particulars. These registers may be maintained electronically or in physical form, subject to accessibility for inspection by the Inspector-cum-Facilitator. The maintenance of such records is aimed at ensuring transparency and traceability in wage payments.

11. Issuance of Wage Slips

Employers are further required to issue wage slips to employees in the prescribed format for every wage period. The wage slip must contain key information including wages earned, deductions made, and the net wages payable. This requirement seeks to provide employees with clear visibility of wage calculations and deductions, thereby promoting transparency in wage payments.

13. Payment of Dues and Wage Claims

The draft rules also prescribe procedures relating to the payment of dues and filing of wage claims under the Code on Wages, 2019. Employees, or their authorised representatives, may file applications before the designated authority in cases involving non-payment, delayed payment, or short payment of wages. The rules specify the forms, manner of filing applications, and procedural requirements governing such claims, thereby establishing a formal mechanism for the enforcement of wage entitlements.

14. Consultation Period for Stakeholders

The Rajasthan Government has invited objections and suggestions from stakeholders within 45 days from the date of publication of the draft rules in the Official Gazette. Interested stakeholders may submit their representations to the Labour Commissioner, Government of Rajasthan, either electronically or by post.

This consultation period enables employers, trade unions, industry associations, and other stakeholders to review the proposed regulatory framework and provide feedback before the rules are finalised. The process forms an important part of the rule-making mechanism, allowing the State Government to consider practical concerns and industry inputs prior to the formal notification of the rules.

Conclusion

The Draft Code on Wages (Rajasthan) Rules, 2026 represent an important step in operationalising the wage governance framework introduced under the **Code on Wages, 2019**. By prescribing detailed procedures for **minimum wage determination, skill classification, working hours, wage deductions, and institutional advisory mechanisms**, the draft rules provide the regulatory clarity required for effective implementation of the Code within the State.

Once finalised, these rules are expected to bring **greater standardisation, transparency, and procedural certainty** to wage administration in Rajasthan, while strengthening the institutional processes that support wage fixation and policy development. Stakeholders now have the opportunity to review the proposed provisions and submit suggestions before the rules are formally notified.

For more details, write to us at: contact@indialaw.in

Frequently Asked Questions

What are the Draft Code on Wages (Rajasthan) Rules, 2026?

They are state-level rules published in the Rajasthan Gazette on 13 January 2026, released for public consultation, that operationalise the Code on Wages, 2019 within Rajasthan by prescribing the procedural, administrative and compliance framework for wage administration.

What earlier laws does the Code on Wages, 2019 replace?

The Code on Wages, 2019 consolidates and rationalises India's wage-related labour laws, replacing the earlier legislation governing minimum wages, payment of wages, bonus and equal remuneration.

What compliance areas do the Rajasthan draft rules cover for employers?

The draft rules prescribe mechanisms relating to minimum wage fixation, classification of skill categories, working hours, wage deductions, transparency requirements and institutional advisory structures applicable to establishments in the State.

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