

INDIA'S NEW LABOR CODES EXTEND SOCIAL SECURITY COVERAGE TO GIG WORKERS: KEY EMPLOYER TAKEAWAYS

Insights
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Employers operating in India should prepare for four new labor codes the government announced on November 21. Together, the new codes streamline India's labor framework by consolidating 29 separate statutes. The Social Security Code, for the first time, formally defines gig and platform workers and lays the groundwork for extending statutory social security benefits to these emerging categories. Employers should be prepared as implementation unfolds and state governments begin issuing the rules needed to operationalize the code. We'll unpack the new definitions and outline what you can expect in terms of obligations, coverage, and the changes still to come.

New Definitions

Among the four codes, the Social Security Code significantly reshapes India's social welfare landscape by consolidating eight disparate laws into a unified statute and introducing a single registration framework for employers. If you have not read our overview of the four codes, you can find that article [here](#).

The Code on Social Security expands India's social security coverage to include gig and platform workers for the first time in the country's history. The new code defines these categories:

- **Gig Workers** earn income from work or working arrangements that fall outside a traditional employer-employee relationship.

Related People



Omeed Askari-Behbahani
Associate

[858.964.1587](tel:858.964.1587)



Cesar R. Serrano
Associate

[858.964.1598](tel:858.964.1598)

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- **Platform Workers** participate in a working arrangement that falls outside of a traditional employer-employee relationship, *using an online platform to render services*.
- **Aggregator** refers to a digital intermediary or a marketplace for a buyer or user of a service to connect with the seller or the service provider.
- **Unorganized Workers** are home-based workers, self-employed workers, or wage workers in an enterprise owned by individuals or self-employed workers engaged in the production or sale of goods or the provision of any services.

By defining these categories, India establishes a legal foundation for extending social security protections to millions of workers engaged in non-traditional labor arrangements.

How It Will Work

The code empowers state and central governments to set up social security programs for unorganized, gig, and platform workers. These programs may cover life and disability insurance, health and maternity benefits, old-age protections, and provident fund equivalents. To guide government action, the code proposes the establishment of a National Security Board, tasked with recommending suitable programs and social security measures for these workers.

The Social Security Code also authorizes the government to require aggregators to contribute not less than one percent and up to two percent of their annual turnover toward a Social Security Fund for gig and platform workers. These contributions are capped at five percent of the amount payable to such workers.

Aggregators that fail to make timely contributions may be required to pay interest on unpaid amounts. But, the code allows the Central Government to exempt certain aggregators or classes of aggregators from contribution requirements. It also further authorizes the Central Government to prescribe conditions under which a worker's status as a gig or platform worker may cease.

In order to receive benefits under any social security program set up by the state or central governments,

unorganized, gig, and platform workers must register with the government. The Social Security Code also establishes a dedicated toll free telephone helpline to assist with registration and access to benefits.

India's formal acknowledgment of gig and platform workers represents a structural shift in the country's labor framework. By moving beyond traditional, binary worker-classification tests, the Social Security Code provides courts and regulators with concrete statutory definitions to follow.

The Big Picture: Once fully implemented, these provisions will bring millions of non-traditional workers under India's social security for the first time, while creating new compliance obligations for platforms operating in India.

What You Can Do Now

1. Assess and Classify Workforce Appropriately

Map your workforce against the Social Security Code's new definitions to determine whether workers may qualify as gig workers, platform workers, or unorganized workers.

2. Update Contracts, Terms of Service, and Worker Policies

Review contractual agreements for potential grey areas, such as hybrid contract agreements. Insert provisions relating to social security registration, data-sharing with authorities, benefits under notified programs, and obligations arising from government notifications. *Ensure you do not inadvertently create an employer-employee relationship if that is not your intent.*

3. Prepare to Submit Worker Data for Registration

Because workers must register to receive social security benefits, companies should build or update operations systems to collect: Aadhaar identification numbers, engagement history, earnings data, and proof of platform participation. Ensure your systems can produce registrable datasets in formats likely required by government authorities.

4. Prepare for Aggregator Contributions to the Social Security Fund

Contribution obligations are tied to company turnover. Establish internal financial forecasting to estimate

contribution amounts. If needed, recalculate cost structures, revisit pricing of goods or services, and forecast margins after compliance expenditure.

5. Build Compliance Infrastructure

Track notifications from the central and state governments. Prepare internal processes for enrollment, contribution, data audits, and benefit delivery mechanisms.

6. Strengthen Safety, Accident Reporting, and Grievance Systems

Gig and platform workers can now receive formal accident and disability benefits. Thus, employers need robust incident reporting, verification mechanisms, claims support desks, and transparent communication channels.

7. Train Your Operational, HR, and Legal Teams

Internal teams should understand new worker categories, social security rights, contribution obligations, data requirements, and incident reporting responsibilities.

8. Proactively Engage Workers

Educate gig and platform workers about registration procedures, their rights under social security programs, how employer contributions benefit them, and how to access claims and benefits.

Conclusion

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