

Finin2min

[Labour Publication Series](#)

Labour & Manpower Law Publication Series

Chapter XI - Worker re-skilling fund

Industrial Relations Code, 2020 | Detailed statutory, Rule, compliance, remedy and evidence guide.

Review date: 2026-07-18 Authors: CA Nikhil Gupta & Kajri Singh Sections: 83-83 Central Rules mapped: 1 Local source-hashed Act text + linked Rules and implementation analysis

[Download chapter PDF](#) [Download 1-page summary](#)

On this page

[Finin2min Summary](#) [Section 83](#) [Rules/forms](#) [Old law](#) [Case law](#) [State alerts](#) [Q&A](#) [Provision map](#) [Transaction and cross-law controls](#)

Industrial Relations Code, 2020 Worker re-skilling fund four-step compliance flowchart

Finin2min decision flow — identify the law, complete the statutory process and preserve evidence.

Publication-source status: Every mapped section of the parent Code is embedded locally from the retained official India Code PDF and carries the source SHA-256. Linked 2026 Central Rules, forms, notifications and operational analysis remain subject to the official Gazette and subsequent amendments.

Chapter decision flow

Classify establishment & person → Fix event date → Apply section and Rule → Complete form/record → Retain evidence & remedy file

Finin2min Summary - Chapter in 2 Minutes

This chapter turns worker re-skilling fund into an operational control file. It covers Worker re-skilling fund; the practical sequence is to classify coverage and event date, apply the provision and mapped Rule, complete the form/register, calculate the entitlement or exposure, and retain evidence for inspection, claim or appeal.

Chapter XI - Worker re-skilling fund

FININ2MIN LEGAL FLOW

Industrial Relations Code, 2020 — Worker re-skilling fund



Law → trigger → procedure → evidence. Confirm the operative Central/State instrument on the event date.

Use this flow with the chapter provision map, implementation controls, evidence checklist, limitation/forum review and remedy framework. Confirm the operative Central and State instruments on the event date.

Chapter XI - Worker re-skilling fund

Finin2min implementation explanation

Maintain a controlled implementation file for Chapter XI - Worker re-skilling fund: coverage and event date, operative Central/State instrument, responsible owner, approval and authority, form/portal step, due date, calculation basis, supporting evidence, exception, escalation and closure proof. Reconcile payroll, HR, finance, contractor and legal records before sign-off.

Practical example

Classify the worker and establishment, identify the operative provision and notified instrument on the event date, compute the entitlement or exposure from source records, obtain approval, complete the filing/payment/action, and retain evidence. Do not use a portal value or payroll label as a substitute for the statutory test.

Calculation / control template

Control calculation: verified population or transaction base $\times$ applicable notified rate/amount $\times$ eligible period, adjusted for statutory inclusions, exclusions, ceilings, interest, compensation and prior payments. Reperform the calculation from retained source data.

Current-law control: verify the operative Central/State instrument, notification, form, portal and binding judgment on the event date. Numerical amounts in examples are illustrative unless expressly sourced.

Who is covered

Employers, workers, trade unions, negotiating bodies, standing-order establishments and dispute-resolution authorities should classify the industrial establishment and worker population first.

Main obligations and rights

- Section 83: Worker re-skilling fund

Key thresholds and timelines

- Use only the threshold, rate and limitation period effective on the event date; verify the Central/State instrument before acting.

Forms, registers and evidence

- Applicable form/register, calculation file, approval and acknowledgement evidence
- Retain classification, calculation, approval, communication, acknowledgement and payment/filing proof.

Employer risk snapshot

Highest practical risks: misclassification, missed filing/notice, unsupported calculation, incomplete records and use of the wrong Central/State instrument.

Employee/worker remedy snapshot

Core protection: the substantive protection in this chapter, access to the prescribed authority/forum and a documented remedy within limitation. Confirm the authority, limitation and appeal route stated in this chapter.

Old law / transition

Map the event date and savings position against: Trade Unions Act, 1926; Industrial Employment (Standing Orders) Act, 1946; Industrial Disputes Act, 1947.

Five-point professional checklist

1. Freeze the event date, establishment, location and person/worker classification.
2. Identify the controlling section/paragraph, mapped Rule, notification and appropriate Government.

3. Reperform the calculation or decision test and document every exception or approval.
4. Complete the prescribed form/register/portal step and retain acknowledgement, payment and communication evidence.
5. Record the remedy, forum, limitation, appeal path and State variation before sign-off.

Finin2min takeaway: for worker re-skilling fund, the defensible answer is not a policy label - it is the event-date law, the mapped procedure, the calculation and a complete evidence trail.

[Download one-page Finin2min cheat sheet](#)

Section-by-section provision map

Provision	Subject	Implementation focus
Section 83	Worker re-skilling fund	Trigger, linked Rule/form, evidence, consequence and remedy

Section 83: Worker re-skilling fund

Current statutory text

83. Worker reskilling fund.—(1) The appropriate Government shall, by notification to be called the worker re-skilling fund (hereafter in this section referred to as the fund)

(2) The fund shall consist of—

(a) the contribution of the employer of an industrial establishment of fifteen days wages last drawn by the worker immediately before the retrenchment or fifteen days as may be notified by the Central Government, for every retrenched worker; and

(b) the contribution from such other sources as may be prescribed by the Central Government.

(3) The fund shall be utilised by crediting fifteen days wages last drawn by the worker who is retrenched, within forty-five days of such retrenchment, in such manner as may be prescribed by the Central Government.

CHAPTER XII

UNFAIR LABOUR PRACTICES

Finin2min clause-by-clause decode

1. Test 1

2. The employer contribution to the worker re-skilling fund is equal to fifteen days' wages last drawn by each retrenched worker or another notified number of days.
3. Test 2
4. The fund amount is to be credited to the retrenched worker within forty-five days in the prescribed manner.
5. Test 3
6. A 2026 notification establishes the Central worker re-skilling fund; Rule 37 governs payment, worker details and transfer administration.
7. Implementation control
8. Trigger
9. Document the fact pattern that activates section 83: worker re-skilling fund.
10. Coverage and jurisdiction

Applicable Central Rules immediately below the provision

Central Rule 37: Rule 37 — Worker re-skilling fund

extracted from the official English notification 37. Worker re-skilling fund.– (1) Every employer who has retrenched a worker in industrial establishment, shall, within ten days from the date of such retrenchment, electronically transfer an amount equivalent to fifteen days of last drawn wages of such retrenched worker or workers in the fund (name of the account) shall be displayed on the website of the Ministry of Labour and Employment and Chief Labour Commissioner (Central) to be maintained by the Chief Labour Commissioner (Central) or the office of the Deputy Chief Labour Commissioner(Central) or the office of the Regional Labour Commissioner (Central) or the office of the Assistant Labour Commissioner(Central), as the case may be. (2) The fund so received under sub-rule (1) shall be transferred by the office of the Chief Labour Commissioner (Central) or the office of the Deputy Chief Labour Commissioner (Central) or the office of the Regional Labour Commissioner (Central) or the office of the Assistant Labour Commissioner (Central), electronically to each of the retrenched worker account within forty-five days of retrenchment to enable them to utilise that amount for his re-skilling. (3) The employer shall also submit the list containing the name of the retrenched worker, the amount equivalent to fifteen days of wages last drawn by such retrenched worker along with his bank account details, to the office of the Chief Labour Commissioner (Central) or the office of the Deputy Chief Labour Commissioner (Central) or the office of the Regional Labour Commissioner (Central) or the office of the Assistant Labour Commissioner(Central), as the case may be. CHAPTER XII OFFENCES AND PENALTIES Code concordance Primary operative section Section 83 Worker re-skilling fund Forms and records No form heading is directly assigned to this rule. Keep the application, notice, order, electronic acknowledgment and register required by the text. Implementation owner HR/employee relations with legal

review and the authorised signatory specified by the rule. System control Create a workflow that blocks completion until every mandatory field, attachment, service method and timeline is satisfied. Evidence Preserve the exact filed form, annexures, electronic receipt, delivery proof, hearing material and final order. Failure consequence The underlying Code section may create invalidity, compensation, appeal, recovery, unfair-practice or penalty exposure. ← Previous Next →

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 37 | Official source: [section 83](#).

Rules, forms, registers, portals and due dates

Rule Subject

Text/control status

37 Rule 37 — Worker re-skilling fund Exact Gazette extract embedded

Forms and registers must be confirmed from the appended 2026 Central Rules and the live portal applicable to the appropriate Government. A form is not treated as current merely because an earlier law used the same number.

Notifications and effective-date history

Control	Required action
Enactment	Record Act number, assent and Gazette publication.
Commencement	Use the provision-specific commencement notification; the four Codes became broadly operative from 21 November 2025 subject to earlier partial commencement and corrigenda.
Central Rules	Read the applicable 2026 Central Rules from their Gazette date and verify subsequent amendments.
State instrument	Check final State Rules, authority notifications, forms and rates where the State is appropriate Government.

Old-law/new-Code concordance

Predecessor law	Transition control
Trade Unions Act, 1926	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Industrial Employment (Standing Orders) Act, 1946	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Industrial Disputes Act, 1947	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.

Practical calculations and control file

Calculation sequence

1. Freeze the employee/worker population and event date.
2. Apply the statutory wage/benefit base and notified threshold.
3. Reconcile attendance, service, payroll and contractor records.
4. Calculate principal amount, interest/damages and any statutory compensation separately.
5. Obtain legal/payroll approval and retain the versioned worksheet.

Three-owner sign-off

- **Employer/HR:** facts, classification, communication and workflow.
- **Employee/worker:** notice, records, nomination/claim and acknowledgement.

- **Professional:** source, formula, forum, limitation and evidence reconciliation.

Binding and highly relevant case-law principles

Older cases are included for principles only. Their continued application must be tested against the current Code wording, repeal-and-savings clause and later judgments.

Decision	Principle and present-use caution
Bangalore Water Supply v. A. Rajappa	The industry test remains an important interpretive starting point, subject to the Code definition and later statutory developments.
Workmen of Firestone Tyre v. Management	Domestic enquiry fairness and the adjudicatory power to examine dismissal remain central principles, subject to the Code and certified standing orders.
Bharat Bank Ltd. v. Employees	Industrial adjudication is specialised statutory adjudication; forum, reference and award provisions must be followed.
Karnal Leather Karamchari Sanghatan v. Liberty Footwear	Settlement and collective-bargaining outcomes require genuine authority, representativeness and statutory compliance.

State-law variation alerts

- Confirm whether the Central or State Government is the appropriate Government.
- Central Rules do not automatically displace valid State Rules, rates, registers, authorities or portal procedures.
- Minimum-wage rates, holidays, working-hours permissions, licences and local welfare obligations require State-specific verification.
- Record Gazette number, effective date and supersession status in the location compliance register.

Practical transaction application

Apply the chapter to workforce restructuring, standing orders, union recognition, disciplinary action, settlement drafting, transfer of undertaking, lay-off, retrenchment, closure and industrial-dispute strategy. Build the transaction timeline before notices or board approvals are issued.

Authority, consent and execution controls

Map powers among the board, occupier/employer, HR, disciplinary authority, authorised signatory and legal team. Verify delegation, standing orders, service rules, union/negotiating-council status and government permission or notice requirements; informal consent cannot cure a mandatory statutory step.

Stamp duty and registration alerts

Industrial settlements, service instruments and transfer documents may attract State stamp consequences depending on form and subject matter. Statutory filing, publication or registration under labour law is separate from document registration under the Registration Act and stamping under State law.

Evidence and document-retention checklist

Retain the operative law/rule version, classification note, approvals, signed instruments, statutory forms, portal acknowledgements, registers, calculations, bank proof, correspondence, inspection records, service proof, decision and appeal file. Apply the longer of the statutory retention rule, litigation hold, tax/audit need and contractual requirement; restrict access to personal and sensitive data.

Performance, delivery and payment controls

Create a milestone file for notice, consultation, permission, compensation, re-skilling contribution, service of orders and payment. No restructuring should close until payroll, bank proof, employee-wise computation, statutory filing and possession/access controls reconcile.

Breach, loss, mitigation and remedy framework

On detecting a breach, stop continuing exposure, preserve evidence, quantify employee and government dues, identify affected persons, make lawful corrective payment/filing, notify the authorised decision-maker, assess self-disclosure or compounding where available, and reserve contractual recovery against responsible vendors without delaying statutory remediation.

Limitation and forum controls

Use the conciliation officer, tribunal, national industrial tribunal, appellate channel or other prescribed forum as applicable. Track the dispute date, cause of

action, pending proceedings, protected status and service of notices; private jurisdiction clauses cannot override the statutory adjudication scheme.

Arbitration and mediation interface

Voluntary arbitration and settlement mechanisms may be available where the Code permits. Draft the reference, issues, arbitrator appointment, publication/filing and settlement authority carefully; mediation is useful for commercial terms but must preserve non-waivable worker protections.

Company, partnership, GST and tax overlays

For a company, align board/delegation and officer-in-default controls; for an LLP or partnership, identify the designated partner/partner and authorised employer representative. Labour dues can affect transaction price, indemnities, director/partner exposure and insolvency claims. Salary/TDS, perquisite, contractor TDS, GST on outsourced services and accounting provisions must be reconciled without treating tax treatment as proof of labour-law classification.

Finin2min Q&A

Which law and version should be applied?

Use the current text of Industrial Relations Code, 2020, the commencement notification, the applicable Central or State Rules and any later instrument effective on the event date.

How is the appropriate Government identified?

Classify ownership/control, sector, establishment and contractor relationship before selecting the Central or State authority.

Can a company policy override the statutory protection?

No. A policy may improve a benefit or control, but it cannot contract out of a mandatory statutory floor.

What evidence should be retained?

Retain the classification memo, source instrument, form/portal record, calculation, approval, employee communication, acknowledgement and payment or authority proof.

Do the Central Rules apply to every establishment?

No. They govern the Central sphere. State Rules and State notifications must be checked where the State is the appropriate Government.

How should a historical event be tested?

Apply the law and subordinate instrument effective on the event date, then use the repeal-and-savings provision for pending rights and proceedings.

What happens when portal practice conflicts with the statute?

Record the conflict, follow the higher legal instrument, seek authority clarification where necessary and preserve screenshots and correspondence.

Can criminal and monetary consequences arise together?

They may. Separate wages/benefits, interest, damages, civil penalty, prosecution, compounding and director/officer liability.

Is a contractor arrangement enough to shift liability?

No. Principal-employer and contractor liabilities depend on the specific provision and facts; the contract should allocate evidence and recovery without diluting worker rights.

What is the first professional review step?

Freeze the event date and facts, identify the applicable provision, then map Rules, forms, notification status, authority, limitation and evidence.

What is the operational focus of section 83 - Worker re-skilling fund?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is review control 12 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

What is review control 13 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

What is review control 14 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

What is review control 15 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

[← Previous: Special threshold establishments](#)[Next: Unfair labour practices →](#)

finin2min.com | Labour & Manpower Law Publication Series | Educational and professional reference | Review date 2026-07-18 | Verify event-date law before acting.