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Karnataka platform based Gig Workers (Social Security and Welfare) Act 2025

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I. Introduction

In a significant development for India's digital platform economy, the Karnataka government has brought into force the Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025 (Act) and, more recently, the Karnataka Platform-Based Gig Workers (Social Security and Welfare) Rules, 2025 (Rules). Together, they create one of the country's most detailed state-level frameworks for the regulation of work delivered through digital platforms.

The Act, notified on 12 September 2025 with effect from 30 May 2025, is designed to provide social security and welfare benefits to platform-based gig workers (Gig Workers), to regulate the terms on which 'aggregators' and 'platforms' engage them, and to impose minimum standards around transparency, safety, grievance redressal, and automated workforce management. It does this through a sector-wide welfare fee on aggregators and a dedicated governance and dispute-resolution architecture. At the institutional level, the Act establishes the Karnataka Platform Based Gig Workers Welfare Board (Board), with representation from aggregators / platforms, Gig Workers and civil society, and mandated representation for women.

The Rules, notified on 19 November 2025, operationalise the Act by prescribing registration, reporting, grievance-handling and compliance procedures. Karnataka's move also sits alongside the Union Government's recently notified Social Security Code, 2020 (SS Code), which already recognises gig and platform workers and contemplates a central contribution by aggregators. The Act therefore has to be read against and carefully integrated with the framework set out in the SS Code.

In this update, we discuss: (i) the regulatory scope of the Act and Rules; (ii) key rights of Gig Workers; (iii) key obligations of aggregators and platforms; (iv) interplay between the Act and the SS Code; (v) status of implementation and practical challenges.

II. Regulatory scope of the Act

The SS Code defines an 'aggregator' narrowly as a *digital* intermediary or marketplace that enables a buyer or user of a service to connect with the seller or service provider. Similarly, under the Motor Vehicles Act, 1988, an 'aggregator' is confined to a digital intermediary or marketplace that connects passengers with drivers for transportation. In contrast, the Act adopts a materially broader definition, covering not only digital intermediaries connecting buyers of goods or services with sellers or service providers, *but also entities that coordinate with one or more such aggregators for the provision of services*.

Given this significantly expanded definition, the Act is likely to bring a wider universe of entities within its regulatory scope than the SS Code.

III. Rights of Gig Workers under the Act and Rules

(a) **Registration**: Gig Workers are entitled to be registered with the Board when they are onboarded on any platform, irrespective of the duration or continuity of work. Registration is tied to the issuance of a unique identification number, designed to operate across all platforms.

(b) **Access to social security schemes**: Registered Gig Workers are eligible for general and specific social security schemes formulated by the Board, at least pertaining to: (i) life insurance; (ii) accidental benefit; (iii) disablement benefit; (iv) medical benefit; (v) maternity benefit; and (vi) old-age protection.

(c) **Grievance redressal**: The Act requires aggregators and platforms to constitute an internal dispute-resolution committee with equal representation from the management of aggregators / platforms and Gig Workers. The Act also provides for Board-level grievance redressal as an appellate mechanism against decisions of the internal committee.

(d) **Income security**: Payments to Gig Workers are to be made at least on a weekly basis, without delay. Deductions must be clearly explained on invoices or payment statements.

(e) **Fair contracts**: Contracts executed with Gig Workers must be fair, transparent and comprehensive, with at least 14 (fourteen) days' prior notice of any change to the Gig Worker. The contracts must also contain an exhaustive list of grounds for termination of the contract by the aggregator / platform.

(f) **Due process in termination and/or deactivation**: Termination of a Gig Worker's contract / work by an aggregator / platform requires 14 (fourteen) days' prior notice with written reasons, and observance of principles of natural justice. Immediate termination is allowed only for bodily harm cases with appeal rights. The Rules also permit immediate termination in the interest of buyers or the public for: (i) certain specified offences under the Bharatiya Nyaya Sanhita 2023; (ii) material and financial fraud; and (iii) any other offenses specified by the Board from time to time.

IV. Obligations of Aggregators and Platforms

(a) **Registration**: Aggregators and platforms must register with the Board within 45 (forty-five) days (extended by 30 (thirty) days for technical issues) from the date of enforcement of the Act.

(b) **Data submission**: They must electronically submit in a machine-readable format of the database of all Gig Workers within 45 (forty-five) days (extended by 30 (thirty) days for technical issues) from the date of enforcement of the Act.

(c) **Welfare fee**: They would be required to contribute welfare fees between 1% and 5% of the payment to the Gig Worker per transaction, with the specific sector-wise rate to be notified within 6 (six) months of the Act coming into force. All payments made to Gig Workers, and the corresponding welfare fee, would have to be uploaded on the Payment and Welfare Fee Verification System (PWFVS).

(d) **Prevention of discrimination:** The aggregators and platforms must implement measures to prevent discrimination on the grounds of religion, race, caste, gender, place of birth or disability, by the algorithms deployed by them.

(e) **Occupational Safety and Health (OSH)**: The aggregators and platforms are required to provide a safe workplace, reasonable rest, and sanitary and rest facilities. The Board is tasked with setting sector-specific OSH standard operating procedures, which aggregators / platforms must comply with within 3 (three) months. The framework also mandates safety guidance and panic buttons on platform applications, training, first aid, and compliance with the Sexual Harassment of Women at Workplace Act, 2013, expressly extending that regime to cover Gig Workers.

(f) **Disclosure obligations**: Platform interfaces must clearly disclose grievance and dispute mechanisms, a mandatory human point of contact with multilingual support (at least in Kannada and English), and key information on insurance and welfare schemes, welfare fee deductions, termination and deactivation, accident relief, and the handling of physical harassment complaints. Aggregators and platforms should also publish information on the designated mechanism for Gig Workers to seek information regarding their fees, earnings and customer feedback.

V. Interplay between the Act and the SS Code

The SS Code recognises Gig Workers and contemplates central schemes for their social security funded through a combination of government allocations, an aggregator levy of 1%-2% of annual turnover (capped at 5% of payments to Gig Workers), corporate social responsibility contributions and other sources. It also expands the National Social Security Board to include aggregator and Gig Worker representatives and creates a Central Social Security Fund.

The Act does not displace this framework. It is expressly stated to be in addition to, and not in derogation of other laws, allowing central schemes under the SS Code to coexist with state-level benefits. The more significant move is around contributions: the Act provides that the state welfare fee paid by aggregators is deemed to satisfy the "*total contribution payable*" under the SS Code, subject to yearly reconciliation. The Rules further allow offset and reconciliation where aggregators are liable to pay welfare fees under any other law to the Karnataka State Government or the Union Government.

In effect, the Act attempts to construct a single economic contribution stream for Gig Workers' social security, minimising double payment risk while preserving the possibility of benefits layering between central and state schemes. How this plays out in practice will depend on future central notifications and the mechanics of reconciliation.

VI. Implementation status and practical challenges

Although the statutory framework is in force, several critical components required for actual enforcement remain pending. These gaps will have a direct bearing on when and how platforms and Gig Workers begin seeing the effects of the law. We highlight some of these aspects below.

(a) There is no public notification constituting the Board or confirming the appointment of Board members. Without a functioning Board, registration of platforms and workers cannot begin and unique identification numbers cannot be issued.

(b) Although the Rules require a dedicated registration portal for aggregators and platforms to register on, no such portal has been notified or launched yet. Aggregators / platforms therefore cannot complete their registrations and Gig Worker's data cannot be uploaded in the manner prescribed.

(c) The PWFVS contemplated by the Act is not operational yet. As a result, aggregators / platforms will not be able to map payments and corresponding welfare fees onto the PWFVS.

(d) Social security benefits under the Act require scheme-specific notifications from the Board, which can only be issued once the Board is constituted. This means that the substantive welfare aspects of the Act are still some time away from becoming operational.

Overall, the legal framework in Karnataka marks an important shift in how platform based gig work is regulated, signalling a move towards greater formalisation and worker protection. While the Act's full impact will only be felt once the Board is constituted and schemes are operational, the legislation is a meaningful step in expanding state driven social security coverage for a rapidly growing segment of the workforce. It is also likely that other states will follow suit, gradually creating a more coherent and comprehensive approach to platform based gig worker welfare. That said, the true value of this framework will ultimately depend on how effectively it is implemented and enforced in practice.

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