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PUNJAB VIDHAN SABHA SECRETARIAT

NOTIFICATION

The 7th August, 2026

No.17-PLA-2026/37.- The Punjab State Outsourced Personnel (Transition to Contractual Engagement) Bill, 2026 is hereby published for general information under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly):-

BILL NO.17-PLA-2026

THE PUNJAB STATE OUTSOURCED PERSONNEL (TRANSITION TO CONTRACTUAL ENGAGEMENT) BILL, 2026

A

BILL

to provide for the transition of Eligible Outsourced Personnel engaged in the Government of Punjab and its Entities into direct contractual engagement upon completion of a qualifying period of outsourced service and to lay down the conditions for such transition, and for the matters connected therewith or incidental thereto.

BE it enacted by the Legislature of the State of Punjab in the Seventy-seventh Year of the Republic of India as follows:-

CHAPTER I
PRELIMINARY

Short title, extent and commencement.

1. (1) This Act may be called the Punjab State Outsourced Personnel (Transition to Contractual Engagement) Ordinance, 2026.

(2) It shall extend to the whole of the State of Punjab.

(3) It shall come into force on and with effect from the date of its publication in the Official Gazette.

Definitions.

2. In this Act, unless the context otherwise requires,-

(a) "Administrative Department" means the Department of the Government of Punjab in which the Eligible Outsourced Personnel is deployed, or, as the case may be, the Department under whose administrative control the Entity engaging him functions;

(b) "Authentic Attendance" means the attendance marked through an Aadhaar-enabled, geo-tagged or biometric device, or any other digital method, as may be decided by the Administrative Department or Entity:

Provided that upon transition into Direct Contractual Engagement under this Act, Authentic Attendance shall mandatorily be marked through a biometric attendance system;

(c) "Bank Salary Credit" means the credit of monthly wages of the Eligible Outsourced Personnel into a bank account held in his own name, evidenced by authenticated bank statements;

(d) "Continuous Service" means the service rendered by an Eligible Outsourced Personnel against the same or substantially similar function in the same Administrative Department or Entity, without any break, with a minimum of two hundred and forty (240) days of actual attendance in each calendar year and not less than seven (7) hours of daily duty during such attendance; and,-

(i) service shall be deemed continuous notwithstanding any change of Outsourcing Agency, where the deployment of such personnel against the same or substantially similar function continued substantially uninterrupted; and

(ii) notional breaks attributable to administrative reasons, authorised leave, maternity leave, or natural calamity or pandemic notified by the Government, shall not be reckoned as breaks in service;

(e) "Contractual Appointee" means an Eligible Outsourced Personnel transitioned under this Act into Direct Contractual Engagement with the Administrative Department or an Entity;

(f) "Cut-off Date" means such date, as the Government may, by notification in the Official Gazette, appoint, being the reference date on which an outsourced personnel must be in continuous engagement, and satisfy all of the conditions specified in clause (i), in order to be considered for transition under this Act;

(g) "Date of Eligibility" means the date on which an Eligible Outsourced Personnel becomes entitled to be transitioned into Direct Contractual Engagement under this Act, upon the completion of Continuous Service specified in section 5:

Provided that where such Continuous Service has been completed by the Eligible Outsourced Personnel prior to the commencement of this Act, the Date of Eligibility shall be the date of commencement of this Act;

(h) "Direct Contractual Engagement" means the engagement of an Eligible Outsourced Personnel by the Administrative Department or an Entity in a direct master-servant relationship, without the intervention of any Outsourcing Agency or middleman, on year-on-year contract basis as provided in section 12;

(i) "Eligible Outsourced Personnel" means a person deployed in Group-C or Group-D category, engaged through an Outsourcing Agency, a contractor, a service provider or otherwise engaged by the Administrative Department or Entity on an outsourcing basis, who, on the Cut-off Date, cumulatively satisfies all of the following conditions, namely: -

(i) Essential Public Service i.e. he is engaged in a service, the disruption of which would, within forty-eight (48) hours, cause cessation of, material impairment of, or substantial risk to public welfare, public safety, public health or continuity of critical function through, the public utility or public service concerned;

(ii) Full-time and Non-seasonal i.e. he is deployed on a full-time basis, with a minimum of two hundred and forty (240) days of actual attendance in each calendar year and not less than seven (7) hours of daily duty during such attendance, and not against any seasonal, project-specific, event-specific, temporary, casual, intermittent or assignment-based activity;

(iii) Manpower Supply Arrangement i.e. he is engaged under a contract which,-

(A) is billed substantially on a per-person, per-month basis;

(B) does not impose upon the contractor responsibility for any defined output, work, deliverable or service as a whole, distinct from the supply of labour; and

(C) the substance of the arrangement, notwithstanding its form or label, is the supply of manpower to the Administrative Department or Entity rather than the provision of a defined service or outcome;

(iv) Minimum Qualification i.e. he fulfils the minimum educational and technical qualifications, and experience, prescribed by the concerned Administrative Department or Entity for the cadre concerned:

Provided that the Administrative Department or Entity may take such legally, financially and logistically feasible measures, as may be considered appropriate to facilitate the acquisition, by the outsourced personnel, of any technical qualification which may be acquired by such employee within a maximum limit of one (01) year:

Provided further that personnel in a particular cadre who do not fulfil the prescribed norms of minimum qualification but fulfil all other conditions of this Act, and are required by the Administrative Department or Entity for such essential services as are covered under this Act, may be considered for Direct Contractual Engagement in the separate category of workers (Skilled, Semi-Skilled or Unskilled, as the case may be), and not against any such post or cadre, the qualifications of which the personnel do not fulfil:

Provided further that where the outsourced personnel are undergoing any such courses facilitated by the Administrative Department or Entity under the first proviso or on their own, such personnel shall be deemed to have satisfied this condition on the Cut-off Date upon successful completion of the said course. However, the date of eligibility in such cases shall be the date on which the outsourced personnel satisfies all the conditions specified in this clause;

(v) Non-Packaged Function i.e. he is engaged in a function which is not a Packaged Service within the meaning of clause (n), as certified by the Administrative Department based on the established current practice of engagement for the function concerned;

(vi) Direct Functional Supervision i.e. he works under the direct functional, operational and disciplinary supervision of the Administrative Department or Entity and reports directly thereto, without any intervening supervisory chain of command consisting of contractor representatives, agency supervisors, foremen or similar intermediary personnel, as evidenced by Authentic Attendance records, performance evaluation records and disciplinary records maintained by the Administrative Department or Entity;

(vii) Technical, Operational, Public Safety or Emergency Function i.e. he performs duties which fall within, at least, one of the following, namely:-

(A) Technical i.e. require a prescribed educational qualification, technical certification, trade qualification, licence or registration, including, by way of illustration and not limitation, an Industrial Training Institute certificate, a recognised Diploma, a National Skills Qualification Framework certification of comparable level, a paramedical qualification, registration under the Pharmacy Council Act, 1948 (Central Act No. 8 of 1948), registration under the Indian Nursing Council Act, 1947 (Central Act No. 48 of 1947), a driving licence under the Motor Vehicles Act, 1988 (Central Act No. 59 of 1988), an electrician's licence issued under the Central Electricity Authority Regulations framed under the Electricity Act, 2003 (Central Act No. 36 of 2003), or any qualification of comparable standing recognised by the Administrative Department or a statutory authority; or

(B) Operational i.e. are integrally connected to the discharge of a service falling under sub-clause (i) of this clause; or

(C) Public Safety i.e. involve maintenance of essential public infrastructure or response to situations carrying substantial risk to life, health or limb; or

(D) Emergency Response i.e. require deployment within hours to address an event affecting public utility, public safety, public health or continuity of administration; and

(viii) State-Funded Position i.e. the remuneration of the personnel is paid, directly or indirectly, from the Consolidated Fund of the State of Punjab, or from the funds of an Entity which is owned, controlled or substantially financed by the Government of Punjab, but shall exclude any engagement of which the source of funding, either partly or fully, is a Centrally Sponsored Scheme / Central Sector Scheme, an Externally Aided Project, or any other funding source outside the foregoing description;

(j) "Entity" means any Board, Corporation, Company, Public Sector Undertaking, Municipal Corporation, Municipal Council, Improvement Trust, University, Society, Autonomous Body or any other authority or institution established, owned, controlled or substantially financed by the Administrative Department;

(k) "Government" means the Government of the State of Punjab in the Department of Personnel, save where the context expressly requires otherwise;

(l) "Hazardous Category" means an Eligible Category which satisfies all the following conditions, namely:-

(i) personnel are regularly and unavoidably exposed, in the ordinary course of their duties, to exceptional occupational hazards for a substantial portion of the working day;

(ii) the duties expose personnel to a significant risk of death, serious bodily injury or long-term adverse health effects beyond those ordinarily encountered in Government employment; and

(iii) performance of the duties requires the mandatory use of specialised personal protective equipment and adherence to prescribed safety protocols; and shall include, but not be limited to, the following categories, namely:-

(A) Complaint staff engaged in power-related field complaint redressal with exposure to high voltages;

(B) Sewer men or sanitation staff engaged in sewer maintenance, garbage handling and unblocking operations;

(C) Firemen, Fire Drivers and Fire-Station personnel engaged in firefighting and emergency response operations; and

(D) such other category of outsourced personnel, as the Government may, with the prior concurrence of the Department of Finance, notify as a Hazardous Category on satisfaction of the above conditions;

Explanation.- For the purposes of item (B), "sanitation staff" shall include Safai Sewaks, Safai Karamcharis and Sweepers, howsoever designated;

(m) "Outsourcing Agency" means a private service-providing agency or manpower contractor through whom an Eligible Outsourced Personnel has been engaged for deployment in an Administrative Department or Entity;

(n) "Packaged Service" means a service delivered as a complete packaged or specialised service by an agency which assumes responsibility for the service, and certified by the Administrative Departments;

(o) "prescribed" means prescribed by rules made under this Act;

(p) "section" means the section of this Act;

(q) "Statutory Contributions" means contributions payable in respect of Provident Fund, Employees' State Insurance, Gratuity, Maternity Benefit and such other statutory benefits, as may be required by law, from time to time; and

(r) words and expressions used but not defined in this Act shall have the same meaning as, respectively, assigned to them in such relevant Service Rules, as may be applicable.

CHAPTER II
APPLICABILITY

Applicability.

3. (1) This Act shall apply to all outsourced personnel engaged in the Administrative Departments and its Entities, who cumulatively satisfy all the conditions specified in clause (i) of section 2 on the Cut-off Date.

(2) Notwithstanding anything contained in sub-section (1), this Act shall not apply to,-

(a) any person engaged in an honorary capacity or on a part-time basis; or

(b) any person engaged on a tenure post co-terminus with the life of a project or scheme of the Central Government or the State Government; or

(c) any person engaged on an academic arrangement for a fixed term; or

(d) any person engaged on a post, the tenure of which is co-terminus with the tenure of any office; or

(e) any person who has attained the age of fifty-eight (58) years on the Cut-off Date or the date of application, as the case may be; or

(f) any person engaged in an activity or function which has been outsourced as a whole.

(3) Nothing contained in this Act shall affect any case of security of tenure or any regularisation already conferred under the Government of Punjab, Department of Personnel policies dated 18.03.2011, 07.10.2022 and 16.05.2023.

Notification of Cut-off Date.

4. (1) The Government shall, within thirty (30) days of the commencement of this Act, by notification in the Official Gazette, appoint a Cut-off Date for the purposes of this Act.

(2) The Cut-off Date so notified by the Government shall be uniform and applicable to all the Administrative Departments and Entities of the State.

(3) Only such outsourced personnel shall be entitled to consideration, who are in continuous service on the Cut-off Date, and who cumulatively satisfy all the conditions specified in clause (i) of section 2.

CHAPTER III

TRANSITION TO DIRECT CONTRACTUAL ENGAGEMENT

Eligibility for transition.

5. (1) Every Eligible Outsourced Personnel who has completed five (5) years of Continuous Service on the Date of Eligibility shall, subject to the conditions of this Act, be transitioned into Direct Contractual Engagement with the Administrative Department or the Entity, as the case may be:

Provided that in the case of an Eligible Outsourced Personnel belonging to a Hazardous Category, the qualifying period of Continuous Service for transition shall be three (3) years, in view of the nature of duties involving exposure to risk to life, health or limb.

(2) The transition under sub-section (1) shall apply uniformly to all Eligible Outsourced Personnel, whether engaged through an Outsourcing Agency or directly by the Administrative Department or Entity.

(3) For the purposes of computing the qualifying period of Continuous Service, the requirement of Continuous Service under clause (d) of section 2 shall apply strictly.

(4) Notwithstanding anything contained in sub-section (1), transition under this Act shall not create any vested right to permanent absorption, shall not create a fresh cadre, and shall not create any employment relationship other than the year-on-year contractual engagement as provided in section 12.

(5) Transition to Direct Contractual Engagement under this Act shall be subject to the reservation policy of the Government of Punjab, and as notified from time to time, and as applicable to the cadre or category of engagement concerned.

Process, documentation and adjudication.

6. (1) The Administrative Department shall, immediately upon the commencement of this Act and in any case not later than forty-five (45) days thereafter, commence the process for transition of Eligible Outsourced Personnel into Direct Contractual Engagement, in such manner and through such procedure, as may be notified by the Government.

(2) Every Eligible Outsourced Personnel claiming benefit under this Act shall produce in such form and manner, as may be notified by the Government,-

(a) authenticated attendance records, including Authentic Attendance records from the date of introduction of Authentic Attendance;

(b) bank statements evidencing the regular monthly Bank Salary Credit of his wages over the entire period of Continuous Service; and

(c) police clearance from the concerned District Police authorities, provided that where the said authorities fail to respond within thirty (30) days, the clearance shall be deemed to have been granted, subject to subsequent recall:

Provided that where the Eligible Outsourced Personnel is unable to produce all records under this sub-section by reason of failure of the Outsourcing Agency to maintain or furnish such records, the personnel may produce such alternative documentary evidence, including Provident Fund records, Employees' State Insurance records, agency salary slips, bank-transfer entries, or affidavit-supported records, as the Government may notify.

(3) Each Administrative Department shall constitute, in such form and composition, along with the procedure as the Government may, by notification, specify, a Departmental Cadre Eligibility Committee, which shall, on a cadre basis, adjudicate eligibility under clause (i) of section 2 as per the format notified by the Government, and forward its recommendation to the Government. The Government shall, on a cadre basis, consider the recommendation and pass an order approving or rejecting the same; and the said order shall be final, subject to sub-section (3) of section 17.

(4) Each Administrative Department or Entity shall, in respect of individual applications for transition, constitute,-

(a) an office-level Screening Committee, to decide the eligibility of individual applicants; and

(b) an office-level Appellate Committee, to hear and decide appeals arising from the orders of the Screening Committee.

The composition and procedure of the said Committees shall be such, as may be notified by the Administrative Department or the Entity, as the case may be. Where the records produced under sub-section (2) reveal any interruption or irregularity not satisfactorily explained, the application shall be liable to be rejected after affording the personnel concerned a reasonable opportunity of being heard, and a speaking order recording the reasons for such rejection shall be passed.

(5) The following shall be the timelines, namely:-

(a)the Departmental Cadre Eligibility Committee shall be constituted within thirty (30) days of the commencement of this Act and shall adjudicate every cadre-wise application within sixty (60) days of receipt of a complete cadre-wise application;

(b) in respect of cadre-level adjudication under sub-section (3), the Government shall convey its decision within thirty (30) days of receipt of the recommendation;

(c) in respect of individual-level adjudication under sub-section (4), the Administrative Department or Entity shall constitute the office-level Screening Committee and the office-level Appellate Committee within thirty (30) days of the final order under sub-section (3). The office-level Screening Committee shall decide every individual application within thirty (30) days of receipt of a complete application. An appeal against the order of the office-level Screening Committee may be filed before the office-level Appellate Committee within forty-five (45) days of the date of such order; and the office-level Appellate Committee shall decide every such appeal within sixty (60) days of receipt of a complete appeal; and

(d) the entire process of transition under this Act shall be completed as per such timelines as the Government may, from time to time, specify, having regard to the fact that eligibility may accrue to different personnel at different points of time on completion of their respective qualifying periods of Continuous Service.

(6) Upon transition under this section, the Administrative Department or the Entity shall assume the role of the direct employer, and all third-party agency commissions, service charges or any other consideration payable to the Outsourcing Agency in respect of such personnel shall stand discontinued, and all existing tripartite or bipartite agreements in respect of such personnel shall cease to have effect.

(7) The Government shall prepare and maintain real-time centralised digitised records on the implementation of this Act, containing particulars relating to cadre-wise eligibility decisions, transitions, Hazardous Category notifications and such other matters, as may be prescribed; and each Administrative Department or Entity shall, in like manner, prepare and maintain individual-wise digitised records of eligibility decisions, transitions, rejections and appeals in respect of its own personnel.

Remuneration on transition.

7. (1) The remuneration payable to a Contractual Appointee on and after transition under this Act shall be such, as may be determined by the Department of Finance, by general or special instructions issued from time to time:

Provided that,-

(a) such remuneration shall not be lower than the net take-home component of the remuneration being paid to the personnel during his engagement on outsourcing basis, exclusive of the statutory contributions;

(b) such remuneration shall not be lower than the minimum rate of wages fixed for the specific category of skill under the Code on Wages, 2019 (Central Act No. 29 of 2019), or under any other law relating to minimum wages for the time being in force; and

(c) additional benefits arising from the difference between the previously paid outsourced contract value and the direct wage cost may be passed on to the Contractual Appointee after deductions of Provident Fund, Employees' State Insurance, Gratuity or any other standard deductions or contributions, in accordance with the instructions of the Department of Finance.

Statutory contributions and benefits.

8. (1) With effect from the date of transition into Direct Contractual Engagement under this Act, it shall be the responsibility of the concerned Administrative Department or Entity, as the case may be, to ensure compliance with the provisions of the applicable Labour Codes and other enactments for the time being in force in respect of each such Contractual Appointee.

(2) No claim in respect of provident fund, employees' state insurance, gratuity or any other statutory benefit for the period of outsourced engagement prior to transition shall lie against the Administrative Department or the Entity, and the personnel's remedies against the Outsourcing Agency under any law for the time being in force shall remain unaffected.

Passing of Punjabi language.

9. As regards the requirement of passing of Punjabi language, rule 17 of the Punjab Civil Services (General and Common Conditions of Service) Rules, 1994, as amended from time to time, and the Punjab State (Group-D) Service Rules, 1963, as amended from time to time, shall apply, mutatis mutandis, to the Contractual Appointees engaged under this Act.

Adoption of technology-based interventions.

10. (1) It shall be a statutory obligation of every Contractual Appointee, as an incident of engagement under this Act, to operate and abide by such technology-based interventions, as the Government may from time to time prescribe, including,-

(a) biometric attendance system compulsorily;

(b) digital performance management systems;

(c) the integrated Human Resources Management System (iHRMS); and

(d) electronic service records and digitised assessment frameworks.

(2) Failure to discharge the obligation under sub-section (1), or repeated non-compliance therewith, shall, after due opportunity of being heard and following the principles of natural justice, constitute a ground for termination of engagement under sub-section (4) of section 12:

Provided that where a Contractual Appointee is unable to comply with any technology-based intervention by reason of any disability recognised under the Rights of Persons with Disabilities Act, 2016 (Central Act No. 49 of 2016), such alternative procedures shall be provided, as the Government may prescribe.

Authentic Attendance.

11. (1) With effect from the date of transition into Direct Contractual Engagement under this Act, every Contractual Appointee shall mandatorily mark his attendance through a biometric attendance system, as may be specified by general or special instructions of the Administrative Department or the Entity; and the Administrative Department or the Entity may, in this behalf issue such administrative instructions consistent with the provisions of this Act, as it may deem fit.

(2) The Authentic Attendance record shall, prospectively from the said date, constitute the sole authoritative record of attendance for all purposes under this Act.

Service conditions and performance appraisal.

12. (1) Direct Contractual Engagement under this Act shall be on a year-on-year basis, renewable on satisfactory performance; and the Government may, by notification, apply, in whole or in part and with such modifications, as may be considered appropriate, any Service Rules, Conduct Rules, and Punishment and Appeal Rules to the Contractual Appointees engaged under this Act or may make separate rules regarding service conditions and performance appraisal for Contractual Appointees engaged under this Act:

Provided that no year-on-year renewal under this sub-section shall be made beyond the date on which the Contractual Appointee attains the age of fifty-eight (58) years.

(2) Renewal or extension of contractual engagement under this Act shall be based, inter alia, on the performance assessment carried out cumulatively on monthly basis.

(3) Every Contractual Appointee shall, during his Direct Contractual Engagement, be entitled to,-

(a) maternity benefits in accordance with the applicable Labour Code or any other applicable law;

(b) ten (10) days of Casual Leave per calendar year; and

(c) such other leave entitlements and statutory benefits, as the Government may prescribe.

(4) The contractual engagement may be terminated on the following grounds, namely:-

(a)misconduct established through due process, in accordance with the principles of natural justice; or

(b)failure or repeated non-compliance with the statutory obligation under section 10, including refusal or deliberate failure to mark attendance through the prescribed biometric system under section 11;

(c)interruption or irregularity in attendance not satisfactorily explained; or

(d)abolition or discontinuance of the function for which the personnel were engaged, save where redeployment within the same Administrative Department or Entity is feasible.

(5) Every order of termination under sub-section (4) shall record the grounds therefore in writing and shall be passed after affording the Contractual Appointee a reasonable opportunity of being heard.

(6) Every Administrative Department or Entity shall frame and notify cadre-specific Key Performance Indicators (KPIs) and the methodology for maintenance of digitised performance and KPI records for such cadre. Such notification shall be issued simultaneously with, or prior to, the submission of the cadre for eligibility determination under section 6.

(7) Every Administrative Department or Entity shall maintain complete, accurate and real-time digital records for every Contractual Appointee, including

attendance and KPI performance.

13. (1) No Contractual Appointee transitioned under this Act shall be replaced by another outsourced or contractual worker, save in case of exigency. Principle of non-replacement.

(2) Any person engaged as a replacement under sub-section (1) shall be treated as a fresh engagement.

14. An Eligible Outsourced Personnel claiming benefit under this Act, who has instituted or is a party to any suit, writ petition, civil proceedings or other legal proceedings before any court, tribunal or authority claiming regularisation, absorption, security of tenure or any other relief in respect of the same engagement, shall, as a condition precedent to transition under this Act,- Withdrawal of pending litigation.

(a) furnish an undertaking to withdraw such proceedings within thirty (30) days of issue of orders of engagement under this Act; and

(b) produce, within sixty (60) days of issue of such orders, a certified copy of the order of withdrawal recorded by the court, tribunal or authority concerned.

CHAPTER IV

APPEALS, GRIEVANCE REDRESSAL AND MISCELLANEOUS

15. (1) Every Administrative Department shall, by notification, constitute or designate an Employee Grievance Redressal Committee at the office level to hear and decide, at the first stage, all individual grievances of Eligible Outsourced Personnel and Contractual Appointees arising under this Act or the rules made thereunder; and the Administrative Department may, for that purpose, designate any committee already constituted under the existing instructions of the Government. Grievance redressal and appeals.

(2) Appeal from an order of the Employee Grievance Redressal Committee shall lie to a Departmental Grievance Appellate Committee, to be constituted by the Administrative Department, by notification. Every such appeal shall be filed within sixty (60) days of the order appealed against.

(3) The time-limits for disposal of grievances and appeals under this section shall be as follows, namely,-

(a) the Employee Grievance Redressal Committee shall decide every individual grievance within forty-five (45) days; and

(b) the Departmental Grievance Appellate Committee shall decide every individual appeal within ninety (90) days.

(4) The composition and procedure of every Committee constituted under this section shall be such, as the Government or the Administrative Department, as the case may be, may, by notification, specify.

Protection of action taken in good faith.

16. No suit, prosecution or other legal proceedings shall lie against any officer of the Government or any member of any Committee constituted under this Act for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

State Empowered Committee and review.

17. (1) The Chief Secretary to the Government of Punjab shall, within sixty (60) days from the date of commencement of this Act, constitute a State Empowered Committee for the purpose of overseeing the implementation of this Act and for adjudication of cadre-level appeals arising thereunder.

(2) The composition of the State Empowered Committee shall be such, as the Government may, by notification, specify.

(3) Cadre-level appeals, including appeals filed by any worker representative body, union or collective in respect of any cadre-level matter, shall lie solely to the State Empowered Committee. Every such appeal shall be filed within sixty (60) days of the order appealed against, and shall be decided by the State Empowered Committee within ninety (90) days of receipt.

(4) The State Empowered Committee shall undertake a comprehensive review of the operation of this Act every year and submit its report to the Government.

Power to relax.

18. The Government may, by general or special order, for reasons to be recorded in writing, relax any provision of this Act or the rules made thereunder in any class of cases, where it is satisfied that the operation of such provision causes undue hardship or impedes the object of this Act.

Power to make rules.

19. (1) The Government may, by notification, in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) Every rule made under this section, shall be laid, as soon as may be, after it is made, before the House of State Legislature, while it is in session for a total period of ten (10) days, which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session in which it is so laid or the successive sessions as aforesaid, the House agrees in making any modification in the rule, or the House agrees that the rule should not be made, the rule shall thereafter, have effect only in such modified form or be of no effect, as the case may be, however, any such modification or annulment

shall be without prejudice to the validity of anything previously done under that rule.

20. (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by general or special order published in the Official Gazette, make such provision, not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for removing such difficulty: Power to remove difficulty.

Provided that no order shall be made under this section after the expiry of a period of three (3) years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before the House of the State Legislature.

21. If any question arises as to the interpretation of this Act, the Government shall decide the same. Interpretation.

22. The Punjab Adhoc, Contractual, Daily Wage, Temporary, Work Charged and Outsourced Employees' Welfare Act, 2016 (Punjab Act No. 55 of 2016), is hereby repealed from the date of its enactment. Repeal.

STATEMENT OF OBJECTS AND REASONS

1. The Government of Punjab recognises that a significant segment of personnel engaged in the Government and its Entities through Outsourcing Agencies, or directly on an outsourcing basis, have rendered services in core operational functions of the Department or Entity concerned, and disruption in such services on account of reasons associated with the acts or omissions of the Outsourcing Agency has significant effects that may cause cessation of, material impairment of, or substantial risk to public welfare, public safety, public health or the continuity of the critical public utility or public service concerned.

2. The Government of Punjab further recognises that there is a need to bring such outsourced personnel under direct contract so as to obviate the additional risks created by the outsourcing arrangement and to safeguard critical public services having a direct bearing on public safety, public health and other essential public functions.

3. The Governor of Punjab is satisfied that circumstances exist which render it necessary for him to take immediate action by passing this Bill under the Constitution of India. The immediacy is grounded in the following factors, taken cumulatively: —

(a) a cohort of approximately twenty-six thousand to twenty-eight thousand outsourced personnel who have completed the qualifying periods of Continuous Service stand in a state of subsisting statutory precariousness, absent a legal framework;

(b) recurring instances of outsourcing agency default in remittance of statutory contributions and irregularity in wage disbursal, causing hardship to the workforce;

(c) the near-expiry, or recent expiry, of several tripartite outsourcing arrangements, in the interregnum of which continuity of essential public services stands imperilled; and

(d) the imperative to align the Punjab framework with the Labour Codes, which have now come into progressive operation.

4. The Bill provides for the transition of eligible outsourced personnel into a direct contractual engagement after a qualifying period of five (5) years of

Continuous Service, or three (3) years in the case of personnel deployed in the enumerated Hazardous Categories under Section 2(l), comprising Power-related complaint redressal staff exposed to high voltages, Sewer men and sanitation staff, and Firemen and Fire-Station personnel.

5. The Bill proceeds on the principle that the eligibility framework is self-executing: any person who, on the notified Cut-off Date, cumulatively satisfies all the conditions under Section 2(i) falls within the ambit of this Bill.

6. The process, documentation and adjudication of eligibility are consolidated in Section 6. The Departmental Cadre Eligibility Committee at each Administrative Department adjudicates on a cadre basis and forwards its recommendation to the Government, which passes the final order, subject to Section 17 (3). Office-level Screening and Appellate Committees decide individual applications.

7. The Bill provides for orderly remittance of Statutory Contributions and for compliance with applicable Labour Codes. The remuneration of Contractual Appointees shall be determined by the Department of Finance and shall not be lower than the minimum rate of wages fixed under the Code on Wages, 2019, or any other law relating to minimum wages for the time being in force.

8. The Bill repeals the Punjab Ad Hoc, Contractual, Daily Wage, Temporary, Work Charged and Outsourced Employees' Welfare Act, 2016 (Punjab Act No. 55 of 2016) from the date of its enactment.

9. Hence, this Bill.

BHAGWANT MANN
Chief Minister, Punjab

FINANCIAL MEMORANDUM

The remuneration payable to Contractual Appointees on and after transition shall be determined by the Department of Finance, by general or special instructions issued from time to time.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Section 19 empowers the Government to make Rules for carrying out the purposes of this Bill and provides for laying of such Rules before the Legislative Assembly. Section 2(l) (D) empowers the Government, with prior concurrence of the Department of Finance, to notify additional Hazardous Categories. Section 4 empowers the Government to notify the Cut-off Date. Sections 7 empowers the Department of Finance to issue instructions regarding remuneration and statutory benefits. Section 18 empowers the Government to grant relaxations of any provision, on recorded reasons, where its operation causes undue hardship or impedes the object of this Bill. Section 20 empowers the Government to remove difficulties within three (3) years of commencement and provides for laying of every such order before the Legislative Assembly. The delegation of legislative power is confined to matters of detail and procedural matters and is normal in character.

The Governor has, in pursuance of clause (1) and (3) of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.

CHANDIGARH
THE 7TH AUGUST, 2026

R.L. KHATANA,
SECRETARY.

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