

# Amendments to the Labour Code

21 August 2017

## *In brief*

The Parliament of the Republic of Moldova recently approved amendments and supplements to the Labour Code, covering rules on temporary labour interruption, technical unemployment (labour interruption due to technical reasons), guarantees and compensation granted to employees who combine work with studies, termination allowance, etc.

## *In detail*

### **Unemployment due to technical reasons**

The period of technical unemployment (labour interruption due to technical reasons) has been reduced from six to four months. The related allowance has been reduced from 75% to 50% of the basic salary.

### **Temporary labour interruption**

The concept of temporary labour interruption is defined as temporary impossibility to continue the production activity by a unit, by an internal subdivision thereof, by an employee or a group of employees, and which may be for reasons not depending on the employer or employees, due to employer's fault or the fault of the employee.

The employer must pay remuneration in the amount of at least 2/3 of the basic salary per unit of time fixed for the employee concerned, but not less than the amount of the minimum salary per unit of time, as set by the legislation in force, for each hour of interruption.

If the employer causes labour interruption, the employee is

entitled to receive full remuneration for this period. If the employee causes the interruption, no remuneration is due.

The rules described above are not applicable to technical unemployment.

### **Termination allowance**

New rules have been implemented on granting allowance for termination due to redundancy or in connection with winding-up.

As such, the termination allowance is granted for each full year that the employee has worked in the unit, but may not be higher than six monthly average salaries or lower than an average monthly salary.

### **Other amendments**

The penalty to be paid by the employer for each day of delay to pay salary, leave and termination allowances or other payments due to the employee, has been increased from 0.1% to 0.3% of the due amount.

The grounds for conclusion of fixed-term employment contracts have been supplemented with the period of absence of an employee "for other reasons" (without being expressly indicated).

The restriction against summoning women on postnatal leave to work on rest days, non-working holidays and on-going shifts, or assigning them to secondments has been eliminated.

Employees are now guaranteed the average salary during the period that they undertake new production processes.

The requirement to include in the employment contract the provisions of the collective bargaining agreement and of the internal regulations related to the working conditions for the employees has been eliminated.

The employer is now exempt from notifying the employee of employment termination on the last working day at the latest, if the employee does not work until the termination day (absence from work, incarceration, etc.).

As of now, only employees enrolled in education at the employer's initiative can benefit from reduced working time, additional leave, with the full or partial maintenance of the average salary, and other incentives established by the Government.

Under the collective bargaining agreement or the employment

contract, employees who have signed up on their own initiative for higher education or enrolled in lower specialist institutions may have certain rights and guarantees granted.

*[Source: Law no. 157 dated 20 July 2017 amending and supplementing the Moldovan Labour Code no. 154 dated 28 March 2003, Monitorul Oficial no. 301-315 (6224-6238) dated 18 August 2017]*

### ***The takeaway***

The new provisions are applicable as of 18 August 2017.

## ***Let's talk***

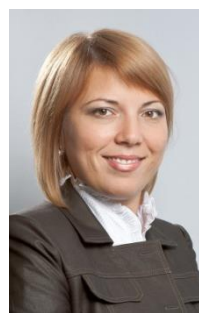
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