

8 January 1998

Ulaanbaatar

Law of Mongolia on Minimum wage

Chapter I

General provisions

Article 1. Purpose of the law

1.1. The purpose of this law is to regulate relations related to minimum wage and its fixing.

Article 2. Minimum wage legislation

2.1. Minimum wage legislation consists of the Labour Code, this law and other legislation consistent with these laws.

Article 3. Minimum wage

3.1. Minimum wage should be a minimum rate of wages payable to a worker executed simple work or job that does not require specified qualifications and special skills.

Article 4. Form of minimum wage to be fixed

4.1. Minimum wage shall be fixed at an hourly rate.

Article 5. Principles and criteria for Determining minimum wage

5.1. In determining minimum wage, the principle shall be pursued to fix it at the rate not less than the level of minimum living standard.

5.2. In fixing or adjusting minimum wage rates, account should be taken of the following criteria:

- 5.2.1. economic growth, levels of productivity and employment situation;
- 5.2.2. the cost of living and changes in real incomes of population;
- 5.2.3. amount of social insurance and welfare benefits;
- 5.2.4. the general level of wages in the country.

Chapter II

Minimum wage fixing and its enforcement

Article 6. Proposal of fixing or adjusting minimum wage

6.1. National organizations representing employers' and workers' interests may propose to fix or adjust minimum wage rates.

Article 7. Minimum wage fixing and adjustment

7.1. Government shall fix minimum wage rate taking account of proposals of National

organizations representing employers' and workers' interests.

7.2. Minimum wage rate shall be adjusted at least once a year on the basis of provisions provided by Article 5 of this law.

Article 8. Enforcement of Minimum wage

8.1. An entity or an individual employing an employee on the basis of an employment contract shall pay wages not less than minimum wage rate to the concerned employee.

8.2. The newly adjusted minimum wage shall come into force from the specified date of its enforcement, if such date is not specified wages not less than this minimum wage shall be paid from the day of public announcement.

Chapter III

Other provisions

Article 9. Complaining about non-compliance with minimum wage

9.1. A concerned person or body may file the complaint of infringement of the legal provisions relating to minimum wage to the court.

Article 10. Penalties for violation of the minimum wage legislation

10.1. A judge or authorized official shall impose a fine of 50000-150000 tugrug on an entity/enterprise and a fine of 5000-40000 tugrug on an official who violated Article 8 of this law respectively.

10.2. An employer shall fully reimburse any loss resulted from payment of wages lower than minimum wage for an employee.

Chairman of the State Great Hural

R.Gonchidorj