

LAW OF MONGOLIA

MINIMUM WAGES

Chapter I

General provisions

Article 1. Purpose of the law

1.1. Purpose of this law is to regulate relations concerning minimum level of basic hourly pay to be used in labour contract and contract for hire, and other contracts similar to that of.

Article 2. Minimum wage legislation

2.1. Minimum wage legislation consists of the Constitution of Mongolia [1], Labour Law [2], Civil code [3], the present law and other legislative acts consistent with these laws.

2.2 If any international treaty to which Mongolia is a party is in consistent with this law, then the provisions of the international treaty shall prevail.

Article 3. Minimum wage rates

3.1. Minimum wage is a minimum rate of basic pay and wage that shall be followed by public and determined by competent authorities for the purpose of protecting legitimate interests of an employee or worker /hereinafter referred to as employee/ who works under an employment contract or a contract for hire, or contracts similar to that of, for executing simple work or job that does not require particular education and special profession.

3.2. It is prohibited to set employee's hourly basic pay at minimum wage level who are working under employment contract or contract for hire, or contracts similar to that of, for executing work and job that requires certain education, special profession and skills.

3.3 Article 3.1 of this law will not prevent from employees to have their wage /pay/ set higher than the minimum wage or employer or hirer /hereinafter referred to as employer/ to set the wage /pay/ more than minimum wage.

Article 4. Principles and criteria for determining and adjusting minimum wages

4.1. Minimum wage shall not be lower than the minimum living standards as determined in accordance with Law on determining minimum living standards of population and if the minimum living standards of population have been determined in accordance with Article 5.3 of the same law, a minimum wage rate shall be not less than the highest regional minimum living standard.

4.2. In fixing or adjusting minimum wage rates, account should be taken into account:

- 4.2.1. change in living cost of population;
- 4.2.2 proper ration between labour productivity and average wage;
- 4.2.3. levels of social insurance and welfare pensions and welfare benefits;
- 4.2.4. economic growth and employment rate.

Chapter II

Minimum wage fixing and its enforcement

Article 5. Fixing or adjusting minimum wage

5.1. Minimum wage shall be fixed by National Tripartite Committee on Labour and Social Consensus comprising representatives of the Government and representatives of national organizations that protect employers' and workers' rights and their legitimate interests.

5.2. National Tripartite Committee on Labour and Social Consensus shall exercise the following full powers concerning fixture of minimum wage:

- 5.2.1 To issue an order to fix or adjust minimum wage;
- 5.2.2 To have a professional research team specialized in labour productivity and wage, work next to it with purpose to fix minimum wage;
- 5.2.3 To collect and analyse information concerning minimum wage as specified in Article 5.4;
- 5.2.4 To issue a methodology and guidelines to fix and ensure implementation of minimum wage;

5.3 Minimum wage can be fixed at higher level than that fixed by the National Tripartite Committee on Labour and Social Consensus upon agreement among sectoral organizations that protect employers' and worker's rights and legitimate interests through a sectoral or intersectoral agreement as specified in Article 5.1 of this law;

5.4 National Tripartite Committee on Labour and Social Consensus shall fix a minimum wage at least twice a year while taking into account of factors specified in Article 4.2 and which can be renewed/adjusted in accordance with Article 6.1 and 6.2.

Article 6. Making a proposal to fix and adjust minimum wage

6.1. Either one of the parties or parties that are represented in National Tripartite Committee on Labour and Social Consensus may propose to fix or adjust minimum wage.

6.2 In the emergency situations such as economic crisis, natural crisis or state of emergency, government may propose to keep the minimum wage rate for certain period of time for the public interest or to lower temporarily where other types of social protection measures can be used in compliment.

Article 7. Enforcement of Minimum wage

7.1. An employer or an individual employing a citizen on the basis of an employment contract or other types of contract similar to employment contract shall be obliged to pay basic pay and wages not less than the minimum wage, and if employer belong to a category specified in Article 5.3, it has to provide the sectoral minimum despite the fact of ownership type, method and of membership in sectoral organization that protect employer's or workers' rights and legitimate interests in given sector.

7.2 When a minimum wage is renewed, basic pay has to be paid in at least the minimum wage from the date it has been stated to be put in force or the date announced, if no such date of enforcement specified. The Government and National Tripartite Committee on Labour and Social Consensus, as well as sectoral organizations stated in Article 5.3 of this law shall assume the duty to announce the minimum wage.

7.3 A professional inspection organization and national organizations that protect employers' and employee's rights and legitimate interest shall put monitoring on implementation of this law.

7.4 When implementing other law provisions concerning minimum wage, the minimum wage that has been fixed by National Tripartite Committee on Labour and Social Consensus will be used.

Chapter III

Other provisions

Article 8. Complaining about non-compliance with minimum wage

8.1. An employee or organization that protects his/her rights and legitimate interests may file a complaint a labour inspector or court concerning violations of the law and legislation on minimum wage.

8.2 A judge or labour inspector will impose a fine of 600,000-1,000,000 tugrug on an enterprise and 300,000-500,000 tugrug on an official who violated Article 7.1 of this law, if the violation is not subject to criminal sanctions.

8.3. An employer shall be fully responsible for reimbursing any loss resulted from paying the worker lower than minimum wage.

Article 9. Entry into force

This shall be put in effect from January 1, 2011.

SPEAKER OF THE PARLIAMENT

D.DEMBEREL