



25<sup>th</sup> March, 2020

Executive Director,  
Federation of Uganda Employers,  
**KAMPALA.**

### **RESPONSE GUIDELINES ON THE EMPLOYMENT EFFECTS OF COVID-19 ON EMPLOYEMENT RELATIONS**

Reference is made to the tripartite meetings held on 20<sup>th</sup> March 2020 at the Ministry of Gender, Labour and Social Development and Ministry of Finance, Planning and Economic Development. In those two meetings, some of your members expressed concern over the negative effects COVID-19 was having on the company's revenues as well as the ability of companies to provide work and pay staff costs like wages.

Accordingly, your members requested for technical guidance on how to manage the employee related challenges posed by COVID-19.

We have taken note of the concerns of the employers and would like to propose the following adaptation and mitigation options:

- i. As the English saying goes, "behind every dark cloud there is a silver lining". Therefore even in these seemingly difficult times companies should creatively explore possibilities of shoring up sales revenues;
- ii. Where companies are not able to creatively shore up sales revenues, reduction of costs including staff costs may become the unwanted but inevitable option. However, it should be noted that the terms and conditions of employees are governed by the employment contracts and the labour laws of Uganda. Therefore any cost cutting measures regarding employees should be carried out in accordance with the law, collective bargaining agreements and employment contracts;
- iii. In view of the foregoing and as indicated by Hon. Mwisigwa Rukutana's Statement on 20<sup>th</sup> March 2020, termination of employees is inadvisable

at the moment since it will occasion more costs on employers through the payment of terminal benefits (payment in lieu of notice, leave days not taken and severance pay among others). However, employers who despite the associated costs and lengthy procedures opt for collective termination, such employers must strictly adhere to sections 58, 65 and 81 of the Employment Act, 2006. As well as Regulation 44 (a) and (b) of the Employment Regulations, 2011;

- iv. Casual employees as defined in S.2 of Employment Act, 2006 may be advised to stay at home;
- v. Employees should be encouraged to take pending annual leave and or leave without pay upon agreement with their employers;
- vi. Employers may also consider laying-off employees in accordance with collective bargaining agreements. Where there is no collective bargaining agreement, the lay-off should be in accordance with section 84 of the Employment Act, 2006 and such terms agreed upon between the employer and employees. It should be noted that under Section 84 of the Employment Act 2006 temporary lay-off does not break the continuity of service of an employee;
- vii. In case of lay-off, there should be commitment that workers should be re-engaged when the work normalizes;
- viii. Any process of termination or lay-off should have a humane face;
- ix. All workers that will be affected by the pandemic should be prepared or counseled prior to termination or lay-off. Reasonable notice should be given to all affected workers;
- x. Employers should provide training of workers on preventive and response measures for COVID-19, provide personal protective equipment and treatment of affected workers in line with Part III of the Occupational Safety and Health Act 2006; and
- xi. In line with Section 19 of the Employment Act, 2006, all employers are required to provide returns and statistics on number of workers who are

likely to be affected. This will enable the Ministry provide required technical guidance.

The purpose of this communication therefore, is to draw the above guidance to your attention and request you to widely circulate the same to all your members.



James Ebitu

**FOR: PERMANENT SECRETARY**

Copy to:

- Minister of Gender, Labour and Social Development
- Minister of Trade, Industry and Cooperatives
- Minister of Finance, Planning and Economic Development
- Minister of Tourism, Wildlife and Antiquities
- Minister of State for Labour, Employment & Industrial Relations
- Permanent Secretary/Secretary to Treasury, Ministry of Finance, Planning and Economic Development
- Permanent Secretary, Ministry of Trade, Industry and Cooperatives
- Permanent Secretary, Tourism, Wildlife and Antiquities
- Secretary General, National Organization of Trade Unions (NOTU)
- Secretary General Central Organization of Free Trade Unions (COFTU)
- Executive Director, Uganda Hotel Owners Association
- Executive Director, Private Sector Foundation
- Executive Director, Uganda Tourism Board