KEY TAKEAWAYS ON THE LABOUR LAWS (AMENDMENTS) ACT NO. 4 OF 2025

The Tanzanian Parliament has enacted the Labour Laws (Amendments) Act No. 4 of 2025, introducing significant reforms to address existing challenges within the labour sector. These amendments establish a comprehensive framework governing employers, employees, and labour institutions, ensuring greater clarity, efficiency, and fairness in labour relations. This article highlights the key changes in a simplified and practical manner to enhance understanding of their implications.

Key amendments of The Employment and Labour Relations Act [CAP. 366 R.E. 2019].

1. Redefining the concept of Rest Days.

An important amendment under Section 4 of Act No. 4 of 2025 modifies Section 4 of Cap 366 R.E. 2019 by replacing the term "Sunday" in paragraph (c) with "rest days" and further defining a rest day as a continuous period not exceeding twenty-four hours during which an employee is required to abstain from performing work-related duties, either on a regular or irregular basis. This amendment expands the scope of rest days beyond Sundays, allowing for greater flexibility in work schedules while ensuring employees receive appropriate compensation when working on designated rest days. By broadening the exception under which employees can earn beyond their basic wages, this change enhances worker protections while accommodating diverse employment arrangements

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2. Amendments to Employment Contracts: Understanding the Changes in Section 14(1)(b) of the Act No. 4 of 2025

The latest amendments to **Section 14(1)(b) of the Employment and Labour Relations Act**, introduced by **Act No. 4 of 2025**, have expanded the scope of **time-based employment contracts** in Tanzania. These changes recognize various employment situations that warrant fixed-term contracts, ensuring flexibility while maintaining labor protections.

Under the new framework, a **contract for a specified period** may now be applied to employees in the following categories:

1. **Temporary Workload Increase** – Employees hired to address **a temporary work volume surge, provided** such an increase does not extend beyond **twelve months**
2. **Graduate Training Programs** – Recent graduates employed **for training or work experience purposes** before securing permanent employment. This training period must not exceed **twenty-four months**.
3. **Project-Based Employment** – Workers engaged **exclusively for a specific project** with a **defined duration**.
4. **Non-Citizen Employees** – Foreign employees whose **work permits specify a fixed employment duration**.
5. **Seasonal Employment** – Employees engaged for work that depends on **seasonal cycles**.
6. **Public Works Programs** – Individuals employed under **official government job creation schemes**.
7. **Externally Funded Positions** – Employment roles **funded by external sources** for a **limited timeframe**.
8. **Retirement-Age Employees** – Workers who have reached **retirement age** as per the **applicable laws**.
9. **Tender-Based Employment** – Employees working for businesses whose **operations depend on securing tenders**.

Regulatory Standards for Graduate Training Contracts

A key addition to the law is **subsection (3)**, which mandates that contracts issued to graduates for training or work experience must **comply with prescribed standards and conditions** set by the **regulations**. This ensures that such contracts are not misused to exploit young professionals under the guise of training.

Implications of These Amendments

The expansion of **time-based contracts** aligns employment regulations with **modern labor market needs**. It provides clarity on **fixed-term employment** while ensuring that workers engaged in **temporary, project-based, or externally funded roles** are covered under legally recognized contracts. Moreover, businesses that **depend on tenders or seasonal work** now have a more structured approach to hiring employees under **time-limited agreements**.

These amendments reflect a **balanced approach to employment regulation**, offering both employers and employees a **clearer framework** for engaging in **fixed-term work arrangements**.

3. Introduction of Emergency Contracts.

The **Employment and Labour Relations Act**, as amended by **Act No. 4 of 2025**, introduces a structured approach to handling **infectious disease outbreaks** or other **emergencies** that may threaten **employee safety** or **disrupt workplace operations**. The law requires **employers and employees to collaborate** and agree on the best ways to **manage the crisis**, ensuring that the **interests of both parties are fairly considered**. If they fail to reach an agreement, **either party may refer the dispute to the Commission for mediation**, ensuring a fair resolution. This amendment promotes **workplace resilience**, encourages **proactive crisis management**, and safeguards both **employee well-being** and **business continuity** in times of uncertainty.

4. **Extension of Maternity leave for pre-mature children**

The **Employment and Labour Relations Act**, as amended by **Act No. 4 of 2025**, expands maternity leave rights by granting **paid leave to employees who give birth to a premature child**, allowing them to remain on paid leave **from the date of birth until the pregnancy would have reached forty weeks**, in addition to the **standard maternity leave entitlement** under subsection (6). This amendment ensures that **mothers of premature babies receive adequate recovery time and support**, reinforcing **employee welfare and workplace inclusivity**.

5. Restriction of disciplinary proceedings when a matter is referred to the CMA.

The amendment to section 37 of the principal Act introduces a new subsection (6), which explicitly prohibits an employer from initiating or continuing disciplinary proceedings against an employee once the matter has been referred to the Commission or Court for determination. This provision aims to protect employees from parallel proceedings that could prejudice their rights and ensures that disputes are resolved through the appropriate legal channels without undue pressure from employers. By reinforcing due process and fair labor practices, this amendment strengthens the legal framework governing employer-employee relations.

6. Reform of Compensation for Unfair Termination

The latest amendment to Section 40(1) of the principal Act introduces significant reforms to the compensation framework for unfair termination. By deleting the existing paragraph (c) and replacing it with a more structured approach, the law now provides clearer guidelines on the nature and extent of damages that can be awarded to employees who have been unfairly dismissed.

Under the revised provisions, compensation is now categorized based on the specific nature of the unfair termination:

1. **Unfair Procedure** – If termination is procedurally unfair, an employee is entitled to compensation of not less than six months' remuneration but not exceeding twelve months' remuneration.
2. **Unfair Reason** – If termination is substantively unfair, meaning there was no valid reason for dismissal, the employee must be compensated with an amount not less than twelve months' remuneration but not exceeding eighteen months' remuneration.
3. **Both Unfair Procedure and Unfair Reason** – If termination is both procedurally and substantively unfair, the awarded compensation ranges from a minimum of twelve months' remuneration to a maximum of twenty months' remuneration.
4. **Discrimination or Harassment** – If termination results from discrimination or harassment, the compensation is significantly extended, with a minimum award of twelve months' remuneration and a maximum of twenty-four months' remuneration.

Implications of the Amendment

This reform strengthens employee protections by ensuring that compensation for unfair termination is proportionate to the nature of the injustice suffered. The differentiation between procedural and substantive unfairness provides clarity in labor dispute resolution and discourages employers from engaging in wrongful termination practices.

7**. Remedies for Material Breach of Fixed-Term Contracts.**

In addition to strengthening protection against unfair termination, a new Section 41A has been introduced to address material breaches of fixed-term contracts by employers. Under this provision, if an arbitrator or the Labour Court determines that an employer has materially breached a fixed-term contract, the employer may be ordered to compensate the employee an amount equal to the remuneration for the remaining term of the contract.

8. **Enhancing Procedural Fairness in Employment Disputes.**

Section 88 of The principal Act is amended by the new subsection (7), if a party to a dispute is unable to appear in person due to an unavoidable reason, they may appoint another person in writing to represent them and proceed with the mediation. This provision safeguards the rights of parties who may face unforeseen circumstances that prevent their attendance, ensuring that disputes are not unnecessarily delayed or dismissed due to non-appearance.

Additionally, subsection (9) provides a remedy for parties affected by ex parte decisions or dismissals. If a matter has been heard ex parte or dismissed under subsection (9)(a), an aggrieved party has the right to apply for the setting aside of the ex parte order or restoration of the case within fourteen days from the date of the decision. This amendment ensures that parties have a fair opportunity to contest decisions made in their absence and prevents undue prejudice.

Furthermore, **Section 94** of the principal Act is amended by Section 19 of **Act No.4 of 2025, which** restricts **applications for revision of preliminary or interlocutory decisions**. Under the new provision, such applications can only be made if the decision or order has the effect of **finally determining the matter**. This limitation prevents unnecessary procedural delays caused by premature challenges to interim rulings, ensuring that the dispute resolution process remains efficient and focused on substantive issues.

Key Changes On The Labour Institutions Act [C.A.P 300 R.E 2019].

A key amendment to the **Labour Institutions Act** has been introduced under Section 15(1), adding Paragraph (b), a provision that explicitly **prohibits a mediator from arbitrating a dispute in which they were involved during mediation**. This change reinforces the **principles of impartiality and procedural fairness** in labor dispute resolution by ensuring a clear separation between mediation and arbitration functions. By preventing mediators from later acting as arbitrators in the same case, the amendment eliminates potential bias, strengthens confidence in dispute resolution mechanisms, and upholds the integrity of the labor justice system

Key Changes to the Non-Citizens (Employment Regulations) Act, 2015

An important amendment under **Section 38 of Act No. 4 of 2025** modifies **Section 12 of the Non-Citizens (Employment Regulations) Act, 2015** by introducing **paragraph (7)**, which mandates that applications for the renewal of work permits must be submitted to the **Labour Commissioner at least sixty days before the expiry date**. This amendment enhances regulatory compliance by ensuring the timely processing of work permit renewals, preventing last-minute delays, and providing clarity for both employers and non-citizen employees regarding renewal timelines.

About SVTL Advisory.

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With the latest amendments to labor and employment laws, we continue to guide our clients through evolving legal frameworks, ensuring compliance, Additionally, SVTL Advisory offers specialized Human Resources (HR) services, assisting organizations in structuring employment contracts, managing workplace disputes, and aligning HR policies with Tanzania's labor laws. Whether you require legal guidance on workforce management, contract structuring, or dispute resolution, **SVTL Advisory stands as your trusted partner .**