



GRATA
INTERNATIONAL

MONGOLIA: Measures to be undertaken by Employer during Covid19

GRATA International Mongolia

www.gratanet.com

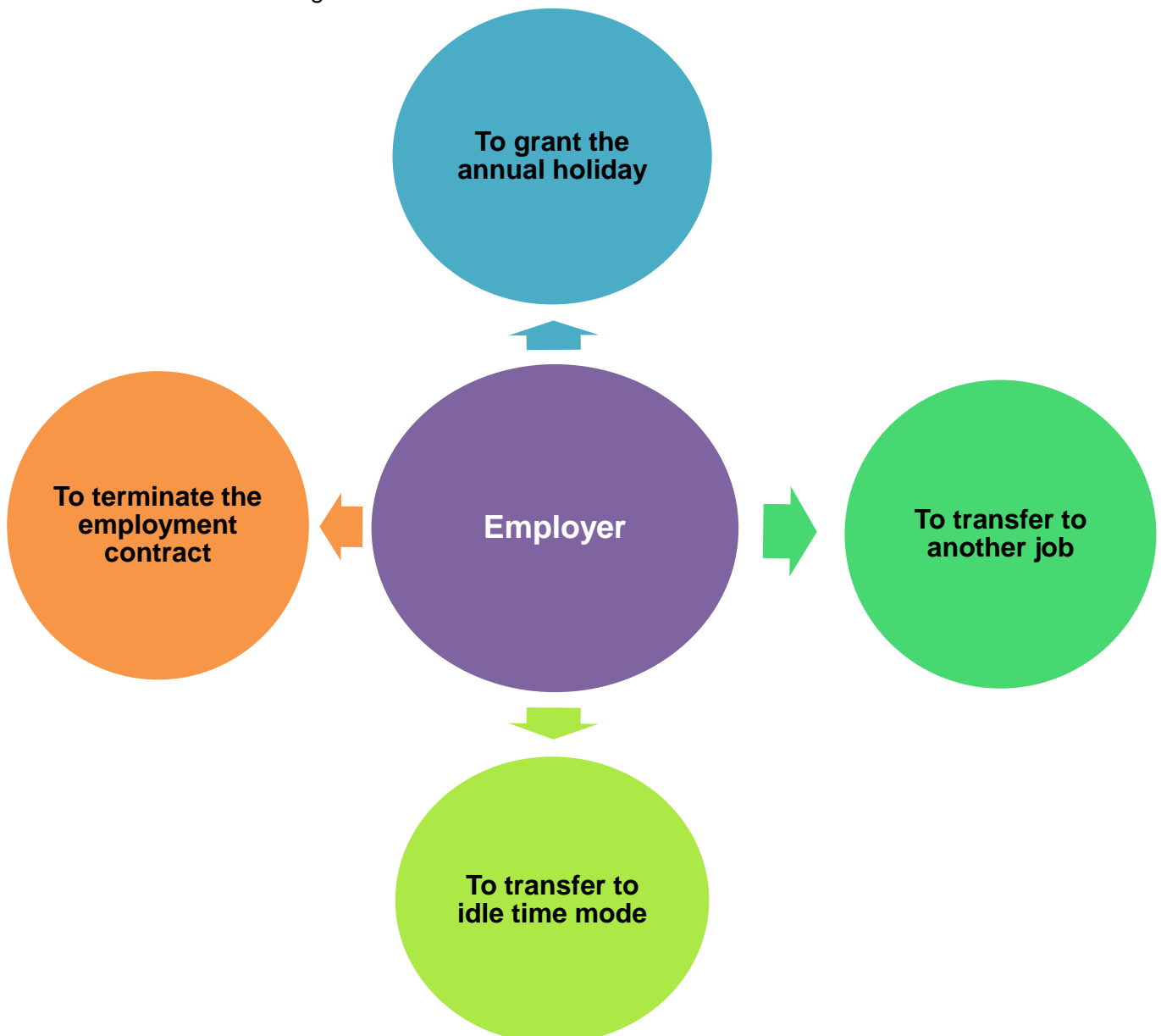
Measures to be undertaken by the Employer during Covid19

The Government of Mongolia is implementing the necessary measures to prevent the spread of the virus named as Covid-19 that World Health Organization declared the rapidly spreading coronavirus outbreak as a pandemic.

These measures have had a negative impact to the Employer of the business entity such as creating financial risk decreasing their profit due to failure of contractual obligation due to temporary closure of some border points, prohibited the organizing any public activities, restricted the local movement of transportation, private vehicles and scheduled flights or train.

We recommend the Employer may undertake a measure in the event of unforeseen circumstances or other necessary circumstances under the Labor Code of Mongolia.

The Employer who hired the Employee in accordance with employment contract may undertake one or more of the following measures:



To grant the regular holiday

In accordance with the Labor Code of Mongolia, every employee has a right to basically get annual holiday of 15 working days in person and the period of the regular holiday shall be different depending on seniority. An annual holiday payment shall be established by the average salary of that working year.

The Employer needs to prioritize this measure during short - term economic hardship or crisis.

To transfer the another job

In case the Employee is unable to perform the obligation specified in his/her job description, in accordance with an addendum of employment contract due to decreasing number or work or of the Client, the Employer may transfer the employee to another job and from another side may simultaneously perform other works according to the law on the basis of agreed with the Employee. When transferred to another job, the salary for the work performed shall be paid properly and shall not be less than the average salary for the previous job.

This temporary transfer to another job or simultaneously performs other works may be more efficient for the Employer to keep experienced and skilled employees during the period of downtime.

To transfer to the idle time

In the event of cannot agree with the Employee or unable to transfer another job, the Employer shall transfer company or business operation into idle time mode. In this circumstance, the amount of idle time payment shall be at least equivalent 60 percent or more of Employee's basic salary. The Employer has a right to refuse to pay idle time payment if an Employee refuses to perform another job without a valid reason during downtime.

However, the transfer to idle time mode is given beneficial to the Employee, it is more appropriate to carry out one of the aforementioned methods as it is detriment to the Employer.

To terminate the employment contract

The Employer commonly implements abolishment of a position or reduction of the position in practice due to the revenue and profit of the business entity was decreased or the business entity is exposed to financial risk. The Employer shall notify in writing at least 30 days to the Employee in case of terminating the employment contract and shall pay an allowance equal to an average salary of one or more months on the basis of agreed with the employee or representative of employees in case of massive redundancy.

If the abolishment of the position has been reinstated within 3 months upon the terminated employment contract as a result abolished the position, the given employee shall be reinstated to his/her job or position.

For more information or any queries, please feel free to contact V.Bolormaa, Partner of Grata International Law Firm by bvolodya@gratanet.com or 976 70155031.