

New Minimum Wage for Employees in Myanmar

On 2nd January 2018, the National Committee for Setting the Minimum Wage (“**National Committee**”) issued the Notification No.1/2018 to propose the new minimum wage for all employees who work in Myanmar to Kyats 600/hour (Kyats 4,800/day with eight working hours) (the “**Notification**”). Currently, the minimum wage is Kyats 450/hour (Kyats 3,600/day).

The related criteria of the new proposed minimum wage are as follows:

- i) The new proposed minimum wage is Kyats 600/hour (Kyats 4,800/day with eight working hours) regardless of location and type of work.
- ii) Employees who have to work overtime in accordance with the law under the work nature shall be entitled to enjoy overtime pay in addition to the minimum wage.
- iii) If minimum wage prescribed in an employment contract is less than the amount under this law, employee shall be entitled to enjoy minimum wage under this law.
- iv) During the probation period of three (3) months, at least 75% of the minimum wage has to be paid. If the probation period is preceded by a training period (of three months, according to Rule 43 (1) of the Minimum Wage Rules), at least 50% of the minimum wage have to be paid during the training period.
- v) Overtime premiums and bonuses (if any) have to be paid in addition to the minimum wage.
- vi) With regard to special economic zones, their respective management committee shall propose a minimum wage to the National Committee based on the type of investment business.
- vii) The proposed minimum wage does not apply to small businesses with less than ten (10) employees and family businesses. Small businesses are exempted from paying the minimum wage pursuant to the Notification. The employees who work with small businesses and family businesses shall enjoy the minimum wage under the mutual agreement between employer and employee.

The above criteria is the result of the research and consultation between the government and representatives of employers and employees. Anyone wishing to object or comment may do so within two (2) weeks from the date of the Notification by filling a specified form with the National Committee in the respective region or state. Thereafter, the Regional and State Committees shall review within thirty (30) days and then such Committees shall submit and propose a new minimum wage to the National Committee. The National Committee then will review within sixty (60) days the proposals together with representatives from the government, employers and employees and prescribe a new minimum wage with the approval of Union

Government.

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