

# **Rules and Regulations on Employment of Bhutanese Nationals in the Private Sector**

## **Chapter - I**

### **Preliminary**

- 1.1 These Rules and Regulations shall be called **Rules and Regulations on Employment of Bhutanese Nationals in the Private Sector**;
- 1.2 These Rules and Regulations shall apply to all businesses and industrial establishments in the Kingdom; (certain provisions are not applicable to cottage and industries/businesses)
  - 1.2.1 The provisions of these Rules and Regulations shall not be applicable to the categories of employees covered under the **Chathrim for Wage Rate and Recruitment Agencies for Employment of National Work Force and Expatriate Workers, 1994**;
- 1.3 These Rules and Regulations shall come into effect on January 1, 2002

## **Chapter - II**

### **General Principles**

Under these Rules and Regulations:

- 2.1 Employer shall recruit nationals against all posts. Expatriates shall be recruited only against posts for which nationals are not available as certified by the Department of Employment and Labour;
- 2.2 Employer shall provide equal employment opportunity to both men and women;
- 2.3 Employer shall pay equal salary and wages to both men and women possessing the same qualifications and skills;
- 2.4 Employer shall provide safe and healthy working environment and provide protective devices where necessary to every employee.

## **Chapter - IV**

### **Recruitment and Appointment**

- 4.1 Vacancies in an establishment shall be advertised in the local media giving details of the requirements of the post, remuneration and perks offered, and selection shall be carried out based on principles of merit.
- 4.5. No national falling under the category as given in Schedule I shall be hired by an establishment on temporary basis for more than 12 months.

## **Chapter - V**

### **Pay and Allowances and Hours of Work**

#### **Basic Pay**

- 5.2 An employer shall pay minimum of Nu. 100 per day to a person employed on temporary basis and minimum of Nu. 1500 per month to trainees and apprentices;
- 5.3 All payments shall be made in Ngultrum in cash or cheque and shall be made by the 1<sup>st</sup> week of the succeeding month;

#### **Ordinary Hours of Work**

- 5.9 Except for senior employees who are required to travel, no employer shall require an employee to work for more than:
  - 5.9.1 48 hours a week;
  - 5.9.2 9 hours in a day if employee works for five days a week or less;
  - 5.9.3 8 hours in a day if an employee works for six days a week.

#### **Overtime work**

- 5.10 An employer shall not make an employee:
  - 5.10.1 Work overtime except by mutual agreement between the employer and employee;
  - 5.10.2 An overtime shall not exceed 4 hours a day;
- 5.11 Overtime shall be paid at 1.5 times the employee's salary calculated on hourly basis;
- 5.12 A female worker who is pregnant or nursing a child shall not be assigned overtime work.

### **Meal Intervals**

- 5.13 An employee shall have a meal break of 30 minutes after four hours of work and the meal break shall be included in the working hours;
- 5.14 A written agreement drawn up at the time of appointment may dispense the meal break if the employee works less than six hours a day.

### **Daily and weekly Rest Period**

- 5.15 An employee shall have:
  - 5.15.1 A daily rest period of 12 consecutive hours;
  - 5.15.2 A weekly rest period of 24 consecutive hours (one day).

### **Night Work**

- 5.16 An employee required to work beyond 9:00 P.M shall work for 7 hours only; and
  - 5.16.1 His/her safety shall be ensured by the employer;
  - 5.16.2 Shall have 30 minutes break after four hours.
- 5.17 An employee who works regularly between 9:00 P.M and 6:00 A.M shall be informed of health hazards; and
- 5.18 Have the right to undergo medical examination to determine the medical fitness to work at night;
- 5.19 A pregnant employee or an employee nursing her child shall not be assigned work at night.

### **Payment of Monthly Salary**

- 5.20 An employee shall be paid monthly salary latest by the first week of the succeeding month;
- 5.21 An employer shall have the right to withhold 30% of monthly salaries of the employee who owe dues to the employer till the OBA is recovered.

### **Public Holidays**

- 5.22 An employee shall be entitled to 8 public holidays with full salary in addition to the normal rest days;
- 5.23 Public holidays to be availed by an employee shall be notified in advance officially;
- 5.24 Public holidays shall be staggered between different employees to ensure that an establishment continues to be operational on such holidays unless the management decides to remain the establishment closed on such holidays;
- 5.25 Should the exigencies of the establishment require an employee to work on public holidays:
  - 5.25.1 The employee may be engaged in work with his/her agreement;
  - 5.25.2 The employee shall be compensated with remuneration at the rate prescribed under section 5.5 of these Rules and Regulations;
  - 5.25.3 Or exchange a public holiday with a normal working day by mutual agreement.

## **Chapter - VI**

### **Training**

- 6.1 An establishment shall conduct job orientation course for new recruits for a duration considered appropriate by the management;
- 6.2 An establishment shall also conduct or sponsor for refresher courses within and outside the country from time to time;
- 6.3 An employee whose nomination for training is confirmed shall sign an agreement to the effect that:
  - 6.3.1 On completion of training the employee shall return to the establishment and continue service with the employer for a maximum period of:
    - 6.3.1.1 Five years if the training/study was for 12 months or more;
    - 6.3.1.2 Three years if the training was for 6 months to 12 months;
    - 6.3.1.3 Two years if the training was up to 6 months.
- 6.4 In the event the employee fails to abide by the terms of agreement as under section 6.1, the employee or his/her surety shall refund to the employer the full amount spent by the employer/Royal Government of Bhutan/Sponsoring Agencies on training expenses and the salaries during the training and shall be liable for termination from service without benefits;

## **Chapter - VIII**

### **Leave, Medical Facilities, Insurance and Provident Fund**

#### **Maternity Leave**

- 8.13 In the event of miscarriage, a maximum leave of four (4) weeks shall be granted on production of a medical certificate from a hospital within Bhutan;
- 8.14 A pregnant employee or an employee nursing her child shall not be assigned work that is hazardous to her or her child;

#### **Medical Leave**

- 8.16 An employee proven to have produced medical certificate through fraudulent means shall warrant criminal charges in addition to termination from service without benefits.

#### **Provident Fund<sup>1</sup>**

- 8.23 An employer shall deduct contributions for the provident fund for an employee at the rate of not less than the one prescribed by the National Pension Board;
- 8.24 The employer shall make a matching contribution to the provident fund for each employee;
- 8.25 The provident fund contributions shall be remitted to the National Pension and Provident Fund Bureau or any other agency as decided by the Royal Government, within the 10<sup>th</sup> of the succeeding month;
- 8.26 An employer shall pay interest at the rate prescribed by the Royal Government.

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<sup>1</sup> Not applicable to an establishment falling under the category of cottage and micro industry/business as categorized by the Ministry of Trade and Industry vide its Notification No. MTI/PPD-8/2001/773 dated July 17, 2001



## **Chapter - X**

### **Penalties**

- 10.1 Depending on the nature and severity of any misconduct, an employer may impose any of the following penalties commensurate with the misconduct:
- a. Reprimand
  - b. Withholding of increment(s)
  - c. Withholding of promotion or demotion to a lower grade
  - d. Compulsory retirement
  - e. Termination with benefits
  - f. Termination without benefits
- 10.2 An employer who violates or breaches any part of the clause of these Rules and Regulations shall be liable for the following actions, depending on the severity of the infringement of these Rules and Regulations:
- Reprimand
  - Penal fine
  - Revocation of business license
  - Legal action through a court of law

### **Settlement of Disputes**

- 10.3 Any dispute arising between an employee and employer shall be settled amicably using the principle of workplace co-operation or conciliation and only the disputes failed to be settled through such methods shall be reviewed by the Arbitration Committee of the Ministry responsible for the Department of Employment and Labour.
- 10.4 The Arbitration Committee consisting of the following members shall be the Authority responsible for hearing and settling all disputes related to the terms and conditions of employment specified in these Rules and Regulations:
1. Secretary, Ministry of Trade and Industries
  2. Secretary, Ministry of Home Affairs
  3. Director, Office of Legal Affairs
  4. General Secretary, BCCI
  5. Director, Department of Employment and Labour
  6. A Representative of Workers

**Appellate Authority:** Hon'ble Minister responsible for the Department of  
Employment and Labour

- 10.5 Any case of criminal nature shall, however, be referred to a Court of Law.

**Procedure for Imposing Penalty on Employers**

- 10.10 An aggrieved employee shall file charge(s) in writing against his/her employer to the Department of Employment and Labour on the violation of any clause of these Rules and Regulations by the employer;
- 10.11 The Department of Employment and Labour shall conduct inquiry into the charges received from the aggrieved employee;
- 10.12 The Department of Employment and Labour shall in the course of investigation consider such documentary evidences and witnesses that may be relevant or material to such charges. The aggrieved employee as well as the employer concerned shall be entitled to give evidences in person and cross-examine the witnesses;
- 10.13 The findings of the Department of Employment and Labour shall be submitted to the Arbitration Committee of the Ministry responsible for the Department of Employment and Labour;
- 10.14 The Arbitration Committee in reviewing the findings of the Department of Employment and Labour shall conduct its own independent inquiry if deemed necessary;
- 10.15 In the event the employer is found guilty of the charges, the decision of the Arbitration Committee and the penalty imposed on the employer shall be communicated to the employer concerned in writing by the Head, Department of Employment and Labour within five working days from the date of the decision;
- 10.16 In the event the employer is acquitted of the charges against him, the Head, Department of Employment and Labour shall communicate in writing to the aggrieved party the findings of the Arbitration Committee;
- 10.17 The aggrieved party shall not be penalized for having filed charges against the employer;
- 10.18 Either party shall have the right to appeal against the decision of the Arbitration Committee to the Minister responsible for the Department of Employment and

Labour within 10 working days from the date of receipt of the decision of the Arbitration Committee;

- 10.19 The decision of the Minister responsible for the Department of Employment and Labour shall be final and binding.

## **Chapter - Part XIII**

### **Filing of Information to the Department of Employment and Labour.**

- 13.1 An employer shall submit information on appointment and separation of employees in the format given as Annexure I (Part II, III and IV), within one month of the appointment and separation, to the Department of Employment and Labour.
- 13.2 The Department of Employment and Labour shall have the right to make inquiries on the information with the employer as well as an employee or on any matter concerning conditions of employment as deemed necessary by the Department;
- 13.3 The Inspectors of the Department of Employment and Labour shall also have the right to inspect the premises of any establishment in relation to the conditions of employment prescribed under these Rules and Regulations.

## SCHEDULE I

### **GUIDELINES ON THE MINIMUM BASIC PAY FOR EMPLOYMENT IN THE PRIVATE SECTOR.**

<b>Qualification/Entry Level</b>	<b>Minimum Pay</b>
Bachelor's Degree Holders in Engineering & other Professional Fields	9000
University Graduates with at least Bachelor's Degree in Humanities, Science & Commerce	7500
Technical Diploma Holders from recognized institutes/profession	6400
Class XII/Graduate + 2 years vocational training	6300
Technical Certificate holders from recognized institutes or Class X to XI with 3 years training	5200
Class XII/Undergraduate +1 year Occupational Training	4800
Class XII/undergraduate without training	4600
Class X to XI + 1 year Occupational Training	4700
Class VIII to IX + 1 year Occupational Training	4200
Class X to XI without training	3700
Below Class VIII + 1 Year Occupational Training	3500
Below Class VIII without Training	3000
Trainees/Apprentices	1500

- Note: 1. The above however, shall not be applicable during the probation period.
2. The above mentioned minimum pay shall be subject to review by the Royal Government from time to time.

## Part II Employee's Biodata

1. Name:.....Date of Birth:...../...../.....
2. CitizenshipID No: .....
3. Marital Status (Please tick appropriate one): Single ( ) Married ( ) Divorced ( )
4. Permanent Address:
  - (a) Village:.....(b) Geog:.....
  - © Dungkhag:.....(d) Dzongkhag:.....

### 5. Qualification (Start with the latest qualification obtained)

Name of Institute	Country of Study	Year of Graduation	Qualification Obtained

### 6. Training Undertaken (start with latest Training undertaken)

Name of Institute	Country of Training	Field of Training	Duration of Training	Year of Passing.(Trg.)	Certificate Obtained

### 7. Family Details (Parents, spouse and children)

Family members & other Relatives	Name	Nationality	Occupation

### 8. Employment History (Jobs held in the past, if any)

Name of Organizations in which you worked	Title of jobs you have held	Number of years worked in the particular job	Reason for leaving the job

### Declaration and agreement:

I hereby certify that the information given herein are true and complete to the best of my knowledge. In the event of false and misleading information, the Employer shall have the right to terminate my service without notice.

Name:

(Affix legal stamp)

### **PART - III PAY & ALLOWENCES**

28. Name and designation:

29. Employing Agency:

30. Period of Contract:

i) Initial Appointment: From..... To .....

ii) Renewal/Extension: From..... To.....

#### **31. Emoluments**

Scale of Pay: Nu.....

Basic Pay: Nu.....

Allowances if any

1)

2)

3)

#### **32. Deductions**

Deductions shall be levied as per clauses 8.10, 8.11, 8.12 of these Rules and Regulations.