



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

National Assembly

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Labor Law
(Amended)

Section 1
General Provisions

Article 1 Objectives

This law defines the principles, regulations and measures on administration, monitoring, labor skills development, recruitment, and labor protection in order to enhance the quality and productivity of work in society, so as to ensure the transformation to modernization and industrialization aimed at safeguarding the rights of employees and employers, as well as the legitimate interests and the continual improvement of their livelihoods, while contributing to the promotion of investment, national socio-economic development, and regional and international links.

Article 2 (New) Labor

Labor is defined as physical and mental energy exerted by human beings for the purposes of work, yielding socio-economic results.

Article 3 (Revised) Interpretation of Terms

The terms used in this law shall have the following meanings:

- 1. Labor affairs** is work in skills development, promotion of recruitment and protection of labor;
- 2. Workforce** means persons aged fourteen years to sixty years who are able to work;
- 3. Employer** means a person, legal entity or organization using employees for its activities by paying salary or wages, and providing other benefits as determined by law and the employment contract;
- 4. Employee** means a person working under the supervision of an employer while receiving compensation for work through salary or wages, including benefits as determined by law, regulations and the employment contract;
- 5. Migrant labor** means Lao labor that migrates domestically and abroad, including foreign labor entering Laos;
- 6. Registered employee** means an employee working within a legally registered labor unit;
- 7. Unregistered employee** means an employee working outside of a labor unit, including freelance workers;

8. **Household worker** means employees working in households of other people on a basic contract that outlines duties, daily working hours, salary, payment terms and residency terms;
9. **Foreign employee** means a foreigner that undertakes work in a labor unit or project located within the Lao PDR;
10. **Youth labor** means employees aged between twelve and under eighteen years;
11. **Child labor** means youth labor unauthorized to work in dangerous jobs or sectors, working overtime, or undertaking hard labor, including children under the age of twelve years undertaking economic work;
12. **Employee representative** means a person selected by the employee as representative in labor activities;
13. **Recruitment services** means advice or counsel on information, legislation and facilitation for jobseekers and for employers who acquire employees through the government recruitment network or recruitment service enterprises;
14. **Labor skills** means the skills, expertise, capacity to work and attitude to work;
15. **Labor skill standards** means the basic technical levels used to define the levels of expertise and capacity deemed sufficient for the quality and correctness of work performed, according to procedures and punctuality;
16. **Labor skills development location** means a labor skills development center, institution, labor unit, business unit and locations for activities by social organizations of the Party and government, as well as private organizations authorized to conduct skills development;
17. **Labor skill evaluator** means the person responsible for conducting skill evaluation and assessment of skill standards at a skills development location;
18. **Labor skills development** means skills training, upgrading skills, expertise, and capacity in work when working according to national skill standards;
19. **Labor unit** means legally registered production, business or service units in the economic and social sector registered according to laws and regulations;
20. **Labor market** means the supply and demand sources for labor in society;
21. **Light work for youth** means work that is not dangerous to health, both physically and mentally, and which does not affect the development of the body, mind or psychology, or the studies of the youth employee;
22. **Hazardous work** means all types of work that entail an element of dangerous risk to the health of the body, the mind, the psychological makeup or personal safety of the employee;
23. **Using labor by force** means the use of labor where the employee does not voluntarily accept the assigned work or which is inconsistent with the employment contract, any forceful use of the employee or working population for the benefit of an individual or group;
24. **Foreign organization** means an embassy, consulate, agency of the United Nations, international nongovernmental organization, international financial institution, aid organizations, loan fund, or cooperation project with Laos, and a foreign office which has received authorization to operate in the Lao PDR;
25. **Tripartite organization** means an organization that includes labor administration, organization representing employers, and organizations representing employees;
26. **Tripartite principles** means the principles by which tripartite organizations engage with labor;

- 27. Work environment** means all working conditions that may affect the health of the body, mind or psychological state of the employee, particularly light, sound, color, odor, steam, dust, pollution, vibration, facilities, etc., or the atmosphere of the workplace
- 28. Discrimination in the workplace** means all actions by the employer that hinders, is biased, or limits opportunities for promotion and confidence on the part of the employee;
- 29. Collective labor contract** means a joint agreement between multiple employees or employee representatives and one or more employers in accordance with regulations and the law.

Article 4 (Revised) Policy on Labor

The State promotes research, the use of science and technology, labor skills development, innovation, and labour skills competition, provision of information on labor, in order to improve the quality of employees, with the aim of promoting employment, to supply labor to the local market and abroad, and to increase the methods for the management and protection of legitimate interests of employees and employers.

The State focuses on promotion of employment for the poor, disadvantaged, disabled, unemployed, and for those with social problems, to ensure they receive labor skills development and have access to recruitment services in order to find employment, earn an income and receive fair treatment, with the aim of overcoming poverty.

The State promotes employment among Lao labor both domestically and sending labor abroad, and administers foreign labor working in the Lao PDR in those positions unable to be filled by Lao labor, with the aim of balancing the supply and demand for labor.

The State encourages people, legal entities and organizations to build skills development centers and recruitment service networks in order to contribute to skills development and recruitment and to strengthen labor, making it more competitive regionally and internationally.

Article 5 (Revised) Principles of labor affairs

Labor-related affairs shall operate based on the following principles:

1. Operations based on an employment contract between the employee and the employer, ensuring both parties benefit without discrimination;
2. Ensure all working conditions are safe, with salary or wages paid in full, and all responsibilities in regard to social insurance implemented for the employee;
3. Ensure a balance of Lao labor alongside foreign labor;
4. Ensure the right of membership to and establishment of private and mass organizations or social organizations within the labor unit in accordance with the law;
5. Use labor alongside the building and development of skills in accordance with the national socio-economic development plan and the demand of the labor market;
6. Ensure a balance of labor principles in accordance with the economic structure;
7. No forced labor in any form;
8. Implement tripartite principles, conventions and international agreements to which the Lao PDR is party.

Article 6 (Revised) Scope of Application of the Labor Law

This labor law applies to all employers, registered and unregistered employees, Lao employees working for foreign organizations, and foreign employees working within the Lao

PDR.

This labor law does not apply to government officials, soldiers, police working in the party organization, government, Lao national for construction and mass organizations.

Household workers must comply with the working contract between the household and the employee.

Article 7 International Cooperation

The State widely promotes international and regional cooperation in relation to labor affairs by exchanging experience, scientific information, technology and attracting investment for the development of labor-related affairs, and the implementation of international conventions to which the Lao PDR is a party.

Section II

Labor Skills Development

Chapter 1

Labor Skills Development System

Article 8 Labor Skills Development System

Labor skills development systems include skills courses, evaluation and certification of labor skills, and competitive skills through the participation of labor skills development locations and labor units.

Article 9 (New) Target Groups

Target groups to receive labor skills development include:

1. Disadvantaged persons, the poor, and the disabled;
2. Persons without qualifications, persons changing careers, and the unemployed;
3. Persons with real experience;
4. Persons with basic qualifications and persons with a level of skill that can be upgraded;
5. Other interested persons.

Article 10 Form of Labor Skills Development

Labor skills development has two forms, as follows:

1. Within a labor skills development location;
2. Outside a labor skills development location or mobile training activity.

Article 11 (New) Labor Skills Development Suppliers

Individuals, legal entities and organizations can all be labor skills development suppliers in accordance with conditions determined in this law.

Employees that receive funding from employers for improving skills or qualifications domestically or abroad must return to their labor unit upon completion. If they fail to comply, the relevant person must refund the employer in accordance with the contract or internal regulations of the labor unit.

Article 12 (New) Basic Factors of Labor Skills Development

Labor skills development includes the following factors:

1. Having trainers and other personnel with a high standard of qualification, capacity, experience or expertise;
2. Regulations governing management and evaluation of labor skills.
3. Having labor skills development course content consistent with the labor market
4. Sufficient location, materials, training and evaluation equipment used for skills development and evaluation;
5. Having criteria for skills and regulations of skill evaluation as specified in this law
6. Having budget or capital for skills development in accordance with different occupations

Article 13 (New) Level Structure of Labor Skills Standards

The level structure of labor skills standards is as follows:

1. Labor skills level 1: a basic level earned after six months or less of study and after passing a skills evaluation test to demonstrate knowledge, skills and qualifications in simple tasks;
2. Labor skills level 2: a semi-skilled level earned after six months of study and after passing a skills evaluation test to demonstrate knowledge, skills and qualifications in a variety of complex tasks;
3. Labor skills level 3: an expert level earned after six months of study for candidates that have passed level two skills evaluation and having relevant work experience of at least one year. To achieve level three, the candidate must demonstrate knowledge, capacity, skills and qualifications in the use of relevant technical equipment in their professional duties and within a team;
4. Labor skills level 4: an engineer level earned after six months of training for candidates that have passed level three skills evaluation and have relevant work experience of at least one year. To reach level four, the candidate must have the knowledge, capacity, skills and qualifications for undertaking their professional duties and must be able to interpret technical terms, supervise work and ensure standards of quality;
5. Labor skills level 5: a supervisory level earned after six months of training for candidates that have passed level four skills evaluation and have relevant work experience of two or more years. To reach level five, the candidate must have the knowledge, capacity, skills and a wide range of qualifications to perform their professional duties, be able to plan, lead, manage, monitor and inspect the labor unit and coordinate with all relevant sectors.

Labor skills level can be developed in accordance with social-economic growth in each period

Article 14 (New) Skills Developers

Skills developers include the following:

1. Teachers of theory;
2. Practical trainers;

3. Skills evaluators;
4. Skills development managers.

Article 15 (New) Standards of Skills Developer

Skills developer must meet the following criteria:

1. Possess qualifications, ethics, a love of teaching, be of sound character, and be responsible;
2. Have graduated in a relevant field with a high level of expertise, completed teacher training or have passed skills training;
3. Have knowledge of a foreign language.

Article 16 (New) Skills Evaluation

Skills evaluation means the assessment of knowledge, skills and ability to undertake work of a target group that have graduated from a skills development course, or a candidate that has applied for evaluation in order to upgrade their level with the aim of ensuring employment and salary or wages as appropriate.

Skills evaluation includes an evaluation panel, regulations, conditions for evaluators, evaluation, the undertaking of evaluation of skills and practical implementation, grading, assessment and certification.

Article 17 (New) Career Advice

The Ministry of Labor and Social Welfare, in cooperation with the Ministry of Education and Sports and other relevant sectors, has created a mechanism for career advice, raising awareness and providing counsel in relation to studying or training, and undertaking professions prior to job placement.

Chapter 2 Labor Skills Development Courses

Article 18 Labor Skills Development Courses

Labor skills development courses are target reference documents pertaining to skills development, structure, content on theory and practical application according to the subject matter, and methodology of learning and teaching to ensure effectiveness. Trainees and trainers play a central role, while testing and assessment has the aim of ensuring knowledge, skills and goals are consistent with the requirements of socio-economic development and the labor market at any given time.

Article 19 Creation and Development of Courses

The labor skills developer will research, create and develop a course curriculum that is consistent with the demands of the labor market.

The creation and development of courses must involve the Party and government or private committee to ensure compliance with labor skills standards and real socio-economic conditions of the nation, and to maintain regional and international links.

Article 20 Authorization and Cancellation of Courses

The Ministry of Education and Sports is the body that authorizes, promotes and cancels skills development courses at the national level according to recommendations by the Ministry of Labor and Social Welfare

Provincial and municipal departments of education and sports are the bodies that authorize, promote and cancel skills development courses at local levels according to the recommendations of provincial or municipal departments of labor and social welfare after receiving approval by the Ministry of Education and Sports.

Chapter 3 Skills Standards

Article 21 Formulating Labor Skills Standards

The formulation of labor skills standards will begin at a labor skills development location with a committee made up of the Party and government and the private sector, as well as technical experts in the field of education and labor, who will coordinate with the relevant professional association.

Labor skills standards must be trialed and improved to be consistent with socio-economic growth and advancements in technology at any time.

The National Advisory Council for Vocational Education and Labor Skills Development is the body that considers recognition of labor skills standards to be promulgated by the Ministry of Labor and Social Welfare.

Article 22 (New) Levels of Labor Skills Standards

Labor skills standards at each stage shall be divided as follows:

1. Level 1 labor skills: Basic level;
2. Level 2 labor skills: Semi-skilled level;
3. Level 3 labor skills: Expert level;
4. Level 4 labor skills: Engineer level;
5. Level 5 labor skills: Supervisory level.

Article 23 (New) Comparison of Labor Skill Levels

Comparison of labor skill levels is as follows:

1. Basic labor skill level is equivalent to the first professional level, level one;
2. Semi-skilled labor skill level is equivalent to the second professional level, level two;
3. Expert labor skill level is equivalent to the third professional level, level three;
4. Engineer labor skill level is equivalent to the professional level;
5. Supervisory labor skill level is equivalent to the highest level.

Article 24 (New) Recognition of Labor Skills Standards

The employer must recognize the professional qualifications and labor skill level of the employee upon employment.

The employer must set the salary or wages in accordance with the labor skill level of the employee.

The employer must certify expertise and participation in training and skills evaluation on the part of the employee as one of their responsibilities.

Chapter 4

Labor Skills Competition

Article 25 (New) Labor Skills Competition

Labor skills competition means the use of knowledge, capacity and skills into competition in order to promote and improve those labor skills standards which is organized by the government organization or public-private organization or private organization.

Labor skills competition composes of five levels, at the educational institution level, at provincial level, at national level, at regional level and international level.

Article 26 (New) Organization of Labor Skills Competition

Competition of labor skills at an educational institution level and provincial level may be organized at least once a year in accordance with the conditions and actual capacity.

Competition of labor skills at the national level shall be conducted at least once per year with the participation of the person selected from the competitions at educational institution level and at the provincial level.

For competition of labor skills at the regional and international levels, a person should be selected from the the national competition level.

Article 27 (New) Organization Responsible for Labor Skills Competition

The Ministry of Labor and Social Welfare is responsible for labor skills development and has the duty of overseeing and managing competition of labor skills at the national, regional and international levels.

The provincial and municipal departments of labor and social welfare, in coordination with the provincial and municipal departments of education and sports, are responsible for supervision and administration of competition of labor skills at educational institutions and provincial levels as agreed with the Ministry of Labor and Social Welfare.

Article 28 (New) Obligations in Labor Skills Development

The employer has the direct obligation to provide training to labor under its responsibility with the aim of improving production quality and competitiveness by setting aside an annual dedicated fund of 1% from the annual salary or wages reserve fund of employees to cover expenses for labor skills training.

The employee must take ownership for study and labor skills development to improve knowledge, capacity, skills and goals in regard to labor with the aim of gradually becoming more industrious.

Section III
Recruitment Promotion
Chapter 1
The Recruitment System

Article 29 (New) Recruitment

Recruitment is the creation of conditions of employment or careers development, and having the option to work in accordance with the demand of the labor market.

Article 30 Recruitment Service Networks

Recruitment service networks include:

1. Village level labor units and social welfare;
2. District level recruitment centers ;
3. Provincial, municipality level recruitment centers;
4. Recruitment enterprises;
5. Labor skills development locations.

Article 31 Forms of Recruitment

Forms of recruitment include:

1. Creating employment opportunities;
2. Domestic recruitment services;
3. Recruitment services sending labor abroad;
4. Importation of foreign labor.

Chapter 2
Creation of Employment Opportunities

Article 32 Creation of Employment Opportunities

Creation of employment opportunities is intended to provide employment for employees locally, with the aim of addressing unemployment, the migration of urban labor from rural areas to cities, and illegal trans-border labor. It aims to create conditions providing choice, revenue and poverty reduction for employees.

Article 33 Elements of employment opportunity creation

The creation of employment opportunities includes the following elements:

1. Promotion of occupational freedom, working from the home, and the hiring of disadvantaged persons, women, disabled persons, or the elderly;
2. Employment in rural areas, daily labor, contractors, temporary workers, trainees;
3. Reserving jobs for Lao citizens; especially a traditional jobs of Lao ethnic groups, jobs promoting Lao traditions, indigenous knowledge, jobs do not require high knowledge or big capital. The list of these jobs are specified in a separate list.
4. Establishing career fairs.

Article 34 Responsibilities of Local Authorities

Local authorities at all levels must create conditions for employment and promote employment for employees through policy-making, planning and creating projects for the

promotion of occupational freedom, reservation of work for local people and creating a balance of labor according to the economic structure and demands of the labor market.

Article 35 Establishing Career Fairs

Career fairs are established to create opportunities for employers and employees to meet and receive or make applications, and supply labor in accordance with the socio-economic development plan and demands of the labor market.

Chapter 3 Domestic Recruitment Services

Article 36 Domestic Recruitment Services

The labor and social welfare sector, recruitment enterprises and social organizations that have received authorization may offer domestic recruitment services.

Labor units requiring such labor may accept applications by themselves.

Article 37 Labor Requirement Plan

All forms of investment, including labor units, must have a labor requirement plan at all times.

The labor requirement plan pertaining to each sector must be reported to the relevant labor administration authority in order for the planning of sufficient provision of labor to respond to demand.

Chapter 4 Overseas Recruitment Services

Article 38 Foreign Recruitment Services

Foreign recruitment services means the sending of Lao labor overseas for training, practical training, upgrading education, upgrading technical knowledge and capacity, labor skills development and fulfilling goals.

The State does not permit the sending of Lao labor overseas for employment in vocations or areas that are dangerous to health and safety, contrary to Lao customs and traditions, or the laws of the Lao PDR, or any country in which safety cannot be guaranteed.

Article 39 Agencies Sending Lao Labor Abroad

Agencies sending Lao labor abroad include:

1. The Labor Administration Agency;
2. Recruitment enterprises.

Labor units may send Lao employees abroad for training in accordance with authorization of the Labor Administration Agency.

Article 40 Rights and Obligations of Labor Recruitment Agencies

Agencies sending Lao labor abroad have the following rights and obligations:

1. Liaise with the company and nation that accepting Lao labor to work through diplomatic channels;
2. Sign working agreements pertaining to the sending of Lao labor overseas;
3. Hold training for Lao labor before departing for abroad;
4. Monitor, evaluate, protect, administer and assist Lao labor during the time it is abroad, and arrange their return after expiration of any working contract or in the event of emergency;
5. Pay any registration fees, service fees, or taxes to the government correctly and in full;
6. Respect and perform any rights or obligations as determined by law.

Chapter 5

Importation of Foreign Labor

Article 41 (Revised) Authorization of Importation and Use of Foreign Labor

Production units, businesses and services have the right to request authorization for the importation and use of foreign labor in accordance with the planned demand of foreign labor after receiving approval for their periodic quota from the Ministry of Labor and Social Welfare.

Provincial and Municipality Department of Labor and Social Welfare study and plan a demand of foreign workers and authorize the importation of foreign workers according to the quota approved from the Ministry of Labor and Social Welfare.

Article 42 (Revised) Conditions for the Importation of Foreign Labor

The importation of foreign labor by all production units, businesses, and service units must comply with the following conditions:

1. Have a sufficient investment value for conducting business and paying the salaries or wages of foreign labor;
2. Have a plan for the use of labor each year;
3. Have positions available and necessary technical staff as appropriate;
4. Implement other conditions as necessary.

Article 43 Conditions for Foreign Labor Working in the Lao PDR

Foreign labor working in the Lao PDR are subject to the following conditions:

1. Must be over the age of twenty years;
2. Must have the skills and a professional level consistent with the required position;
3. Have a clean personal history;
4. Be in good health;
5. Other conditions as deemed necessary.

Article 44 (New) Registration and Issuance of Work Permits

Labor units that receive authorization to import foreign labor must register and apply for a work permit within one month from the day of receiving authorization.

A work permit will be issued at the same time as a work visa (LA-B2) and shall expire in accordance with the employment contract.

Registration and issuance of temporary work permits shall not exceed three months for labor imported for a probationary period, for monitoring and evaluation of projects, or for the installation and reparation of machinery in accordance with an equipment sales contract.

Article 45 Limitations on the Use of Foreign Labor

Foreign labor working in the Lao PDR under an employment contract are authorized to remain for a period of not more than twelve months and may request an extension for an interval of not more than twelve months. In total, the total working period may not exceed five years. Management level and specific specialist will be considered specifically.

Consideration of requests to extend the period of employment at each interval will be based on the necessity of work, business operations, expansion of production and the use of new technology.

Chapter 6

Establishment and Dissolution of Recruitment Service Enterprises

Article 46 Establishment of Recruitment Service Enterprises

Individuals, legal entities, or foreigners in partnership with Lao citizens intending to establish a recruitment service enterprise must comply with the law on promotion of investment, laws on enterprises, and other relevant regulations through the agreement of the Ministry of Labor and Social Welfare.

Article 47 Conditions for the Establishment of Recruitment Service Enterprises

The establishment of recruitment service enterprises are subject to the following conditions:

1. Holding a Lao citizenship;
2. Have technical staff with a clean record, and have a level of education and expertise appropriate for the business operation;
3. Include feasibility study documentation in accordance with regulations;
4. Have an office, equipment, an area for basic skills training, and have knowledgeable and capable personnel;
5. Have registered capital for domestic recruitment in the amount of at least two hundred million kip and a cash security guarantee in kip equal to two thousand United States dollars;
6. Have registered capital for recruitment services both domestic and abroad in the amount of at least two billion kip and a cash security guarantee in kip equal to twenty thousand United States dollars.

The cash security guarantee must be deposited into an account of the Ministry of Labor and Social Welfare before receiving authorization, to be used as a reserve fund against emergencies or any errors on the part of the enterprise.

Article 48 Issuance and Extension of Authorization for Operating a Recruitment Business

The Labor Administration Agency issues authorization for operating a recruitment services enterprise for a period of three years, which can be extended every three years according to the following conditions:

1. Has full registered capital and cash security guarantee as determined in Article 47 of this law;
2. Has complied with the law and paid all financial obligations in full;
3. Has efficiently provided recruitment and management services to employees.

Article 49 (New) Processing Employment Applications

The person processing employment applications at the recruitment service enterprise must comply with the following conditions:

1. Must be an employee of the recruitment service enterprise who has been assigned the task of processing employment applications;
2. Has an employee identification card authorized by the Labor Administration Agency;
3. Has been given authorization to receive employment applications by local authorities.

Article 50 Dissolution

A recruitment service enterprise will be dissolved in the following cases:

1. In case of an order issued by the government or Labor Administration Agency;
2. In case of a request for dissolution by the owner of the enterprise;
3. In case of bankruptcy as decided by the court.

Section IV

Labor Protection

Chapter 1

Labor Regulations

Article 51 (Revised) Hours of Work

The employer must set hours of work and hours of rest for the employee as part of its responsibilities in accordance with the location of the labor unit and real working conditions.

Normal hours of work in every labor unit will be no more than six days per week and eight hours per day or no more than forty-eight hours per week, regardless of the type of salary or wage.

Hours of rest for lunch break shall be no less than sixty minutes and may not be included in hours of work.

Specific hours of work could be determined for specific occupation or economic sectors where it is deemed necessary based on approval from labor management authority after tripartite consultation and unanimous consent.

Hours of work must not exceed six hours per day or thirty-six hours per week for employees whose occupations are in sectors that involve:

- Exposure to radiation or to dangerous communicable diseases;
- Exposure to vapors or smoke which are hazardous to health;
- Direct exposure to dangerous materials or chemicals, such as explosives;
- Working in pits, or in underground tunnels, under water or at high elevations;
- Working in abnormally hot or cold places;
- Working directly with constantly vibrating equipment.

Aside from the above, there are other forms of dangerous work determined by specific terminology.

Normal hours of work may be reduced as appropriate in cases wherein danger cannot be prevented or controlled.

Article 52 Time Counted as Hours of Work

The following types of time lost shall be calculated as part of daily hours worked:

1. Time spent on technical preparation at the start and end of work;
2. Hourly breaks not exceeding 15 minutes, in certain sectors in which work is divided into different periods for different tasks or which operate on the basis of shifts;
3. A 45-minute meal break per shift for shift workers.

The employer must establish an appropriate production schedule so as to enable workers to rest for at least five to ten minutes after having worked for two hours. Should a necessity arise for any technical or mechanical reason, work by rotation must be organized so that workers can rest appropriately.

Time lost that is counted as daily hours of work should be specified in the internal regulations on work of the labor unit.

Article 53 Overtime

An employer may request employees to work overtime if necessary, subject to the prior consent of the trade union, worker's representative, or the majority of employees.

Overtime shall not exceed forty-five hours per month or three hours per day, but it is prohibited to work more than four consecutive days, except in the case of an emergency such as combating natural disasters or an accident that would cause great damage to its labor unit.

When working overtime in any instance, the employer must notify and explain the necessity of the work to the employee in advance, as well as pay overtime wages as determined in this law.

Where overtime is necessary for more than forty-five hours in any one month, the employer must first request authorization from the Labor Administration Agency which is responsible for its labor unit and receive approval from the trade union or workers' representatives, or the majority of employees in its labor unit.

Article 54 Weekly Rest Days

Workers have the right to at least one day's rest within a week or four days per month, which may be Sunday or any other day as agreed between the workers and the employer.

Article 55 (New) Official Holidays and Customary Holidays

Employees have the right to rest on official holidays and receive their normal salary or wage as follows:

1. National Day, 2 December (one day);
2. International New Year, 1 January (one day);
3. International Women's Day, 8 March (one day) for females;
4. The Lao New Year festival (three days);
5. International Labor Day, 1 May (one day);

6. National Teacher's Day, 7 October (one day, teachers and education management only);
7. The national day of employees who do not hold Lao citizenship (one day on the national day of the relevant nation).

In cases where official holidays fall on weekly rest days in any given week, a replacement rest day will be chosen as substitution.

Customary holidays are subject to agreement between the employer and the employee.

Article 56 Sick Leave

Upon presentation of a medical certificate, workers that are remunerated on a monthly basis shall be entitled to sick leave with full pay for not more than thirty days per year.

For workers who work on a daily or hourly paid basis, per unit of production basis, or on the basis of specific work contracts, they will be entitled to payment during sick leave only if they have worked for more than ninety days.

The provisions of this article shall not apply to sick leave occurred from labor accidents or occupational diseases.

Article 57 (Revised) Annual Leave

Employees that have worked consecutively for one year have the right to annual leave of fifteen days. Employees who work in sectors that are dangerous to health, as determined in Article 51 of this law, shall have the right to annual leave of eighteen days. The employer shall set the annual leave dates for the employee in advance or in accordance with any agreement between the employer and employee.

In both cases of annual leave, the employee has the right to receive salary or wages in full as normal.

Weekly rest days, official holidays, customary holidays and personal leave are not counted in annual leave.

If an employee is unable to take annual leave because of a reason stemming from their employer, the employer must pay an extra wage to the employee equal to one hundred percent of the normal wage according to the days that the employee was unable to take leave.

Article 58 (New) Personal Leave

Employees have the right to take personal leave of not less than three days while maintaining wages or salary in the following cases:

1. The employee's own father, mother, husband or wife and children are injured and hospitalized and there is nobody to take care of them;
2. The employee's father, mother, husband or wife and children pass away;
3. The employee gets married;
4. The employee's wife gives birth or miscarries;
5. The employee is affected by natural disasters.

Employees who request personal leave for personal reasons must apply for personal leave with the employer, to be confirmed by the trade union or employee representative or a head of the labor unit.

Article 59 (New) Unauthorized Use of Forced Labor

No matter in what form, the use of forced labor is not authorized except in the following cases:

1. The use of labor in accordance with the law for national defense, or for national security;
2. The use of labor in the event of emergencies, including fires, natural disasters or disease epidemics;
3. The undertaking of work resulting from a court decision under the administration of relevant government officials;
4. The undertaking of group work in accordance with the decision of local authorities, organizations, or associations to which the employee is attached or is a member.

Article 60 (New) Rights in Membership of Organizations and Appointment of Representative

Employees or employers have the right to apply for membership of mass organizations or other social organizations that operate legally within the Lao PDR, and have the right to appoint a representative within the labor unit or workplace.

Chapter 2 Night Work and Night Shifts

Article 61 Night Work

Night is defined as the hours between 22:00 and 06:00.

Night work is any type of work that is undertaken for no less than seven consecutive hours at night.

Employees working at night have the right to at least eleven hours rest before beginning work on a new day.

In cases where a night worker is unable to work at night due to health reasons, and possesses a medical certificate, the employer may temporarily move the employee to a more suitable shift with a salary or wage in accordance with that determined in paragraph two, Article 91, of this law.

Article 62 Shift Work

In cases of production, business operations and services where it is necessary for continuous work, or where cessation would damage business operations, the employer may assign multiple shifts. However, each shift may not be longer than eight hours per shift or not longer than six hours per shift for types of work determined in Article 51 of this law.

In cases where an employee undertakes a night shift from 22:00 to 06:00, the employee has the right to at least eleven hours rest before commencing a new shift.

Chapter 3

Internal Regulations of Labor Units

Article 63 (New) Internal Regulations of Labor Units

The internal regulations of a labor unit are considered a legislation that the employer must devise to implement the labor law, which establishes specific regulations for the protection of the employee that may not be covered in the law.

The internal regulations of a labor unit must be accepted through consultation between the employer and the trade union or employee representative or majority of workers within the labor unit.

The internal regulations of a labor unit shall be effective on the day of approval by the Labor Administration Agency.

The Labor Administration has the right to advise labor units to revise its internal regulations when it is necessary.

The internal regulations of a labor unit must be written in the Lao language. In cases where a labor unit includes foreign labor, the internal regulations must be translated into that foreign language.

Article 64 (Revised) Content of Internal Regulations

The internal regulations of a labor unit shall include the following content:

1. The times for commencing and completing the work of the labor unit and the location or duties of the labor unit (if any);
2. The times for breaks, lunch breaks and necessary breaks during work hours;
3. Weekly rest days;
4. Rest days due to injury or other necessary reasons;
5. Restrictions and health and safety measures including the use of equipment, tools and protective gear for protection against workplace accidents and occupational diseases;
6. Procedures and methods for conflict resolution in labor or disciplinary actions;
7. Benefits and mandatory regulations for employees.

Article 65 Dissemination of Internal Regulations

After internal regulations of a labor unit are authorized, the employer must disseminate the information to employees and they must be universally recognized as appropriate. As such, the internal regulations must be positioned for dissemination or placed in a location clearly visible to employees, can be easily read, or be handed out as a pamphlet to employees.

Chapter 4

Lao Labor Working Abroad

Article 66 (New) Administration of Lao Labor Working Abroad

The Ministry of Labor and Social Welfare has the duty to administer Lao labor working abroad in conjunction with the parties involved.

In cases where it is deemed necessary, the Ministry of Labor and Social Welfare, in conjunction with the Ministry of Foreign Affairs, may recommend the government appoint a

representative for the administration of labor to be attached to the embassy or consulate of the Lao PDR in a foreign country for the purposes of undertaking administrative duties, protection of, and representing the legitimate interests of Lao labor.

Article 67 (New) Rights and Duties of Lao Labor Administrators Abroad

In the protection of the rights and interests of Lao labor working abroad, the administrator of Lao labor abroad has the following rights and duties:

1. Collect and supply information and educate employees;
2. Assist in labor dispute resolution;
3. Assist labor in legal proceedings or prosecutions;
4. Issue certification documentation for Lao labor and other relevant documentation;
5. Assist in cases of deportation, abandonment, emergencies and other cases of rights violations;
6. Coordinate with relevant organizations abroad in order to undertake any necessary duties;
7. Ensure rights and undertake duties according to the law.

Chapter 5 Foreign Labor in Laos

Article 68 (Revised) Acceptance of Foreign Labor

Employers have the duty, when creating a staffing plan within a labor unit, to give priority to Lao labor. However, if the demand for labor cannot be supplied by Lao nationals, the employer has the right to request the use of foreign labor.

The ratio of acceptance of foreign labor within a labor unit must be as follows:

1. Fifteen percent of the total number of Lao laborers within a labor unit for technical experts undertaking physical labor;
2. Twenty-five percent of the total number of Lao laborers within a labor unit for technical experts undertaking mental labor.

For large projects, priority projects of the government spanning five years or under, the use of foreign labor will be in accordance with the contract between the project owner and the government.

For foreign employees, according to professions that can be undertaken in participation with any country, namely countries within Southeast Asia if any, they must comply with specific legislation.

Foreign labor working in the Lao PDR will be protected and administered in accordance with this law and other relevant regulations of the Lao PDR.

Article 69 (New) Rights and Obligations of Foreign Labor

Foreign workers have the following rights:

1. Legal protection according to the laws of the Lao PDR;
2. Equal performance to Lao labor when undertaking the same work at the same standard of labor and under the same work conditions, including salary or wages.

Foreign labor has the following obligations:

1. Respect for the laws and customs of Laos;
2. Plans for capacity building in technical knowledge among Lao workers;
3. Pay income taxes in accordance with the law;
4. Exit the Lao PDR within fifteen days after the expiration of a working contract.

Article 70 (New) Rights and Obligations of Labor Units

In the administration of foreign labor, labor units have the following rights and obligations:

1. Advise foreign labor in complying with the laws and customs of Laos;
2. Create an appropriate plan for capacity building and submit the plan to the Labor Administration Agency;
3. Facilitate the exit of foreign labor from the Lao PDR upon the expiration of the employment contract and return the work permit to the Labor Administration Agency

Chapter 6 Social Insurance

Article 71 (Revised) Social Insurance

Every labor unit and employee must be insured and make payments into the National Social Security Fund to receive social security benefits of any kind as determined in the Law on Social Security.

In case, employees who have not contributed to the national social security fund or have contributed but are not yet entitled to the benefits, employers must be responsible according to the law and regulations. .

Article 72 Retirement Age and Entitlement for Retirement Benefits

Retirement age and entitlement to retirement benefits of employees are as follows:

1. Having reached 60 years old for male and 55 years old for female and at least 15 working years;
2. For those employees who have worked continuously 5 years and more in the hazardous conditions with 55 years of age for male and 50 years for female and at least 15 working years ;

Having paid social security contributions in full for 15 years or longer, has poor health status and miss 3 years of age to reach retirement age, shall be also entitled to old-age pension.

Article 73 Administration and Use of the National Social Insurance Fund

The National Social Insurance Fund is administered and utilized to ensure the rights and interests of employees and employers and in accordance with the Law on Social Security and State Budget Law.

Article 74: Lump sum payment

Employees who do not meet full conditions as stated in the Article 72 of this law, shall be entitled to a lump sum payment, which is equal to 1.5 of his/her monthly salary or wage by calculated based on the last six months multiplied by number of working years.

Section V
Employment Contracts
Chapter 1
Employment Contracts

Article 75 (Revised) Employment Contracts

An employment contract is an agreement between an employee and an employer or between an employee representative and an employer representative in regard to conditions of work, salary or wages, welfare, and other policies.

Employment contracts must be based on the principle of equality and consensus between an employer and an employee and in accordance with the law.

Article 76 (Revised) Duration of Employment Contracts

An employment contract may be made either for a fixed term or for an indefinite period depending on the agreement between the employer and the employee concerned.

The duration of fixed term employment contracts, including any extensions, may be not longer than three years. If the duration is longer than three years, the contract will be held to be an indefinite employment contract. The extension of any employment contract must be made within sixty days from the date of expiration of the prior contract, except in cases of employment contracts with set durations in accordance with project length or seasons.

Article 77 (Revised) Forms of Employment Contracts

Employment contracts may take two forms: verbal or written.

Employment contracts must be made in writing in cases where one party or both parties are a legal entity or organization.

Employment contracts may be verbal in cases where the employer and employee are both individuals.

Article 78 (New) Content of Employment Contracts

The content of employment contracts must include the following:

1. Name and surname of the employer and employee;
2. Scope of work, rights, obligations, responsibilities and occupational duties of the employee;
3. Salary or wages of the employee;
4. Duration of the employment contract, date of commencement and expiry of the contract;
5. Address of the employer and employee;
6. Form of payment for salary or wages;
7. Duration of trial period for employees;
8. Welfare and other policies for employees;
9. Working days, rest days and holidays;
10. Benefits the employee will receive at the expiration of the employment contract;

11. Other matters that both parties deem necessary in accordance with the law.

Article 79 (Revised) Probation of Employees

After signing an employment contract with an employee, the employee may be placed under probation by the employer to evaluate whether the employee has or does not have adequate competence.

For unskilled work, the duration of the probationary period shall not exceed thirty days. For work requiring specialized skills, the duration of the probationary period shall not exceed sixty days.

Where the worker fails to undertake the probationary period resulting from sickness or other reason of necessity, the duration of such absence shall not be counted as part of the probationary period. The duration of absence may not be more than ten days; otherwise, the employer has the right to cancel the employment contract.

Seven days before the end of the probationary period, the employer shall inform the worker in writing as to whether or not his employment will be confirmed.

During the probationary period, workers shall receive salary or wages of not less than ninety percent of the salary or wages for such work.

During the probationary period, each party has the right to terminate the probation at any time, but must give the other party at least three days advance notice for non-skilled work and five days advance notice for skilled work.

In such termination of probation, the worker has the right to receive salary or wages and remuneration covered by other policies provided under the laws from the beginning of the probation period to the date of cessation such work.

Chapter 2

Termination and Expiration of Employment Contracts

Article 80 (Revised) Cancellation of Employment Contracts

Either party of the contract may cancel an indefinite employment contract at any time, but must notify the other party at least thirty days in advance for employees undertaking physical labor and forty-five days for employees undertaking mental labor.

Fixed term contracts may be cancelled upon the agreement of both parties or when the contract is violated by either party. In cases of contractual violation, the violating party is responsible for compensation of any damage caused. If the employer violates the contract, the employer must pay the salary for the remaining month and comply with other benefits in accordance with the contract and the law.

Article 81 Suspension or Postponement of Employment Contracts

Employment contracts may be suspended or postponed in cases where the employee must undertake national service in accordance with the law, or is held, detained, or restricted to a certain area. The duration of suspension may not exceed one year; other cases shall be determined according to the Law on Labor.

The employee will not receive salary or other benefits during the period the employment contract is suspended or postponed. However, the employer must accept the employee upon return to an appropriate position comparable to the position prior to suspension or postponement. If no such position is available, the employer must pay compensation owing to the cancellation

of the employment contract according to the duration of employment prior to suspension or postponement. In the event the employee does not return to work or refuses a new position, the relevant person shall have no right to request compensation or other benefits from the employer.

Article 82 (Revised) Cancellation of Employment Contract by the Employer

The employer may cancel an employment contract but must pay compensation to the employee in the following cases:

1. The worker lacks specialized skills or is not in good health but has a medical certificate, and after allowing the worker in question to undertake other, more appropriate work according to their ability and health, yet the person in question is still unable to work;
2. The employer considers it necessary to reduce the number of workers in order to improve the work within the labor unit after consulting the trade union or employee representative or the majority of employees, and has reported to the Labor Administration Agency.

The employer must make notification in writing and make explanation of the reasons for retrenchment in advance, following the duration determined in Article 80 of this law.

Article 83 (Revised) Cancellation of Employment Contract by the Employee

The employee has the right to request cancellation of an employment contract and receive compensation in the following cases:

1. The employee is not in good health after receiving treatment and possesses a medical certificate, and the employer has already moved the employee to a new position but the employee remains unable to work;
2. The employee has made objections toward the employer in accordance with the employment contract multiple times without resolution;
3. The relocation of the workplace is cited as reason for the employee being unable to undertake their duties, with certification from the trade union or employee representative and village authority in writing;
4. In the event there is any molestation, harassment, or sexual harassment on the part of the employer, or the employer ignores the occurrence of such actions.

In the event of cancellation of the contract in accordance with this Article, the employee must make notification in writing and explain the reason to the employer in advance in accordance with the duration determined in Article 80 of this law.

Fixed term employment contracts may be cancelled in accordance with sections 2 and 4 of this Article. After payment of compensation, the employer is responsible for payment of salary and wages and other outstanding benefits that according to the employment contract.

Article 84 (New) The Sale or Transfer of Business Activities and Partnerships

In cases where the employer sells, transfers business activities or enters into a partnership with another company, or there is a change of employer, the original employer must give advance notification to employees in writing according to the duration determined in Article 80 of this law.

After any sale or transfer of business activities or partnership with another company, the original employer and the new employer must determine clear responsibilities to employees and ensure mutual interests of employees based on the law and regulations.

Article 85 (Revised) Rights of Employees during the Period of Advance Notice

During the period of time after which the employee has given advance notice, the employee has the right to take one day of leave each week for the purpose of seeking new work, and will receive the same salary or wages as during the ordinary work period.

Should the employee encounter an accident or injury during this period, the recovery time shall not be counted as the notice period.

Article 86 (Revised) Termination of Employment Contract due to the Fault of the Employee

The employer has the right to cancel the employment contract without paying compensation and without requesting permission from the Labor Administration Agency in cases where the employee has committed any of the following faults:

1. Causing deliberate damage to the employer;
2. Violating the internal regulations of the labor unit or employment contract after receiving a warning from the employer;
3. Neglecting duties for four consecutive days without reason;
4. Has been sentenced to imprisonment by the court system and been confined to the location of the offence perpetrated deliberately against the labor unit, excepting other deliberate offences;
5. Violating the rights of other employees, especially women, and has received a warning already;

In the event of cancellation of the employment contract according to this Article, the employee has the right to receive salary or wages from the employer in full.

Article 87 (New) Unauthorized Termination of Employment Contracts

Cases wherein an employment contract may not be terminated are as follows:

1. Women who are pregnant or have a child aged less than one year;
2. Employees who are undergoing medical treatment or rehabilitation and possess a medical certificate;
3. Employees who are employee representatives or heads of trade unions within the labor unit;
4. Employees involved in legal proceedings or who have been detained or are awaiting a court decision;
5. Employees who are injured and undergoing treatment and possess a medical certificate or have recently experienced a disaster;
6. Employees on annual leave or on leave with the permission of the employer;
7. Employees who are performing work in other locations after being assigned by the employer;
8. Employees in the process of making a claim against, or taking legal action against the employer, or who are cooperating with government officials in relation to the Labor Law, and in relation to labor disputes within the labor unit of the employee.

If the employer intends to cancel the employment contract in any of the above cases, it must receive authorization from the Labor Administration Agency.

Time bound contract can be terminated when the contract comes to an end.

Article 88 (Revised) Unjustified Termination of Employment Contracts

Termination of an employment contract by the employer is unjustified where:

1. The employment contract is terminated without sufficient reason;
2. The employer terminates the employment contract by abusing its power directly or indirectly, or violates the basic rights of the employee such that the employee is unable to undertake their work;
3. The employer violates the employment contract after receiving a prior protest from the employee or employee representative, but does not resolve the situation or make any changes, thus forcing the employee to resign.

Article 89 (New) Consequences of Unjustified Termination of Employment Contracts

The unjustified termination of employment contracts has the following consequences:

1. The employee has the right to request reinstatement to their former position or to be assigned to other appropriate work;
2. In the event that the employer does not reinstate the employee, or the employee has stopped work, the employer must pay compensation as well as other outstanding benefits in accordance with the employment contract and the law.

Article 90 Compensation for the Cancellation of Employment Contracts

Compensation for the cancellation of employment contracts shall be ten percent of the last salary or wage multiplied by the total number of months worked;

For unjustified termination of employment contracts in accordance with Article 88, the employer shall pay compensation to the employee fifteen percent of the last salary or wage multiplied by the total number of months worked;

Employees who receive wages by unit of production or who receive unspecific wages shall calculate an average of the last three month's wages as a basis for calculating compensation.

Regarding the cancellation of employment contracts for reasons that are not specified in this law, the employer must implement compensation in accordance with the employment contract, according to internal regulations of the labor unit or in accordance with the agreement between the employer and the employee.

Article 91 (Revised) Temporary Transfer of Employees to other Work

If necessary, the employer may transfer an employee to perform another task in the same labor unit for a period not exceeding three months. If the period exceeds three months, the employer and employee must reach a new agreement.

During the period of temporary transfer, if the new salary or wages for the work are higher, the employee shall receive the new salary or wages. If the salary or wages payable for the new task are lower than that payable for the old task, the salary or wages for the old task must be maintained.

When the employee returns to his original task, the employee shall receive the original salary or wage as was received before the transfer.

In the event that the employee has been transferred to a new, lower task due to disciplinary sanction, salary or wages shall be paid in accordance with the new task.

Article 92 Responsibilities of the New Employer

A new employer that accepts an employee while knowing that the employee still has outstanding labor commitments to the former employer, either direct or indirect, the new employer must take responsibility for any damages caused to the former employer.

Article 93 Expiration of Employment Contracts

The employment contract may expire in the following cases:

1. The employment contract has been fully implemented;
2. A fixed term employment contract has reached the end of its duration;
3. Both parties to the contract agree to its cancellation;
4. The death of the individual employee or employer;
5. The employee has been sentenced to imprisonment by the court system without leave.

The expiration of a contract in case of death of the employee is held to be a cancellation of the employment contract; therefore, the employer must pay compensation equal to fifty percent of compensation calculated in accordance with Article 90 of this law.

Article 94 (New) Extension of an Employment Contract

Before the expiration of a fixed term employment contract, if both parties to the contract wish to extend the contract, they must provide each other with advance notice of at least fifteen days and must undertake the extension of the contract within sixty days; otherwise, the contract will be deemed an indefinite contract.

Article 95 Issuance of Reference Certification

The employer must issue a work reference for the employee within seven days from the date the employee ceases work. The reference must indicate the starting date, date of cessation of work, and the employee's professional position. Aside from this, the employee may request certification of salary or wages and observations on work performance.

Section VI

Employment of Women and Youths

Chapter 1

The Employment of Women

Article 96 (New) Gender Equality in the Workplace

Female employees have the right to employment and professions in every sector that do not conflict with the law, including production, business and management, and may participate in training, labor skills improvement and providing expertise. Female employees shall receive a salary or wages equal to that of male employees, excepting some forms of work that has negative effects upon the reproductive health of women, which must be protected in every case.

Article 97 (Revised) The Employment of Pregnant Women or Women Caring for Newborns

It is prohibited to employ a woman during pregnancy or during the period she is caring for a child under one year of age to perform the following work:

1. Work in a shop with an elevation of more than two meters;
2. Work lifting and carrying by hand, carrying on shoulders, carrying on a pole, or the bearing of loads heavier than ten kilograms;
3. Night work;
4. Overtime or working on rest days;
5. Work which involves standing for longer than two consecutive hours;
6. Works specified in the list of hazardous works.

A woman during pregnancy or during the period she is caring for a child under one year of age that has previously undertaken any of the work outlined above must be transferred by the employer to a new and more appropriate position temporarily, and shall maintain the same salary or wage.

Article 98 (Revised) Maternity Leave Before and After Giving Birth

Before and after giving birth, women workers shall be entitled to at least one hundred and five days of maternity leave; however, at least forty-two days of such leave shall be taken after giving birth. In cases of giving birth to twins, maternity leave shall be at least one hundred and twenty days. During such a period, the employee shall receive full payment at the normal salary or wages.

In the event that as a result of giving birth, a woman worker requires leave beyond the set amount of days due to treatment and rehabilitation after giving birth, the employee has the right to receive subsidies as determined in the Law on Social Security.

After giving birth, for a period of up to one year, female employees have the right to rest for one hour per day, or care for their child or have the right to leave to take their child for vaccinations according to regulations.

Female employees who miscarry will receive leave for a certain period as per the directions of a physician and will receive salary or wages as normal.

Article 99 (Revised) Maternity Support

A female employee has the right to receive an allowance for giving birth or miscarriage as determined by the Law on Social Security.

Article 100 (New) Prohibited Actions against Female Employees

Employers may not take the following actions against female employees:

1. Check for pregnancy before accepting the employee;
2. Create conditions that block or deny female employees who are married or pregnant;
3. Cancel the employment contract due to marriage or pregnancy.

Chapter 2 The Use of Youth Employees

Article 101 (Revised) Acceptance of Youth Employees

Employers may accept employees under the age of eighteen years but not younger than fourteen years; however, they are prohibited from working overtime.

When necessary, the employer may accept and use youth employees under the age of fourteen, but not younger than twelve years, and must ensure the work is light work such as:

1. Work that will not negatively impact the body, psychology or mind;
2. Work that will not obstruct attendance of school, professional guidance or vocational training.

The list of light work is specified separately.

Article 102 (New) Unauthorized Use of Youth Employees

Cases wherein the use of youth employees is prohibited are as follows:

1. Work in activities, duties and locations that are unsafe, dangerous to the health of the body, psychology or mind;
2. Forced labor;
3. Work to repay debts;
4. Human trafficking;
5. Trade or deception into the sex industry or solicitation of prostitution, photography or pornography;
6. Trade or deception into the movement and production, transportation, possession of narcotics or addictive substances.

The list of hazardous works is specified separately.

Article 103 (New) Creating Records for Youth Employees

Employers must keep records on youth employees with the following content:

1. Name and surname;
2. Age and date of birth;
3. Date of commencing work;
4. Position.

The record must be supplied to labor inspection officials and other relevant parties.

Section VII

Salary and Wages

Chapter 1

Determining Salaries and Wages

Article 104 (Revised) Salaries and Wages

Salaries and wages are compensation for work on the part of the employee that are payable by the employer in accordance with an employment contract, either monthly, daily, hourly, as a lump sum or by unit of production.

Article 105 (New) Minimum Wage

Minimum Wage is the level of salary or wages which the government announce its official use on each period to ensure a basic livelihood

Article 106 (New) Basic Salary and Total Salary

Basic salary is the salary that an employer pays to an employee according to the employment contract and basic agreement, depending on level of education, knowledge, capacity, expertise and work experience.

Total salary is the money that an employee receives in total within one month, including basic salary, subsidies, per production unit pay and other policies.

Article 107 (New) Daily Wages and Wages by Unit of Production

Daily wages are compensation work undertaken daily according to a basic employment contract.

Wages by unit of production is compensation according to productivity received by the employee according to a basic employment contract.

The level of daily wages or wages by unit of production in one month may not be lower than minimum wage.

Article 108 (Revised) Determination of Salary or Minimum Wage

The State promulgates the level of minimum wage or salary at every interval based on the results of consultations with third parties.

The State does not authorize an employer to determine a minimum salary or wage at a level lower than that promulgated at any interval.

The minimum wage or salary can be determined for each area or sector.

Article 109 (Revised) Form and Methods for Payment of Salary and Wages

Salary or wages may be paid in cash or in materials.

When paying salaries or wages, at any time, the employer must record the payment and ensure the employee signs a receipt.

The employer must notify the employee of the account and calculation of salary or wages. When making payments in materials in lieu of cash for salary or wages, it should be at an appropriate rate and stated as money, but it must be agreed upon by the employee or employee representative.

Chapter 2

Protection of Benefits in Wages or Salary

Article 110 (Revised) Payment

The employer must pay the salary or wages to the employee at least once per month in accordance with the set time.

Subsidies, remuneration or other policies will be paid according to the regulations of the labor unit.

For wages paid by unit of production, wages must be paid to the employee at least twice per month.

Should the employer delay payment of salary or wages without sufficient reason, the employer must pay an extra amount to the employee as agreed in the employment contract.

In the event that an employee gives birth, falls miscarries, is injured or has an accident and requests advance payment of salary or wages, the employer must consider advance payment as appropriate. Deduction of salary or wages paid in advance should not be more than twenty percent of a salary or wage.

Article 111 (Revised) Payment of Salary or Wages in the Event of Temporary Suspension of Work

Where a labor unit is ordered to suspend production and business activities or to stop production, or the employer suspends production temporarily, the employer must pay an allowance to each employee of not less than fifty percent (50%) of the salary or wages for the period of such temporary suspension of business activities.

Article 112 (Revised) Preferential Right to Receive Salary or Wages

Where a labor unit is winding up, is bankrupt or is under a court order for total confiscation of its property, the employer must give priority to employees in the payment of salaries or wages.

Article 113 (Revised) Deductions from Salary or Wages to Compensate for Damage

Deductions from an employee's salary or wages to compensate for damage to the property of a labor unit caused by the employee shall be made according to the value of actual damage.

In the event that the employee does not have assets for compensation, his salary or wages must be deducted for compensation; however, the maximum deduction shall not exceed 20% of his salary or wages

The employer is prohibited from deducting salary or wages from the employee for the purposes of binding the employee to itself and for the payment of fees or charges in regard to employment or work.

Chapter 3 Overtime and Holiday Pay

Article 114 Calculation of Overtime

For overtime on a work day, from 17:00 to 22:00, the employee shall be entitled to extra wages equal to one hundred and fifty percent of the normal rate.

For overtime on a work day, from 22:00 to 06:00, the employee shall be entitled to extra wages equal to two hundred percent of the normal rate.

Overtime should be calculated by payment of salary or wages divided by twenty six days, then divided by eight hours, and then multiplied by percentage amount and multiplied by the amount of extra hours worked.

Article 115 (New) Payment for Work on Weekly Rest Days or Official Holidays

For overtime worked on a weekly rest day or official holiday, the employee shall be paid on the basis of two hundred and fifty percent (250%) of the hourly wage of a regular working day for each hour worked.

For overtime worked from 16:00 to 22:00 on a of weekly rest day or holiday, the employee shall be paid on the basis of three hundred percent (300%) of the hourly wage of a regular working day for each hour worked.

For overtime worked at night on a weekly rest day or holiday, from 22:00 to 06:00, the employee shall be paid on the basis of three hundred and fifty percent (350%) of the hourly wage of a regular working day for each hour worked.

The method of calculation should be in accordance with that determined in Article 114 of this law.

Article 116 (New) Specific Payments for Night Work or Shift Work

Specific payments for night work or shift work shall be paid at no less than fifteen percent of the hourly wage of a regular working day for each hour worked.

This specific pay shall be calculated by dividing the regular salary or wage by twenty six days, then divided by eight hours, and then multiplied by fifteen percent and multiplied again by the number of hours worked at night or shift.

Section VIII

Labor Occupational Safety and Health

Chapter 1

Protection of Labor Safety and Health

Article 117 (New) Labor Occupational Safety and Health

Labor occupational health and safety is a joint activity between the employer and the employee in the assurance of occupational safety and health in the workplace, including risk assessment of the work environment, appropriate measures for reducing hazards and risks, methods for protecting against workplace accidents, protection against injury and occupational diseases and the gradual creation of a culture of safety at the workplace at all times.

Article 118 (New) Obligations of the State

The State has the following obligations:

1. Determining, implementing and revising policies and national strategies in relation to labor health and safety consistent with the national socio-economic development plan by:
 - (A) Having measures for protection against workplace accidents or occupational diseases by reducing the causes of hazards that may occur due to the work environment;
 - (B) Determining duties and responsibilities for relevant government sectors, the employer, the employee, and other relevant sectors in the protection of health and safety in the workplace.
2. Determining health and safety measures and ensuring all relevant parties participate in labor health and safety;

3. Establishing, developing and improving labor health and safety systems at each interval to include responsible agencies, participation between employees and employers, provision of information, consultation services, training, collection and analysis of data on injuries and occupational diseases;
4. Making appropriate investments in research, aid or facilitation for the labor unit that produces tools or equipment used in the protection of safety and health, including personal protective gear;
5. Creating an account of occupational diseases, both physical and mental, through consultation with representatives of relevant agencies pertaining to employers or employees;
6. Having measures for the protection of employees or those who inform of malpractice or neglect in regard to workplace health and safety in the labor unit.

Article 119 (New) Obligations of the Employer

The employer has the following obligations:

1. Instill appropriate measures to ensure workplace health and safety for the employee working under its administration;
2. Ensure the workplace, machinery, equipment and procedures in the production of metals or chemicals and explosive materials in the labor unit are safe or do not pose a danger to the health of employees;
3. Regularly inspect all safety measures and improve any that are inappropriate;
4. Assess risks to employee health and safety at least once per year and then report to the Labor Administration Agency;
5. Maintain the workplace, safety systems, environment and atmosphere when working to ensure good conditions for the health of the employees;
6. Provide appropriate facilitation of welfare for employees in the workplace;
7. Supply information, recommendations, training and protection for employees so that they may undertake their work safely;
8. Supply individual safety gear to employees in full and in good condition according to international standards;
9. Prohibit the use of addictive substances or drink, or any mind altering substances in or around the workplace;
10. Hold training on basic health and safety knowledge, protection from occupational diseases, namely HIV, for the employees at least once per year;
11. Appoint employees responsible for labor health and safety;
12. Other obligations as determined by law;

Article 120 (New) Obligations of the Employee

The employee must strictly comply with the health and safety regulations of the labor unit. The employee must participate in health and safety activities held by the employer or organization.

If the employee notices or believes there to be any hazard to safety or health in the workplace, the employee must notify the party responsible for health and safety or the head of the labor unit as soon as possible.

After informing the employer about dangers in the workplace, if the employer does not pay attention or resolve the issue, the employee must inform the Labor Administration Agency or the government unit responsible for health and safety, or other relevant organization.

Article 121 (New) Obligations of Designers, Producers, Importers, Suppliers and Installers

Designers, producers, importers, suppliers or deliverers, and those installing machinery, equipment or materials, must ensure health and safety as follows:

1. Ensure machinery, equipment or materials are used correctly and pose no danger to the health and safety of the user;
2. Recommend methods for installation and use of machinery, equipment and other materials, provide information regarding the dangers of machinery, equipment and chemicals that may be used, and recommend protection methods;
3. Research or provide training in scientific and new knowledge that is consistent with the two paragraphs above.

Article 122 (New) Risk Assessment and Creation of Internal Regulations

The employer must inspect and assess risks to safety and health within the labor unit and workplace regularly and report the results of the risk assessment to the Labor Inspection Agency at least once per year. The risk assessment can be undertaken by the employer, labor inspection officials or labor health and safety service organizations authorized by the Labor Administration Agency.

The employer must create internal regulations consistent with relevant laws and successfully complete consultation with trade unions or employee representatives or the majority of employees within the labor unit.

Article 123 (New) Officials and Responsible Unit on the Labor Health and Safety in a Labor Unit

Economic labor units with one hundred or less employees must have at least one employee responsible for labor health and safety.

Labor units or workplaces working in the areas of construction and mining must have at least one employee responsible for labor health and safety.

Labor units with over one hundred employees must appoint a unit and in case of necessity, a safety and health board responsible for labor health and safety shall be established.

Employees responsible for labor health and safety must have the knowledge or have undergone training, or have a degree or certification from an institute or organization in regard to labor health and safety recognized by the Labor Administration Agency.

Article 124 (New) Medical Staff in Labor Units

Labor units located in the suburbs or remote areas that have fifty or more employees must have a medical practitioner attached to the labor unit.

Labor units with less than fifty employees must maintain a medicine cabinet and have one employee as primary nurse.

Article 125 (New) Recording and Reporting of Workplace Accidents

Whenever an accident occurs within a labor unit that causes the employees to take time off work for four or more days, the employer must record the cause of the accident in detail and report it to the Labor Administration Agency.

Whenever a workplace accident or occupational disease causes injury to an employee, major injury or death, the employer must report the incident to the Labor Administration Agency within three days.

Article 126 (New) Medical Examination of Employees

The employer must facilitate medical examinations of employees at least once per year. Employees who work in dangerous areas or work at night must undergo medical examinations at least twice per year.

Chapter 2 Labor Accidents and Occupational Diseases

Article 127 (Revised) Labor Accidents and Occupational Diseases

A labor accident is an accident that occurs when the employee is working inside or outside the workplace, at a temporary resting place during work hours, or when traveling to or from work.

An accident that occurs during the time a worker performs tasks that are not assigned by the employer or its representative, or occurring after completion of the assigned work, shall not be considered a labor accident.

Occupational disease is any disease occurring as the result of an occupation. The various types of occupational diseases are determined by specific regulations.

Article 128 (New) Treatment of the Victims of Labor Accidents and Occupational Diseases

If an employee is injured as a result of a labor accident or occupational disease, the employer or social insurance implementation agency must take responsibility for the cost of treatment as determined in the Law on Social Insurance.

For the course of the treatment and rehabilitation, the employee has the right to receive their normal salary or wages from the employer, but for no longer than six months. If the limit is reached, the employer or social insurance implementation agency will cover the cost in accordance with the Law on Social Insurance.

In cases where the employee dies from a labor accident or occupational disease, the employer or social insurance implementation agency must take responsibility for the funeral and remuneration as determined in the Law on Social Insurance.

If a worker dies while assigned to another workplace by the employer, the cost of transferring his body or remains to his family shall also be borne by the employer.

In cases where the employee loses a limb or organ due to accident or occupational disease, the employer or the social insurance implementation agency must take responsibility to pay remuneration as determined in the Law on Social Insurance.

Article 129 (Revised) Salaries or Wages and Allowance for the Death of Employees Outside of Labor Accidents of Occupational Diseases

Employees who are victims of accidents or disease outside of labor accidents and occupational diseases and take leave for treatment and rehabilitation over consecutive days for longer than one month, and who possess medical certification, have the right to receive salary and wages for one month or thirty days per one year from the employer. Should treatment continue, the employee will receive a subsidy for sickness from the employer or social insurance implementation agency as determined in the Law on Social Security

If the employee dies, the employer or social insurance implementation agency must pay a once-off remuneration to the family or successor of the employee as determined in the Law on Social Insurance.

Section IX Migrant Labor

Article 130 Types of Migrant Labor

There are three types of migrant labor as follows:

1. Migrant labor within the country;
2. Migrant labor exiting of the country;
3. Migrant labor entering the country.

Article 131 Migrant Labor within the Country

Migrant labor within the country is Lao labor that migrates from its own locality and enters another district or province in order to seek legal employment.

Migrant labor within the country receives full protection and benefits and must comply with the law.

Article 132 Migrant Labor Exiting the Country

Migrant labor exiting the country is Lao labor that migrates out of the country into another country in order to seek employment.

The rights and obligations of migrant labor exiting the country are in accordance with the employment contract and the rules of the relevant country.

Article 133 Migrant Labor Entering the Country

Migrant labor entering the country is foreign labor that migrates into the country in order to work according to an employment contract;

The rights and obligations of migrant labor entering the country should be in accordance with an employment contract, Article 69 of this law, and other relevant laws of the Lao PDR.

Article 134 Obligations when Accepting and Delivering Migrant Labor

Obligations in relation to accepting and delivering migrant labor are as follows:

1. Comply with the contract between countries;
2. Ensure safety during the movement of labor;
3. Create conditions wherein the employee and members of their family can access information, education, healthcare and social insurance;

4. Ensure the employee receives training, skills training and certification of expertise;
5. Ensure the employee is repatriated or returned to their home country after expiration of the employment contract.

Article 135 Measures on Migrant Labor without Documentation

Migrant labor without documentation in accordance with Article 130 of this law should be dealt with according to measures determined by the relevant laws.

Seasonal migrant labor must resettle in accordance with the Law on Family Registration and other relevant laws and regulations.

Section X

Labor Fund

Article 136 Labor Fund

A labor fund is a fund created to serve the creation and development of labor skills, assist Lao employees working abroad, and assist foreign employees working in the Lao PDR.

Article 137 (Revised) Sources for the Labor Fund

The labor fund is sourced from:

1. One percent (1%) of employees from tax amount of income or wage of employees which is transferred by the Ministry of Finance to the fund
2. One percent (1%) of salary or wages of employees without deducting from the salary or wages from the employee but deducting from the fund of the labor unit directly
3. Employees working abroad equal to five percent (5%) of one month's salary or wages in accordance with the employment contract;
4. Those who import foreign labor to work in the Lao PDR equal to fifteen percent (15%) of registration fees for issuing work permits for one person per month;
5. Contributions by individuals, legal entities, international organizations, both domestic and foreign, mass organizations and social organizations;
6. Benefits derived from the fund and from other activities.

Article 138 Administration and Use of Funds

Administration and use of the labor fund must be carried out transparently and can be audited according to its objectives in accordance with Article 3136 of this law, the Law on State Budget and other relevant laws, details are determined by specific legislation.

Section XI

Information on Labor

Article 139 (New) Provision of Labor Information

The Labor Administration Agency, labor unit, and other relevant sectors have the duty of the mutual provision of information on labor.

Labor units must report information on labor to the Labor Administration Agency as normal.

The Labor Administration Agency and the labor unit must supply information on labor to the employee.

Article 140 Information on the Labor Market

Information on the labor market is information regarding the demand and supply of labor, including the status of employees, from the following sources:

1. Reports from recruitment networks;
2. Demand according to the plan of sectors, labor units, and domestic or foreign projects;
3. Surveys on labor;
4. Census information;
5. The databases of relevant sectors;
6. Other sources.

Article 141 (Revised) Information on Labor Protection

Labor units must report and provide information on labor protection to the Labor Administration Agency every three months.

Information on labor administration includes the following:

1. The numbers of Lao and foreign employees categorized by field and gender;
2. The numbers of employees under the age of eighteen years categorized by field and gender;
3. The lowest salary or wages, the highest, and the average salary or wages of employees in the labor unit;
4. The number of employees that have fallen victim to accidents or occupational diseases categorized by field and gender;
5. Employees receiving disciplinary action or cancellation of employment contracts;
6. The number of new employees;
7. Workplace disputes;
8. Other information.

Article 142 (New) Survey and Registration of Labor

The Labor Administration Agency, together with other relevant sectors, has the duty to survey and register labor for administration and use.

Surveys shall be as follows:

1. Surveys of the workforce;
2. Surveys of labor units.

Registration shall be as follows:

1. Registration of Lao employees working within the country;
2. Registration of Lao employees working abroad;
3. Registration of labor units with trade unions or employee representatives;
4. Registration of labor units with trade unions and collective employment contracts; registration of foreign employees working in the Lao PDR.

Section XII Prohibitions

Article 141 Prohibitions for Employers

The employer is prohibited from the following actions:

1. Cancelling an employment contract without authorization from the Labor Administration Agency as determined in Article 87 of this law;
2. Obstructing employment or using direct or indirect force to make an employee stop work due to marital status, gender discrimination, or infection of HIV;
3. Using forced labor of any kind, whether directly or indirectly;
4. Violating the personal rights of employees, especially female employees, through speech, sight, text, touch or touching inappropriate areas;
5. Employing persons under the age of twelve years;
6. Using employees for two shifts within one day;
7. Concealing labor accidents or disputes with workers;
8. Handing over, transferring or moving foreign labor to work in other locations not subject to its labor unit and without authorization from the Labor Administration Agency;
9. Direct or indirect discrimination toward employees within the labor unit;
10. Any other actions which are in violation of the law.

Article 144 Prohibitions for Employees

The employer is prohibited from the following actions:

1. Dereliction of duty or cessation of work without reasonable cause;
2. Violating the employment contract and internal regulations of the labor unit;
3. Violating the personal rights of others within the labor unit;
4. Any other actions which are in violation of the law.

Article 145 Prohibitions for Labor Inspection Officials

Labor inspection officials are prohibited from the following actions:

1. Abuse of authority or excessive use of power;
2. Concealing, hiding, impeding or falsifying documentation;
3. Receiving, claiming, agreeing to or giving bribes;
4. Concealing labor accidents or labor disputes;

5. Revealing a labor unit's business secrets;
6. Allowing another party to use a labor inspection card or uniform;
7. Any other actions in violation of the law.

Article 146 Prohibitions for Other Individuals or Organizations

Other individuals or organizations are prohibited from the following actions:

1. Using individuals or groups within an organization for their own private benefit or that of their family or party;
2. Providing recruitment services either domestically or abroad without prior authorization;
3. Any other actions in violation of the law.

Section XIII Resolution of Labor Disputes

Article 147 Types of Labor Disputes

Labor disputes arise when an employer and its employees cannot reach consensus on a labor issue.

Labor disputes are divided into two types as follows:

1. Disputes concerning the implementation of the Labor Law, internal regulations of the labor unit, labor regulations, employment contracts, or other legislation relating to labor;
2. Disputes relating to benefits, which refers to disputes relating to claims by employees for new rights and benefits which they request their employer to resolve.

Article 148 (New) Forms of Labor Dispute Resolution

Resolution of labor disputes will be undertaken according to the following methods:

- Compromise;
- Administrative resolutions;
- Resolution by the committee for labor dispute resolution;
- Court rulings;
- Dispute resolution consistent with international protocols.

Article 149 (New) Compromise

Compromise is the resolution of disputes according to the law and disputes in relation to benefits at the same labor unit level through consultation, negotiation and compromise by peaceful means between the employer and the employee.

When coming to a compromise, there shall be participation on the part of the trade union or employee representative of the labor unit. The results of the resolution must be recorded in writing and include the signatures or thumbprints of those involved.

Article 150 (New) Administrative Resolutions

Administrative resolutions are dispute resolutions according to the law and disputes in relation to benefits by the Labor Administration Agency.

Article 151 (New) Resolution by the Committee for Labor Dispute Resolution

Resolution by the Committee for Labor Dispute Resolution is the resolution of disputes in relation to benefits.

When the Committee for Labor Dispute Resolution receives a claim from either party or both parties, the committee must undertake resolution according to its role, rights and duties and in accordance with the law.

Article 152 (New) Court Rulings

In cases of labor disputes, either party may appeal to the people's court or labor court for consideration and ruling in accordance with the law.

Article 153 (New) Dispute Resolution with International Characteristics

Resolution of labor disputes with international characteristics can be brought before the Labor Administration Agency, the Committee for Resolution of Labor Disputes, or in accordance with conventions or international agreements to which the Lao PDR is a party.

Article 154 Prohibition of Work Stoppage During Disputes

In cases where a labor dispute is still in the process of resolution as stated in Article 148 of this law, the employee must continue work as normal and the employer must make the workplace available, except in very serious cases or in the event that a tripartite organization agrees to a work stoppage to avoid damage that may occur.

In case labor dispute cannot be resolved, strike could be organized based on law and regulations.

Section XIV

Tripartite Organization

Chapter 1

The Labor Administration Agency

Article 155 Labor Administration Agency

The government is the central body that manages labor uniformly across the nation by appointing the Ministry of Labor and Social Welfare as the body directly responsible for coordinating such management with relevant local sectors and authorities.

The Labor Administration Agency is comprised of:

- The Ministry of Labor and Social Welfare;
- The labor and social welfare division of each province and city;
- The labor and social welfare office in each district and municipality;
- Labor Units and Social Welfare at the village level.
-

Article 156 Rights and Duties of the Ministry of Labor and Social Welfare

The Ministry of Labor and Social Welfare has the following rights and duties relating to labor activities:

1. To research and draw up strategic plans, laws and regulations on the building and development of labor skills, job placement, and administration of labor, and to submit proposals to the government for consideration and approval;
2. To disseminate, monitor, supervise and inspect the implementation of strategic plans, the labor Law, and other regulations on labor;
3. To supervise, monitor, establish labor skills standards, evaluate, and certify competitive labor skills;
4. To research, consider, approve or cancel the establishment of recruitment service networks, labor skills development centers, and protect labor;
5. To establish and conduct scientific research on labor, statistics and information, the labor market and others;
6. To collaborate with other sectors and organizations in developing labor skills, job placement and labor protection;
7. To research a quota for approval, importation, registration and issuance of work permit cards to foreign employees
8. To administer Lao workers working within the country and abroad, and foreign workers working in the Lao PDR, in collaboration with other sectors at central and local levels;
9. Monitor, assess and certify labor standards for labor units;
10. Administer the use of labor funds in accordance with the law;
11. Guidance and mediation of labor disputes;
12. Create a database on labor;
13. Cooperation with foreign countries, regional or international (countries) in relation to labor affairs;
14. Summarize and report the results of implementation of labor works to the government routinely;
15. Implement other rights and responsibilities as determined by the law.

Article 157 Rights and Duties of the Labor and Social Welfare Division of Each Province and City

The labor and social welfare division of each province or city has the following rights and duties relating to labor:

1. To elaborate on the strategic plan and the development plan on labor;
2. Disseminate, evaluate, and give guidance on the implementation of the law on labor within the area of its responsibility;
3. To collaborate with other divisions and organizations in labor skills development, job placement and labor protection;
4. Administer Lao labor working domestically and abroad, and foreign workers working in the Lao PDR, in collaboration with other relevant sectors;
5. Administer and use labor funds in accordance with the law;

6. Mediate labor disputes according to its role and responsibilities;
7. To research, approve or cancel the establishment of recruitment service networks and labor skills development centers, and make recommendations for the Ministry of Labor and Social Welfare;
8. To approve importation, registration, issuance of work permit cards to foreign employees
9. Supervise, evaluate and administer the activities of recruitment services networks and labor skills development centers, which have been established within its responsibility;
10. Monitor and collect information on labor and the labor market;
11. Cooperate with foreign countries on labor affairs as directed from higher authorities;
12. Summarize and report on labor affairs to the higher authorities routinely;
13. Implement other rights and responsibilities in accordance with the law.

Article 158 Rights and Duties of the Labor and Social Welfare Office of Each District and Municipality

The Labor and Social Welfare Office of each district or municipality has the following rights and duties relating to labor:

1. To disseminate, monitor, and inspect the implementation of laws and regulations on labor under its responsibility;
2. Coordinate with every office and organization in the development of labor skills, recruitment and protection of labor under its responsibility;
3. Mediate labor disputes according to its role and responsibilities;
4. Evaluate and administer the activities of recruitment service networks under its responsibility;
5. Monitor and collect information on labor and the labor market;
6. Summarize and report on labor affairs to the higher authorities routinely;
7. Implement other rights and responsibilities in accordance with the law.

Article 159 (New) Rights and Duties of the Labor and Social Welfare Office of Each Village

The Labor and Social Welfare Office of each village has the following rights and duties relating to labor:

1. Disseminate the law on labor under its responsibility;
2. Mediate labor disputes that occur within its village;
3. Monitor and administer the activities of foreign labor within its village, including Lao labor working abroad;
4. Collect information on labor to report to higher authorities;
5. Summarize and report on labor affairs to the higher authorities routinely;
6. Implement rights and duties in accordance with the law.

Article 160 (Revised) Rights and Duties of Other Relevant Sectors

Sectors and administrative agencies at the local level relating to labor have the rights and duties to collaborate with the labor and social welfare sector in accordance with their roles and responsibilities in the development of labor skills, recruitment and protection of labor, in order to

develop labor affairs and contribute to the protection of the rights and legitimate interests of employees and employers.

Article 161 National Labor Committee

The National Labor Committee was established by the government to research policy on minimum wage, resolve labor disputes, research the conventions and contracts of international labor organizations, labor health and safety, develop labor skills, recruitment, determine standards and measures in relation to labor and others.

The National Labor Committee is comprised of representatives from major third party organizations, presided over by government, and is provided with a secretariat.

The rights and responsibilities of the National Labor Committee and secretariat are determined by specific legislation.

Chapter 2

Agencies Representing Employers

Article 162 (New) Agencies Representing Employers

Agencies representing employers are agents of Lao and foreign employers conducting business, production and services in every economic sector within the Lao PDR, and have the role of protecting the rights of employers.

Article 163 (New) Rights and Responsibilities of Agencies Representing Employers

Agencies representing employers have rights and responsibilities as follows:

1. Mobilize, campaign, establish and rally every business unit to mutually assist and ensure business activities are effective, correct and in accordance with the law;
2. Mobilize and encourage employers to comply with legislation, employment contracts, the social insurance system and other obligations in relation to labor;
3. Encourage employers to create conditions and environments that are safe for employees;
4. Contribute to the creation and revision of labor law;
5. Participate in the creation of labor contracts and collective bargaining;
6. Participate in labor dispute resolution in accordance with and under its responsibility;
7. Encourage labor units to contribute to labor skills development, create labor skills standards, run tests, hold training and improve professional levels for employees, including accepting employees into its own labor unit.
8. Implement other rights and mandates as specified in the law and regulations

Chapter 3

Agencies Representing Employees

Article 164 (New) Agencies Representing Employees

Agencies representing employees are trade unions, with the role of participating in the protection of the rights and benefits of employees that work within a labor unit.

Trade unions can be established within labor units that have been operating for at least six months or within other branches of work where employees see fit to establish such, at the central, provincial, municipal or district level.

Article 165 (New) Rights and Responsibilities of Agencies Representing Employees

Agencies representing employees have the following rights and responsibilities:

1. Educate, mobilize and encourage employees to comply with laws, employment contracts, the social insurance system, the labor unit production plan and other obligations in relation to labor;
2. Contribute to the creation and revision of laws in relation to labor;
3. Participate in the creation of labor contracts and collective bargaining;
4. Participate in labor dispute resolution in accordance with and under its responsibility;
5. Encourage employees to become members of its organization or to establish a grassroots trade union unit.

Article 166(New) Employee Representatives

Labor units comprising ten or more employees must have an employee representative or trade union.

The employee representative must be an individual appointed by employees for the implementation of duties in place of employees within the labor unit or other professional branches.

For labor units that have grassroots trade union units, it is held that the head of the grassroots trade union unit is the employee representative;

In cases where a labor unit has not yet established a grassroots labor trade union, the employees may appoint their own representative. Labor units with ten to fifty employees must have one representative, and for units with fifty-one to one hundred employees, they must have two representatives with one extra representative for every further one hundred employees.

Article 167 (New) Rights and Responsibilities of Employee Representatives

Employee representatives have the following rights and responsibilities:

1. Build solidarity, and to educate and mobilize employees to be disciplined in their professional work;
2. Promote and protect the legitimate interests of employees;
3. Participate in labor dispute resolution, collective bargaining, the creation of employment contracts and internal regulations of labor units;
4. Recommend improvements to wages, work conditions, and social insurance systems;
5. Recommend the establishment of agencies representing employees or trade unions within labor units;
6. Receive protection in accordance with the law.
7. Implement the rights and duties as stated in the law and regulations

Article 168 (New) Facilitation of Activities

Labor units must facilitate the activities of employer representatives and grass roots trade unions by appointing an appropriate time and location.

Chapter 4

Bargaining and Collective Labor Contracts

Article 169 Collective Bargaining

Collective bargaining is consultation and negotiation between employers and employee representatives or trade unions regarding work conditions or recruitment, wages, welfare and other benefits not contrary to the law, based on the principle of equality and mutual benefit.

Article 170 (New) Collective Labor contracts

Collective labor contracts are the result of collective bargaining or documentation agreed upon for implementation according to the law.

Collective labor agreements must be submitted to the Labor Administration Agency for examination, and must be registered or notarized by the court to ensure official use.

Section XV

The Labor Inspection Agency and Labor Inspection

Article 171 The Labor Inspection Affairs Agencies

The labor inspection affairs agencies is comprised of:

1. The Internal Inspection Agency, which is the same agency as the Labor Administration Agency as determined in Article 155 of this law.
2. The External Inspection Agency is comprised of:
 - The National Assembly, as determined in the Law on the Monitoring of the National Assembly;
 - The Government Inspection Authority and Anti-Corruption Organization as determined in the law;
 - The State Audit Organization as determined in the law on state auditing;
 - The Lao Front for National Construction, mass organizations, the people and the media.
3. Labor inspection officers

External inspection has the objective of inspecting the implementation of duties of the Labor Administration Agency to ensure its strength, transparency, fairness and efficiency.

Article 172 (New) Content of Labor Affairs Inspection

Inspection of labor affairs has the following content:

1. Implementation of policies, strategic plans, action plans, and laws on labor affairs e.g., inspection of environment and working condition, employment contracts, internal regulations, salary or wage, working hour, break hour, overtime work, social security, occupational safety and health and labor welfare.
2. Plans programs and projects for scientific and technological research on labor affairs;
3. Implementation of work on labor affairs.
4. Use of foreign labor both in formal and informal sectors
5. Use of child labor and female labor

B.

Article 173 (New) Forms of Labor Affairs Inspection

Labor affairs inspection will take the following forms:

1. Inspection is a routine system of inspection undertaken as per a plan over a fixed time period;
2. Inspection with advance notice is inspection undertaken outside of the plan when deemed necessary, with advance notification for the party undergoing inspection;
3. Sudden inspection is urgent inspection without advance notice for the party undergoing inspection.
4. Inspection to follow up on the results from the implementation of what the labor inspection officers advised and instructed employers to improve or solve or issues which could not ensure safety of employees
5. Special inspection is an inspection in accordance with an order or specific announcement from a higher authority, or at the request of an agency representing employers, or an agency representing employees.

Any labor inspection must be implemented strictly in accordance with the law

The results of every inspection must be entered into each period for dissemination for the public good, namely the number of labor inspection officers, statistics on the labor unit, the number of labor units that have violated the law, the number of labor units that have been disciplined, and other measures in relation to labor inspection.

Article 174 (New) Labor Inspection Officials

Labor inspection officials are employees that have been appointed by the Labor Administration Agency to undertake their duties in labor inspection.

Labor inspection officials are subject to the following standards:

1. Be a full state employee and have worked within the labor and social welfare sector for at least three years;
2. Have undergone training in regard to labor inspection;
3. Have good qualifications and are responsible and honest in their work;
4. Keeps the secrets of the labor unit when inspecting;
5. Respects and strictly follows the law.

Article 175 (New) Rights and Responsibilities of Labor Inspection Officials

Labor inspection officials have the following rights and responsibilities:

1. Inspect labor at every labor unit and workplace at all times;
2. Inspect employment contracts, internal regulations, records of timesheets, accounts for salaries or wages, calculation of overtime, subsidies, environment and safety;
3. Make enquiries with employers and employees and other relevant individuals;
4. Record images, sounds, copies of documents and collect examples;
5. Issue warnings to employers and employees that violate this law and other laws in relation to labor;

6. Order the suspension of machinery or equipment or other items in cases where machinery or equipment is unsafe for employees;
7. Fine employers and employees that violate labor laws;
8. Assess and certify the duration of work within the Lao PDR for foreign employees;
9. Invite agencies representing employers and agencies representing employees, technical engineers, experts and relevant technical experts to participate in labor inspections;
10. Create plans and procedures for labor inspections;
11. Encourage, recommend and consult employers and employees;
12. Encourage employers and employees to comply with the law;
13. Cooperate with other sectors that are relevant to labor inspection;
14. Evaluate, summarize and report results of inspections to higher authorities routinely;
15. Implement other rights and duties as determined by the law and as assigned.

Before inspection commences anytime, inspection officials must present the ID card.

During each inspection, officials must make a report with signature of employers.

Article 176 (New) End of Duty as Labor Inspection Official

Duty as a labor inspection official will come to an end in the following cases:

1. Reassignment;
2. Retirement;
3. Disciplinary action;
4. Death.

Article 177 (New) Uniforms and ID Cards for Labor Inspection Officials

Labor inspection officials have a uniform and ID card for use in labor inspection work.

The Ministry of Labor and Social Welfare is the body that determines the uniform and ID card for labor inspection officials.

Section XVI

Policies Toward Persons with Outstanding Achievements and Measures Against Violators

Article 178 Policies Toward Persons with Outstanding Achievements

Individuals or organizations that make outstanding achievements in the implementation of this law will receive awards and other policies in accordance with the law.

Article 179 Measures Against Violators

Any individual or legal entity that violates this law shall be re-educated, warned, fined, subject to temporary suspension of business, subject to withdrawal of business license or brought to court proceedings based on the nature of the offence, including having to compensate for the civil damage caused, as regulated by the laws and regulations.

Section XVII

Final Provisions

Article 180 Implementation

The government of the Lao People's Democratic Republic is to implement this law.

Article 181 Effectiveness

This law is effective ninety days after the president of the Lao People's Democratic Republic issues a decree promulgating its use.

This law replaces Labor Law No. 06/NA, Dated 27 December, 2006.

Any provisions that contradict this law are repealed.

President of the National Assembly

Seal and Signature

Pany YATHOTOU