

UNOFFICIAL ENGLISH TRANSLATION

Minimum Wage Order

*8 November 2021
Ministry of Economic Development
Male', Maldives*

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TRANSLATOR'S NOTE:

This is an unofficial and reasonably accurate translation of the *Minimum Wage Order*, and provided solely in the interests of increasing access to legal information. Their currency and accuracy cannot be warranted.

Certain minor adjustments may have been made to the language of certain provisions in this translation to suit the English reader. The official text is always the Dhivehi version of the instrument as published in the *Government Gazette* on the date specified herein. The original Dhivehi text shall prevail over any discrepancies or differences between this translated version and the original Dhivehi text.

While every effort has been made to offer a reasonably accurate translation of the original Dhivehi text of the instrument, the Ministry takes no responsibility for any inaccuracies in this text. If any questions arise on accuracy of information presented in the translated version, please refer to the official Dhivehi version of this instrument.

In the name of Allah, the Most Gracious, the Most Merciful,

The Minister of Economic Development

Minimum Wage Order

WHEREAS the *Employment Act (Law No. 2/2008)* by virtue of section 59 requires that the minimum wage payable as remuneration to workers in the Maldives shall be determined in accordance with the provisions of this *Act*;

WHEREAS the Minimum Wage Advisory Board established under the *Employment Act* is mandated to provide its advise and recommendations on the minimum wage amounts, upon due consideration of the provisions of the *Act*;

WHEREAS the Minimum Wage Advisory Board, by virtue of its letter no. 101-AS/101/2021/7 dated 5th October 2021, provided its recommendations, upon due consideration of the provisions of the *Employment Act*, on the minimum wage amounts payable to workers in the Maldives;

WHEREAS, having reviewed the recommendations of the Minimum Wage Advisory Board as required under section 62(a) of the *Employment Act*, and taking into consideration the needs of workers and their families, and economic factors including requirements of economic development, productivity and economic prosperity, as set out in section 62(c) of the *Act*;

NOW, THEREFORE, I hereby declare and publish, the minimum wage payable as remuneration to those workers other than expatriate employees in the Maldives, in accordance with sections 62(a) and 62(e) of the *Employment Act*, as provided herein.

All employers shall comply with the requirements of minimum wage as set out in the *Employment Act* and this Order, as applicable for all employees other than expatriate employees in the Maldives commencing from 1st of January 2022. This Order shall remain in force and effect until it is modified, revoked or replaced in accordance with section 62(d) of the *Employment Act*.

Made on this Monday, 8th day of November 2021, corresponding to the 3rd day of Rabeu al-Akhir 1443 of the Hijri calendar, in Male' City, capital of the Republic of Maldives.

[Signed]

Fayyaz Ismail

Minister of Economic Development

MINIMUM WAGE PAYABLE AS REMUNERATION TO WORKERS OTHER THAN EXPATRIATE EMPLOYEES

1. Minimum Wage

1.1. The following forms of remuneration may be included within the meaning of minimum wage payable as remuneration:

- (a) Basic Salary;
- (b) Fixed Allowance.

1.2. The following forms of remuneration may not be included within the meaning of minimum wage payable as remuneration:

- (a) Overtime Allowance;
- (b) Ramazan Allowance;
- (c) Service Charge;
- (d) Allowance paid in connection with status or responsibilities, and paid in amounts varying from month to month;
- (e) Seasonal allowance or bonus;
- (f) In-kind benefits or amounts of expenses incurred for such benefits;

2. Minimum Wage for the Private Sector

2.1. Private sector businesses classified as “Micro Enterprises” shall be exempt from the requirements of minimum wage.

2.2. The minimum wage for private sector businesses classified as “Small Enterprises” shall be MVR 21.63 (Maldivian Rufiyaa Twenty One and Laari Sixty Three) per hour.

- 2.3. The minimum wage for private sector businesses classified as “Medium Enterprises” shall be MVR 33.65 (Maldivian Rufiyaa Thirty Three and Laari Sixty Five) per hour.
- 2.4. The minimum wage for private sector businesses not classified as a “Micro, Small or Medium Enterprises” shall be MVR 38.46 (Maldivian Rufiyaa Thirty Eight and Laari Forty Six) per hour.
- 2.5. The minimum wage for other employers not specified under any of the clauses 2.1 to 2.4 above shall be MVR 21.63 (Maldivian Rufiyaa Twenty One and Laari Sixty Three) per hour.

3. Minimum Wage for the Public Sector

- 3.1. The minimum wage for the public sector shall be MVR 33.65 (Maldivian Rufiyaa Thirty Three and Laari Sixty Five) per hour, subject to a monthly amount of MVR 7,000 (Maldivian Rufiyaa Seven Thousand) payable to permanent employees working a minimum of 30 hours per week.

4. Definitions

Except as provided herein,

- 4.1. “Ramazan Allowance” shall mean the remuneration payable in accordance with section 51 of the *Employment Act*;
- 4.2. “Basic Salary” shall mean the remuneration payable as basic salary as defined in the employment contract, and paid to employees without any deductions other than the following:
 - 4.2.1. Deductions made in accordance with section 20 of the *Employment Act*;
 - 4.2.2. Deductions made for the Maldives Retirement Pension Scheme in accordance with section 15 of the *Pension Act (Law No. 8/2009)*; and

- 4.2.3. Deductions made for withholding tax in accordance with section 54 of the *Income Tax Act (Law No. 25/2019)*.
- 4.3. “Overtime Allowance” shall mean the remuneration payable in accordance with sections 37 and 38 of the *Employment Act*;
- 4.4. “Fixed Allowance” shall mean the allowances paid for a job or employment, in monthly instalments with no deductions, as set out in employment contracts, in addition to the basic salary;
- 4.5. “Service Charge” shall mean the remuneration payable in accordance with section 52 of the *Employment Act*;
- 4.6. “Public Sector” shall mean to include all Government ministries, institutions and offices of the Executive, the Parliament, all Courts and departments of the Judiciary, the Security Services, all councils and offices of local governments, all independent institutions and bodies specified in the Constitution, and all other official bodies and offices of the State or Government established by Statute;
- 4.7. “Private Sector” shall mean to include all companies (including companies with Government’s shareholding), other business enterprises, and all other employers not included in the public sector.
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