B&E AKO LAW

TAGLaw Member

ARUSHA
NSSF Mafao House
9th Floor, Left Wing
P.O. Box 1526
+255 699 016 774

DAR ES SALAAM
Plot No. 30 House No.7
Ursino Street, Regent Estate
P.O. Box 71748
+255 699 016 776

MWANZA
Plot No. 7 Block D
Isamilo Area
Postcode No. 3310
+255 699 016 775

Protecting Jobs and Businesses During Emergencies: What Employers Need to Know

The COVID-19 pandemic exposed a practical gap in Tanzania's employment law. Businesses faced unprecedented operational challenges, while employees required certainty regarding the security of their employment and the measures available to address workplace disruptions..

In response to lessons learned from the pandemic, the Employment and Labour Relations Act was amended through the Labour Laws (Amendments) Act, No. 4 of 2025. The Act now includes new Section 16A, which provides a framework for dealing with employment contracts during an outbreak or potential outbreak of infectious diseases, or any other emergency that may affect employee safety or disrupt workplace operations and production.

The new framework encourages employers and employees to consider practical and mutually agreed solutions aimed at preserving employment relationships and supporting business continuity during emergencies, instead of quickly considering retrenchment. These measures may include unpaid leave, preservation of the employment relationship, or termination by agreement, depending on the circumstances of the emergency and the interests of both parties.

Unpaid leave may be agreed for a period of 30 days or more, subject to the parties' circumstances and the requirements introduced under the new Section 34A. Where termination is considered, the parties should agree on the manner of termination and the applicable terminal benefits, considering fairness, business continuity, and employee protection. The emphasis of the law, however, is on consultation, mutual agreement, and the identification of arrangements that balance business sustainability with employee protection.



CONTACT

+ 255 759 554 396

phillip.irungu@beakolaw.co.tz

Dar es Salaam Office, Plot No. 30, House No. 7 Ursino Street, Regent Estate

QUALIFICATIONS

- LL.B
- MSc in Taxation
- Advocate

PRACTICE AREAS

- Commercial Law and Practice
- Civil Litigation and Dispute Resolution
- Employment and Labour Law
- Company Law and Corporate Advisory
- Tax Law
- Legal Research and Advisory Services
- Contract Drafting and Review
- Negotiation and Settlement of Disputes

The law further recognizes that consensus may not always be achievable. Where employers and employees do not reach consensus, the matter may be referred to the Commission for Mediation and Arbitration for mediation. This requirement encourages negotiated solutions while providing a statutory mechanism for resolving deadlock.

For employers, the key takeaway is that emergency-related employment decisions should be documented, consultative, and based on mutual agreement wherever possible. Any agreed arrangements should be clearly recorded, and employers should seek to ensure that decisions are fair, proportionate, and responsive to the specific circumstances giving rise to the emergency and should not make unilateral decisions.

Recommended practical steps:

- Assess and document the operational impact of the emergency on the workplace.
- Issue written notice of the proposed emergency-related measure and the reasons for it;
- Consult affected employees, keep minutes, and record the issues discussed;
- Reduce all agreed measures into writing to ensure clarity of obligations and expectations.
- Consider mediation for any unresolved issue or where consensus cannot be reached.

This amendment signals a shift from crisis-driven employment decisions toward a more collaborative framework that prioritizes dialogue, workforce stability, and business continuity during extraordinary circumstances.

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