PATRELIPARTNERS
LEGAL PRACTITIONERS

THE EMPLOYER'S LEGAL GUIDE

By

Olayinka Olowu
(Senior Associate)

Introduction

Most employment relationships in Nigeria are based on an employment contract entered into by parties. Being a capitalist nation the tendency of employers to exploit employees is in some instances considered normal and typical. Although we have several Statutes regulating employment relationships, exploitation of employees is still very common and often leads to a sore end.

Most of these disputes end up in the National Industrial Court[i] for determination. These disputes are usually to the detriment of the employers. It does not just affect the employers' finances but also the public's perception of the employer, which will in the long run affect profitability.

The Statutes regulating employment have put measures and specific standards for employment relationships in Nigeria. Every employer will do well to put the various obligations that concern his or her field into consideration before entering employment relationships.

The Labour Act was the initial law regulating employment relationships in Nigeria, because most of the job were industrial in nature, but as other sectors of the economy grew other statutes had to be created to regulate other employment relationships.

The following are a list of obligations created by Statute to regulate employment relationships:

Labour Act[ii]

- Obligation to provide written contracts of employment not later than 3 months after commencement of employment.
- Obligation to pay Wages in Legal tender.
- Obligation to give pregnant workers 12 weeks leave and nursing mothers half an hour twice a day. Also there is an obligation not to give nursing mothers a notice of dismissal within such period of absence.[iii]

Pension Act[iv]

- The Pension Act creates an obligation on any employer to provide counter contribution with regard to pension and also take out a group life insurance to cover all employees.[v]
- Deductions must also be made from the employees' monthly remuneration and remitted within 7 days of payment of his Salary[vi].

Factories Act[vii]

- The employer's duty to provide a safe system of work, is provided in Sections 28, 43, 45 and 48 of the Factories Act.
- Section 23 also states that employers must also train employees on the use of any machine.

Industrial Training Fund Act[viii]

- Under section 6 of the Industrial Training Fund Act (ITF) an employer has a duty to contribute 1% of the employees' annual pay to the Industrial Training Fund where the employer has either five or more employees or less than five employees but with a turnover of N50Million and above.
- Section 8 of the ITF Act also demands that employers who contribute to the Fund have a duty to train the Nigerian Employees.

National Housing Fund Act[ix]

- Section 9(1) of the National Housing Fund Act demands that 2.5% of an employee's monthly income be ducted and deposited in the Fund. This applies to those earning ₦3000 and above per annum.

Employee Compensation Act[x]

- Duty to report injuries, claims of injuries or disabling occupational diseases arising out of and in the course of employment to the Management Board of the Nigeria Social Insurance Trust Fund and the nearest office of the National Council for Occupational Safety and Health within 7days of the injury.

  A similar obligation is created in respect of any death arising out of and in the course of employment.

Nigerian Oil and Gas Local Content Development Act[xi]

The Act was established to develop indigenous expertise in the oil and gas sector of the Nigerian economy. The operators in this industry are mostly foreign companies, they therefore are expected to follow the requirements of this Act.

- Section 7 of the Act demands that operators submit a plan to the Nigerian Content Monitoring and Development Board Demonstrating compliance with the Act.
- Employers have a duty to ensure Nigerians are given first consideration for training and employment in the work programme[xii] (Section 10(1) and 28(1)).
- Employers must employ ONLY Nigerians in non- managerial positions of its organisation.

National Health Insurance Scheme Act[xiii]

- Section 17 of the Act requires employer to register employees under the scheme and pay into the account of a designated Health Maintenance Organisation (HMO).

---

[i] This is the Court with exclusive jurisdiction to hear employment related disputes.
[ii] Labour Act, 1971.
[iii] Section 54 of the Labour Act, 1971.
[iv] Pension Reform Act, 2014.
[v] Section 4 (5) Pension Reform Act, 2014.
[vi] Section 11 (3) Pension Reform Act, 2014.
[vii] Factories Act, 1987.
[viii] Industrial Training Fund (Amendment) Act, 2011.
[ix] National Housing Fund Act, 1992.
[x] Employees Compensation Act, 2011.
[xi] Nigerian Oil & Gas Industry Content Development Act, 2010.
[xii] Sections 10(1) and 28 (1) Nigerian Oil & Gas Industry Content Development Act, 2010.
[xiii] National health Insurance Scheme (Amendment) Act, 2008.