Change of the pension age

On 10 March 2017, the President of the Republic of Azerbaijan approved the Amendments to the Law "On Labour Pensions" which increases the pension age from 57 to 60 for females and from 62 to 63 for males without consideration of the social insurance background provided that pension capital, registered within the insurance part of the personal account, is satisfactory for payment of minimum labor pension (AZN 110 as of 1st July 2017). Otherwise, the individual must possess at least 25 years of the social insurance background.

Further to the Amendments, age limit is subject to annual increase of six months for females during the period of 1st July 2017 - 1st July 2027 and for males during the period of 1st July 2017 - 1st July 2021.

The Amendments are effective as of 1st July 2017.
Prevention of informal employment
Deloitte Legal—representing tomorrow

Prevention of informal labour relations in the construction sector

On 28 April 2017, the President of the Republic of Azerbaijan signed the Decree "On Measures to Strengthen the Supervision over Prevention of Informal Employment in the Construction Sector".

The Decree provides for provisions on the following issues:

- To establish an electronic registry of residential buildings under construction as well as individuals and legal entities engaged in construction of such buildings;

- To integrate the electronic information system of the Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan for registration of employment agreements with the aforementioned Registry;

- To install real-time surveillance cameras at the construction sites at the expense of individuals or legal entities conducting the construction for the purpose of identifying the persons involved in execution of work (services) under employment agreements which are not registered;

- To establish Labour Relations Monitoring Center within the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan for the purposes of coordination of monitoring and control activities with respect to prevention of informal employment in the construction sector.

Labour Relations Monitoring Center will perform the following functions:

- Carrying out the electronic Registry;

- Observation of cameras installed at the construction sites;

- Establishing and management of the analytical detection system carrying out identification of workers;

- Conducting comparative analysis of materials and reports of the Ministry of Taxes, Ministry of Labour and Social Protection of Population on measures implemented to prevent informal employment;

- Allocation of mobile teams to monitor the construction sites;
- Sending documents to the relevant public authorities for the purpose of documentation of the facts revealed and implementation of measures on administrative liability or criminal prosecution of the parties in breach of laws.

Amendments to the “List of permitted inspections conducted in cases of threatening human life and health, national security and economic interests” signed on 28 April 2017 by the President of the Republic of Azerbaijan, included the monitoring of cases informal employment to the respective list of inspections. Such monitoring will be conducted by the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan.

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