

# Work force streamlining options

## Step plan

The coronavirus pandemic and oil market situation have resulted in a difficult economic business situation not only in Kazakhstan, but across the entire world. Under these conditions, many employers have been forced to move their people to shorter working days or remote working conditions, or make redundancies. In this respect, it is important that all procedures follow current Kazakhstan employment law to avoid any risks in the future. Deloitte has prepared a step plan for employers with options to streamline the work force during the crisis period. We will be pleased to provide you with more detailed advice on any issues that arise after reading this step plan.

### Work force streamlining options



Redundancies





Transfer employees



Change working conditions

## Staff redundancies

 Staff redundancies




 A decline in production, work and services provided that has led to a deterioration in the employer's economic situation.









An employment agreement can be terminated for this reason if the following conditions are met **simultaneously**:

- 1** a structural division (shop or site) has closed;
- 2** an employee cannot be transferred to another job;
- 3** employees representatives have been notified in writing at least 1 month in advance, of the reasons for terminating an employment agreement (direct link between employer economic changes and the need to terminate the employment agreement).




### Step 1. Notify the employment authorities of planned redundancies

-  **Action:** provide full information to the employment authorities on the impending employee dismissals, i.e. on the quantity and categories of employee, with reference to positions and professions, qualification and salary
-  **Format:** written or electronic, free form
-  **Deadline:** at least 1 month before redundancy


### Step 2. Notify employees of employment agreement termination

Staff redundancies	A decline in production, work and services provided that has led to a deterioration in the employer's economic situation.
 <b>Action:</b> notify employees of employment agreement termination	 <b>Action:</b> notify employees of employment agreement termination, with reference to the reasons for the termination
 <b>Format:</b> electronic/written form (hard copy)	 <b>Format:</b> electronic/written form (hard copy)
 <b>Deadline:</b> at least 1 month before redundancy, with an employee's written consent, an employment agreement may be terminated before the end of the notice period	 <b>Deadline:</b> at least 15 working days before the termination, if the parties agree, the notification period can be replaced by a salary payment in proportion to the period not worked

### Step 3. Issue the corresponding employer act

-  **Action:**
  - 1) draft an employer act (order) listing the reasons for the employment agreement being terminated
  - 2) deliver the act confirming employment agreement termination personally or send it to the employee by registered mail
-  **Format:** written form
-  **Deadline:** within 3 working days of the order issue date

### Step 4. Make the necessary payments

-  **Action:** to make payments to employees:
  - 1) salary accrued for the period;
  - 2) job/work loss compensation:

**Staff redundancies**

average monthly salary

- 3) compensation for unused vacation

-  **Deadline:** within 3 working days of the agreement termination

**A decline in production, work and services provided that has led to a deterioration in the employer's economic situation**

2 months' average salary