



THE EMPLOYMENT (AMENDMENT) ACT, 2025: A FUNDAMENTAL SHIFT IN WORKER PROTECTIONS

Compliance & Regulatory Alert

After years of criticism that Uganda's Employment Act, Cap. 226 left large sections of the workforce without meaningful protection, Parliament has enacted sweeping amendments that bring domestic workers, casual labourers and migrant workers squarely within the law's embrace.

EMPLOYMENT LAW | LABOUR & HR COMPLIANCE

On 30 April 2026, President Yoweri Kaguta Museveni assented to the Employment (Amendment) Act, 2025 (the "Amendment Act"), formally amending the Employment Act, Cap. 226 (the "Principal Act"). The Amendment Act operationalises Article 40 of the Constitution of the Republic of Uganda, which guarantees every person fair and satisfactory work conditions, to all categories of workers — most significantly, to those who have historically been left in the margins of Uganda's labour protection framework.

The reforms have been long in the making. A 2018 Uganda Law Reform Commission study highlighted that, while the Principal Act did not expressly exclude domestic workers, their low bargaining power and the informality of their arrangements meant that the general provisions of the Act offered little practical protection. The Amendment Act addresses those gaps directly.

1.1 DOMESTIC WORKERS

Perhaps the most transformative change in the Amendment Act is the formal recognition of domestic workers as a distinct and protected category of employee. The Amendment Act inserts two new definitions into section 2 of the Principal Act: 'domestic work' is defined as work performed in or for a household or households; and a 'domestic worker' is defined as a person engaged in domestic work within an employment relationship, expressly excluding a person who does domestic work occasionally and not on an occupational basis.

Section 33 of the Principal Act is amended to expressly include domestic workers and casual employees alongside persons with disabilities as a 'special category' of employees entitled to dedicated ministerial regulations governing their employment, welfare, and social security, including health and insurance schemes.

"The lack of express provisions in the law has led to severe exploitation of women and young persons working as domestic workers." — Memorandum to the Employment (Amendment) Bill, 2022.

1.2 CASUAL EMPLOYEES

The Amendment Act introduces important protections against the perpetuation of casual employment as a tool for avoiding worker rights. Under the new section 34A, a person may not employ another as a casual employee for a continuous period exceeding six months. A casual employee who is engaged continuously for six months becomes entitled to the written contract and rights applicable to ordinary employees under the Act.

Critically, where a casual employee is laid off by an employer and subsequently rehired, that service is regarded as continuous for the purposes of the four-month threshold, thereby closing the most common avoidance mechanism (s. 34A (2)). The Amendment Act also formally recognises piecework contracts under the new section 34B.

1.3 MIGRANT WORKERS

The Amendment Act introduces a comprehensive framework for the recruitment, employment, and protection of migrant workers, both those coming to work in Uganda and Ugandans going to work abroad. The pre-existing sections 36 and 37 of the Principal Act are both repealed by sections 7 and 8 of the Amendment Act respectively.

Under the new Part IXA, the Minister may gazette a list of jobs that migrant workers shall not be offered (s.91B). The National Citizenship and Immigration Board is prohibited from issuing entry permits to migrant workers for such declared jobs, unless they hold an exemption certificate from the Commissioner responsible for employment services (s.91D). Employers are similarly prohibited from offering such employment without an exemption certificate (s.91E).

For Ugandans recruited for work abroad, the comprehensive obligations on recruitment agencies (including the requirement for a repatriation clause in every contract, pre-departure orientation, and due-diligence obligations) are addressed under the new Part IVA (sections 38A to 38I) discussed below.

1.4 RECRUITMENT AGENCIES

The Amendment Act repeals the previous sections 36 and 37 and inserts, after Part IV, an entirely new Part IVA headed 'Recruitment Agencies' (sections 38A to 38I). This is a complete regulatory overhaul of the sector.

Key provisions of Part IVA include:

- **Section 38A:** prohibition on facilitating illicit or concealed movement of persons for employment abroad;
- **Section 38B:** all recruitment agencies must obtain a licence from the Minister on the recommendation of the Commissioner responsible for employment services. Licences are valid for two years and may be revoked;
- **Section 38C:** only companies incorporated under the Companies Act may be licensed. Annual operational reports must be submitted to the Commissioner; the Minister must annually lay a report before Parliament;
- **Section 38D:** categories ineligible for licensing include; insolvent companies; companies whose licence was previously cancelled within five years; companies whose directors were directors of such a cancelled company; companies with directors convicted of illegal recruitment or trafficking; and companies whose shareholders or directors are engaged in regulating recruitment.
- **Section 38E:** recruitment agencies may not recruit any person without a Commissioner-approved job order. Contravention attracts a fine of up to 1,000 currency points or imprisonment up to five years for responsible individuals;
- **Section 38F:** recruitment agencies must orient prospective workers before contract signing; ensure contracts are witnessed by next of kin; verify the worker's skills match the job order; ensure contracts comply with both Ugandan and destination-country law; assume full liability for claims arising from use of their licence; maintain records of all recruits including biodata,

contracts, and next-of-kin details; and ensure workers receive accredited pre-departure training;

- **Section 38G:** every contract for employment abroad must include a repatriation clause entitling the employee to be returned at the employer's expense upon contract expiry, termination for any reason, court order, or death; and
- **Section 38H:** appeals against Ministerial decisions under Part IVA lie to the High Court, whose decision is final.

1.5 OTHER KEY CHANGES

Dismissal framework

The Amendment Act comprehensively restructures the law on dismissal. New section 64A codifies the specific grounds on which an employer may dismiss an employee; abscondment (defined as absence without permission for more than 30 consecutive days), presentation of forged documents or false qualifications, conduct inside or outside employment adversely affecting the business, or any other ground specified in the contract.

Dismissal on any other ground is unfair (s.65A), while dismissal that does not comply with contractual obligations is wrongful (s.65B). Section 65C lists circumstances that can never ground dismissal or disciplinary action, including pregnancy, lawful leave, union membership, and temporary absence up to three months on reliable grounds.

Hearing before dismissal

Substituted section 65 now requires every employer, before deciding to dismiss, to: explain the grounds to the employee in a language they understand; allow a person of the employee's choice to be present; and give the employee five working days to prepare representations. Failure to comply attracts a liability of four weeks' net pay, which may be ordered by the labour officer in addition to any other award.

Compensation for unfair dismissal

Substituted section 77 creates a basic mandatory compensatory order of eight weeks' wages for unfair dismissal. At the labour officer's discretion, additional compensation of between one- and three-months' wages may be awarded, taking into account length of service, future employment prospects, available severance, the employee's conduct, and any failure to mitigate.

Severance pay

Substituted section 88 codifies a clear formula: severance allowance is one month's salary for each year worked. Eligibility conditions previously attached, which the Industrial Court had criticised, are swept away. Section 86 is amended to expand the circumstances entitling an employee to severance pay, including physical incapacity and redundancy.

Breastfeeding and child care

New section 56A requires every employer to make available at the workplace 'time, space or a facility' for breastfeeding and child care, covering children between the ages of three months and thirty-six months. The operational standards, including any specific break durations and timing, are expressly left to ministerial regulations under s.56A(3).

Sexual harassment and workplace intimidation

Section 6 of the Principal Act is amended to require every employer regardless of workforce size to put in place and display measures to prevent sexual harassment, this removing the previous threshold of 25 employees.

A new section 6A prohibits employers and their agents from intimidating or harassing employees, with a detailed definition of both 'harass' (written, verbal, or physical abuse creating a hostile environment) and 'intimidate' (behaviour directed at isolating, humiliating, or preventing engagement in work, including degrading public tirades, insulting comments by email, withholding food or necessities, and insulting a worker's modesty). Contravention of section 6A is an offence.

Probationary employment

Section 66 is amended to provide that where an employer does not extend a probationary contract and continues to pay the employee after the probationary period lapses, the employee is deemed confirmed in employment (s.66(2a)). The notice period for ending probation is extended from seven days to one month.

Sick leave extended

Section 54 is amended to provide full pay for the first two months of illness (previously one month), half pay for the subsequent four months, after which the employer may terminate if incapacity persists.

Labour disputes

Section 31 of the Amendment Act repeals sections 2, 3 and 4 of the Labour Disputes (Arbitration and Settlement) Act, Cap. 227, reshaping the institutional framework for labour dispute resolution. The word 'arbitration' is also removed from section 12(1)(a) of the Principal Act.

1.6 COMPLIANCE ACTION POINTS FOR EMPLOYERS

- Audit all domestic and casual worker arrangements and issue written contracts of service where none exist. Note that the conversion threshold for casual employees is now six months of continuous service, not four.
- Review casual employment cycles, as any continuous engagement beyond six months now triggers conversion by operation of law. Lay-off and rehire patterns will not reset the clock (s.34A(2)).
- Update HR policies to cover sexual harassment (applicable to all workplaces regardless of size) and workplace intimidation (new s.6A). Display anti-harassment measures conspicuously.
- Provide breastfeeding and child care facilities for children aged 3–36 months. Await and then implement ministerial regulations prescribing operational standards under s.56A(3).

- Overhaul dismissal procedures. Before any dismissal: explain grounds to the employee in a language they understand; allow a representative; give five working days for representations (s.65). Check that the dismissal ground falls within s.64A or the relevant contract clause.
- Recalculate severance pay entitlements: the statutory minimum is one month's gross salary per year of service (s.88). Remove any eligibility conditions inconsistent with the amended s.86.
- Verify that all recruitment agencies engaged hold valid Ministry licences under Part IVA and comply with the new due-diligence, record-keeping, pre-departure training, and welfare-monitoring obligations.
- Businesses that engage migrant workers should check whether the relevant job category falls within any Gazette declaration under s.91B and, if so, obtain an exemption certificate before making any offer of employment.
- Do not retain or withhold original personal or professional documents belonging to employees. While a specific new provision on this point was reported in earlier commentary, practitioners should confirm this obligation under existing common law and contractual principles pending any further legislation.

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