

REDUCTION OF WAGES IN SITUATIONS SPECIFIED IN SECTION 37 OF THE EMPLOYMENT CONTRACTS ACT IS ONLY PERMITTED UNDER CERTAIN CONDITIONS:

- a) If an employer, due to unforeseen economic circumstances beyond its control, fails to provide an employee with work to the agreed extent.
- b) If payment of the agreed wages would be unreasonably burdensome for the employer.

14 CALENDAR DAYS

1. THE EMPLOYER PLANS TO REDUCE WAGES

2. Issuing the trustee/employees a notice of the planned wage reduction (in writing or in a format which can be reproduced in writing)

The notice must contain the following information:

- name of the employee whose wage is reduced
- the amount of the reduced wage (**not below the minimum wage**)
- the reduced workload
- the duration of the wage reduction (three months at most)
- when the wage reduction takes effect (notice of the reduction of wages must be provided no less than **14 calendar days in advance**).

Informing and consultation begins. The employer must provide sufficient information for employees to make proposals.

The trustee/employees shall submit their comments within **7 calendar days**.

3. The employer is confident in their decision to reduce wages. If the employer does not take into account the proposals of the trustee or employees, the employer must give reasons for their decision.

If an employee does not agree to the reduction, they must give the employer a declaration of cancellation, giving the employer **5 working days' notice**. The declaration of cancellation must be submitted no later than five working days before the wage reduction takes effect.

4. The reduction of wages takes effect.

The employment contracts of those employees who did not agree to the wage reduction must expire one day before the reduced wage takes effect at the latest. The employer shall pay:

- Wages;
- Holiday pay;
- Compensation to the extent of one month's average wages to the employee pursuant to subsection 100 (1) of the Employment Contracts Act.
- If necessary, apply for an insurance benefit for the employee from the Unemployment Insurance Fund pursuant to subsection 100 (2) of the Employment Contracts Act.