



# EMPLOYMENT IN BANGLADESH



Bangladesh, officially known as the People's Republic of Bangladesh, is a country in South Asia. Its population of 165 million people makes it the eighth most populous country in the world and one of the most densely populated. Its economy is growing fast, particularly in manufacturing, agriculture, and services. Employment regulations are stipulated in the Labour Code and enforced by the Department of Labour and the Department of Inspection for Factories and Establishments under the Ministry of Labour and Employment. Below is some key information regarding employment in Bangladesh, intended to provide a brief overview of employment law in Bangladesh. It is not intended as substitute for professional legal advice and counsel.



### WORKING TIME AND OVERTIME

Bangladesh has a 40-hour standard working week, typically worked Sunday through to Thursday. Total hours worked should not exceed 48 per week.

Overtime is generally calculated by dividing the total salary (including medical and housing benefits) by 208. Employers then double this number and multiply the result by the number of overtime hours worked.

### ANNUAL LEAVE

Employees who have worked for at least one year are generally entitled to annual leave according to the following schedule:

- 1 day for every 18 days of work in a shop, commercial, industrial establishment, factory, or road transport establishment
- 1 day for every 22 days of work on a tea plantation
- 1 day for every 11 days of work as a newspaper worker

### TRIAL PERIOD

Clerical workers are entitled to a maximum probation period of six months; other workers are entitled to a three-month probation period.

### RESIGNATION AND DISMISSAL

Employees made redundant after at least one year of service are generally entitled to one month's notice or pay in lieu of notice, and 30 days of pay for every year served. Employees who have been convicted of a criminal offense or found guilty of misconduct are not owed notice or severance. Termination of employment in Bangladesh for other reasons generally requires the employer to provide 120 days' written notice for monthly salaried workers and 60 days for other workers, or equivalent payment in lieu of notice.

### RESTRICTIVE COVENANTS

Restrictive covenants are invalid and unenforceable in Bangladesh in accordance with section 27 of the Contract Act 1872, which states that every agreement which restrains a person from exercising a lawful profession, trade or business of any kind is void.

### CONTRACT OF EMPLOYMENT

It is legally required to put a written employment contract in place in Bangladesh, in the local language, which lays out the terms of the employee's compensation, benefits, and termination requirements. An offer letter and employment contract in Bangladesh should always state the salary and any compensation amounts in Bangladeshi Taka rather than a foreign currency.

### MATERNITY AND PATERNITY LEAVE

Pregnant employees who have worked for at least 6 months are entitled to 8 weeks of paid maternity leave before the birth and 8 weeks of paid leave after the birth. Those who have worked less than 6 months or who already have two other surviving children are generally eligible for unpaid leave. Women are forbidden to work for 8 weeks after the birth of the child. There is no statutory paternity leave in Bangladesh.





### SICKNESS LEAVE

Employees, other than newspaper workers, are generally entitled to annual paid sick leave of 14 days. Newspaper workers are entitled to sick leave at half-pay for not less than 1/18th of the period of employment. Employees must present a medical certificate in order to receive sick leave.

### SOCIAL SECURITY

In Bangladesh, social security includes old age pension, disability pension, survivor allowance, cash sickness and maternity benefits, medical benefits, death benefit, work injury and death compensation, and disability benefits. Employers, employees, and self-employed individuals are not required to make any contributions, as the government covers these expenses.

### HEALTHCARE AND INSURANCE

Bangladesh has a public / private health care system. NGOs and international organisations provide much of the rural care.

# EMPLOYMENT OF FOREIGN NATIONALS

Business visitors can enter the country with a Category "B" visa (Business Visa) or Category "T" visa (Tourist Visa), depending on the type of business activities they intend to perform. Both visas permit stays of 30 or 90 days. All foreign nationals require authorisation to work in Bangladesh. For long-term assignments, the foreign national generally applies for an Employment ("E") Visa and files a Work Permit application within 15 days of arrival in Bangladesh. Once the work permit is granted, the E Visa can then be extended upon request.





# SALARY AND SALARY TAXES

## MINIMUM WAGE

The minimum wage in Bangladesh is 1,500 Taka per month for all economic sectors not covered by industry-specific wages, which are often higher.

## INCOME TAX

Taxable income rates are as below:



<b>Taxable Income (BDT)</b>	<b>Tax Rate</b>
Up to 250,000	0%
250,001 - 650,000	10%
650,000 - 1,150,000	15%
1,150,001 - 1,750,000	20%
1,750,001 - 4,750,000	25%
4,750,000 +	30%



### **SALARY PAYMENTS**

In Bangladesh, the payroll cycle can be daily, weekly, bi-weekly, or monthly. By law, employees' salaries must be paid by the end of the seventh day after the final day on which the payment is due.

### **SOCIAL SECURITY CONTRIBUTIONS**

There are no contributions required by employers or employees due to the Bangladeshi government covering these costs.





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