

The Game Has Changed: Inside The 2025 Labor Law Overhaul



New Definitions, Stricter Remedies, and Unexpected Protections — Are You Ready?

The Labour Amendment of 2025 marks a turning point in Tanzania's employment landscape. For the first time, the law speaks boldly to both employers and employees, redefining contracts, discipline, and remedies. Human resource officers, company secretaries, and arbitrators can no longer rely on the old framework—the rules have changed. From maternity protections for mothers of premature children to tougher penalties for unfair termination, the amendment cuts deep. It goes further, reshaping mediation, compensation for fixed-term breaches, and limits on disciplinary action. The question is not whether you should know these changes—but whether you are ready to live by them. Follow me as we delve into the amendment.

i. Awards Now Clearly Defined

The amendment removes ambiguity by defining “awards” to include agreements reached in mediation, decisions, decrees, and rulings that finally determine a dispute. This ensures clarity on what constitutes a binding resolution.

ii. Senior Management Employee Redefined

The definition of “senior management employee” has been broadened to include any individual with authority to hire or terminate staff. This widens accountability at the top level of organizations.

iii. Expanded Types of Employment Contracts

The former provision on “a contract for a specified period of time for professionals and managerial cadre” has been deleted. It is replaced with contracts for a specified period of time applicable to an employee who:

- a) is engaged due to a temporary increase in workload not exceeding twelve months;
- b) is a graduate employed for training or work experience, not exceeding twenty-four months;
- c) is engaged on a specific project of limited duration;
- d) is a non-citizen employed under a fixed-term work permit;
- e) performs seasonal work;
- f) is employed under a public works or job-creation scheme;
- g) holds a position funded by an external source for a limited period;
- h) has reached retirement age under applicable laws; or
- i) is employed by a business dependent on tenders.

iv. Stronger Maternity Protection for Preterm Births

Mothers giving birth prematurely gain extended rights. They are entitled to paid maternity leave from the date of delivery until forty weeks of pregnancy are completed, in addition to the normal maternity leave cycle.

v. No Parallel Disciplinary Action During Litigation

Employers are barred from initiating or continuing disciplinary proceedings once a dispute has been referred to the Commission or Court. They must await the verdict and may only appeal thereafter if dissatisfied.

vi. Clearer Remedies for Unfair Termination

The amendment finally resolves uncertainty around remedies for unfair termination, for a long period of time the award of unfair termination depended on the discretion of the arbitrator or judge who hear the labor case or revision. However, the current rules are in order, everything is certain as follows:

- a) If termination is held to be procedurally unfair the compensation shall be 6–12 months' salary.
- b) If the court found the termination to be unfairly on reason the compensation shall be 12–18 months' salary.
- c) If the termination is found to be both unfair reason & procedure the compensation shall range from 12–20 months' salary.
- d) If the termination is found to base on discrimination or harassment the compensation shall range from 12–24 months' salary.

This clarity ensures predictability for both employers and employees.

vii. Heavy Penalty for Breaching Fixed-Term Contracts

If an employer unlawfully terminates a fixed-term contract, they must compensate the employee for the entire remaining contract period. This strengthens job security under fixed-term agreements.

viii. Flexible Representation in Mediation

Parties unable to attend mediation due to unavoidable reasons may appoint a representative to appear on their behalf. This ensures disputes can move forward without unnecessary delays.

ix. Respondent's absence equals failure of mediation

If the respondent fails to appear in mediation, the mediator must automatically mark the dispute as “failed.” This accelerates the process toward arbitration or litigation.

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