

Client Advisory

19 Mar 2026



9th Amendment to the Employment Act

In Brief

The Ninth Amendment to the Employment Act¹ (the “Amendment”) was ratified by the President on 14 March 2026 and came into force on the same date.

It introduces some notable changes to the Act, and requires the regulations made under the Employment Act to be revised accordingly within 3 months.

¹ Act Number 2/2026.



Notice of termination & payment in lieu of notice

Both employers and employees now have a statutory obligation to give their respective notices based on the periods set out in section 22 of the Act. For any employee who has completed their probation period but are employed for less than 12 months, the notice period is 2 weeks, and other notice periods remain the same as before.

The Amendment states that the parties to an employment contract may agree to extend the employer's notice period for termination, or they may agree to reduce the notice period for resignation set out in the Amendment.

While the Amendment mandates, both the employee and employer to serve mandatory notice as set out in the Act, it also now allows the employee to make payment in lieu of notice. The employer's existing right to terminate employment by making a payment in lieu of notice remains unchanged under the Act.

As a result of the Amendment, where an employee is on a period of leave prescribed under the Act, neither the employer nor the employee may serve notice of termination and where notice has been served, any days falling within such leave shall not count towards the running of the notice period.

Overtime & Public holiday pay

The Amendment clarifies that employees may only be required to work overtime outside of the normal working hours specified in their statement of employment particulars, and under the terms specified in the employment agreement. The Amendment makes clear that entitlement to overtime pay arises upon working beyond normal working hours of a given day, regardless of whether the weekly maximum is reached.

Public holiday pay is now applicable to International Labour Day, which the Amendment has designated as a "public holiday".



Childcare break

The two 30-minute breaks allocated for childcare following maternity leave are now applicable until the child is 2 years of age. This provision previously provided the same duration for a break, applicable until the child is 1 year old.

Quotas for expatriates

The Amendment confers on the Cabinet the discretion to exempt the applicability of quota fees to businesses, in consideration of the following factors:

1. Providing a sufficient environment for micro, small and medium enterprises to grow, and expand their role in the economy;
2. Increasing long-term employment opportunities for micro, small and medium enterprises;
3. Reducing the gap between micro, small and medium enterprises and large scale businesses operating in the Maldives; and
4. Encouraging competition, innovation and creativity, and to provide further support for such enterprises.

It is expected that further details regarding the quota fee waiver will be set out in regulations made under the Act.

Offences and penalties

The Amendment establishes an offences regime applicable to officers of the Labour Relations Authority. Further, employers are prohibited from submitting incorrect, misleading, or false information to the Authority, with non-compliance attracting a fine of between MVR 15,000 and MVR 100,000..

Effective date

This Amendment is effective from 14 March 2026.



Contact us

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