Nigeria: Part II

Insights
7.24.15

This article is the second in a series which provides an overview of the basics of employment law in Nigeria and will focus on laws governing employment terminations, including wage and hour, termination, restrictive covenants, and dispute resolution.

Terms of Employment

Wage and Hour: In general, Nigerian law is quite liberal with regards to the terms and conditions of employment. Some of the benefits and terms of employment such as pension schemes; workers compensation; and holidays will be familiar to most employers. In other regards, Nigerian employment law is far more flexible than European and American models. For example, Nigeria does not have a set hourly minimum wage[1]. Hours are determined by agreement between employer and employee, or if applicable, by collective bargaining or an industrial wage board. The Labour Act requires beak and rest periods of one hour per six hours of work each day and at least a full twenty-four hours of consecutive time off per seven days. Overtime accrues when any employee works in excess of the working hours provided in the employment contract. The Labour Act does not specify the rate of overtime pay however, and therefore employers and employees are allowed to set the rate by contract.

At-Will Employment: An employer may terminate an employee with or without cause. If the employer gives a reason for the termination of the contract, the employer must be able to justify the reason.

Leave: With regard to time off and leave, employees are entitled to at least six days off with full pay under The Labour Act following the first year of employment. Similarly, Section 16 of the Labour Act provides that a worker is entitled to wages for up to 12 working days per calendar year for absence caused by temporary illness accompanied by a doctor's note. Leaves of absence however are at the employer's discretion and may be unpaid.

Data Protection and Restrictive Covenants: Employee created intellectual property made in the course of employment or in the performance of a contract for specified work, belongs to the employer. When the inventor is an employee whose contract does not require him/her to exercise any inventive activity, but the employee has used data or other resources provided by the employer or if the invention is of exceptional importance, the employee will be entitled to "fair remuneration" for the invention.

Copyright © 2024 Fisher Phillips LLP. All Rights Reserved.

Similarly, covenants not to compete are valid and enforceable provided there is a valid interest to protect such as trade secrets or other confidential information. Like much else in Nigerian law, it is up to the parties to contract the details of such an agreement and they may set the maximum period of such terms.

Employee Privacy: The Constitution provides for freedom of privacy of citizens and their personal details, including personal data. There are no laws that specifically address employee privacy and personal data however.

Terminating the Employment Relationship: Unless otherwise specified, employment in Nigeria is generally at-will. With the exception of cases of gross misconduct and breach of contract, employers are expected to give the employee notice of dismissal accompanied by the reason for the termination and an opportunity to present a defense. A special exception exists for the oil and gas industries, which requires the approval of the Department of Petroleum Resources before a management level employee may be dismissed.

Mass Reductions: If there is redundancy, the employer must: inform the trade union or workers' representative concerned of the reason for and extent of the anticipated redundancy; the "last in, first out" principle will be used in the dismissal of the particular category of workers affected, subject to all factors of relative merit, including skill, ability and reliability; and redundancy payments will be negotiated by the employer with the trade union or workers' representative.

Protection from Dismissal: The Labour Act protects employees from dismissal because of: membership in a trade union; trade union activities outside working hours; if the employee has been deprived of membership in a trade union; been refused membership in a trade union; or not being a member of a trade union for any reason.

Dispute Resolution: The Nigerian constitution provides that conflicts relating or connected with "any labour, employment, trade unions, industrial relations, and matters arising from workplace, the conditions of service, including health, safety, welfare or labour, employee, worker oand matter incidental thereto or connected therewith" shall be resolved in the National Industrial Court. Parties may choose to engage in private arbitration and mediation however, if the employment contract contains an arbitration clause.

---

1. All employees must receive a minimum of 120 USD per month however.

Related People

Copyright © 2024 Fisher Phillips LLP. All Rights Reserved.

Robert Fallah
Attorney
610.230.2150
Email

Copyright © 2024 Fisher Phillips LLP. All Rights Reserved.