

REFORMATION OF FIXED-TERM CONTRACT

AN INSIGHT FOR EMPLOYERS



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In Tanzania, doors are open, investors are welcomed, and projects and investments are evolving as an engine to spur economic growth and promote sustainable development. On the other hand, graduates searching for employment with no experience are overloading the Labour market. All this triggers the need to acquire talents on a fixed-term basis.

In accommodating these major changes, the government ensured that the rights of employers and employees continued to be protected under the law by amending The Employment and Labour Relations Act, [Cap 366 R. E 2019], by publishing The Labour Laws (Amendment) Act of 2025. The amendment Act, among other things, made fixed-term contracts more flexible.

THE FLEXIBILITY OF FIXED-TERM CONTRACTS



Fixed-term contracts are now tailored to enhance modern workplace needs and ensure efficiency by removing the limitation of covering only the professional and managerial cadre.

The scope is now wider and accommodates the circumstances under which a person may be employed under a fixed-term contract, including:

Temporary increase of workload: To cover a temporary increase of workload, which is not expected to endure beyond 12 months.

Graduates: For graduates who need to be trained or gain work experience, provided their training will not exceed 24 months. However, implementation of this is subject to the standards and conditions in the Regulation, which is yet to be published.

Specific Project: For those specific projects with a limited or defined period.

Non-Citizen: For foreigners with a work permit for a defined period.

Seasonal workers: To meet the seasonal labour demand.

Public works scheme: For employees employed for an official public scheme or a similar job creation scheme.

Funded positions: For employees whose position is funded by an external source for a limited period.

Retirees: For those who have reached the retirement age as per the law.

Tender-based employee: For those whose businesses depend on acquiring tenders.

EXPIRATION OF FIXED CONTRACT

The private sector prefers a fixed-term contract over a permanent contract. The preference is that the fixed-term contract terminates automatically when the agreed period expires, unless the contract provides otherwise.

Hence, the employer can choose to lengthen the contract by renewing or terminating the contract on expiration and acquiring another talent without a prolonged legal procedure.

CONCLUSION

Employment contract should be produced in duplicate, signed by both parties, each party keeps a copy. In a legal proceeding, if an employer fails to produce a written contract, the burden of proving or disproving an alleged term of employment shall be upon the employer. Therefore, the law requires that a copy of the contract, together with all other particulars of the employee, be kept for five years after the termination of employment.

Should you wish to inquire more about a fixed-term contract, HR- training, reviewing or amending existing policies and contracts to align with this amendment, or any other legal matter, we remain at your service at the contacts below.

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