

CAN MY EMPLOYER CHANGE MY CONTRACT? A SIMPLE GUIDE BY COFTU

1. Introduction

Businesses grow, shrink, and restructure as employers sometimes need to adjust staff duties. However, in Uganda, the law balances the employer's managerial prerogative i.e. the right to manage, reorganise, and restructure their business for efficiency with the employee's right to be treated fairly. Simply put, an employer cannot just change an employee's contract out of the blue.

2. What is a "Variation of Contract"?

A "variation" means altering the core terms of an employee's contract. According to **Section 58(1) of the Employment Act**, core terms include the job title, wages and overtime pay, normal working hours, place of work etc

3. Legal Requirements to vary employee's contract

The golden rule for changing an employment contract is **mutual consent**. Both the employer and the employee must agree to the changes i.e. *the employer shall issue a written notice to the employee of the change.*, per **Section 58(4) of the Employment Act**.

Therefore, parties cannot contract away legal rights. **Section 3 of the Employment Act** states that any provision in a contract that limits an employee's rights under the Act to their detriment is entirely "void". An employer cannot hide a clause in your contract that allows them to do whatever they want.

4. What Can an Employee Do?

The Industrial Court in *Atanasius Kakwemeire v National Medical Stores (Labour Dispute Reference No. 011 of 2022)* held that where an employer forces a major change to employee's contract without an agreement, an employee has the following options: -

- a. Working under protest **i.e.** *continue to work whilst preserving your right to take legal action against the employer. This does not mean that an employee accepted the new terms.*
- b. Obey the lawful orders if you choose to stay and work under protest. Once you refuse to work, the employer might claim insubordination.

- c. Resign and claim constructive dismissal i.e. an employee *has the option to refuse to work, resign and sue for damages or a declaration of constructive dismissal given that the employer's actions practically forced you to quit.*
- d. Report to a labour officer. Under **Section 11(1) of the Employment Act**, where an employer neglects or refuses to fulfill the terms of a contract like forcing an unagreed change, *"the aggrieved party may report the matter to a labour officer"* to help settle the grievance.

5. Practical Advice For:

a. Employers

If you want to change an employee's job title or duties, consult them and secure their genuine agreement. The changes require *mutual agreement* and a clear *meeting of the minds*.

b. Employees

Silence is seen as acceptance. Always complain in writing if you feel forced.

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