

Law "On Living Wage"
of the Republic of Azerbaijan

This Law describes the principles and procedures of setting the living wage in the Azerbaijan Republic and its state support, as well as its increase in consistence with the social and economic development in the country.

Article 1. Principal concepts

1.0. The principal concepts used for the purposes of this Law are as follows:

1.0.1. minimum consumption basket - a total of food products and non-food products and services determined as a necessary minimum to ensure human health and activity on the basis of scientific findings;

1.0.2. living wage-a social norm including the cost of the minimum consumption basket and mandatory fees;

1.0.3. primary social and demographic groups of the population-population groups by age and sex, as well as social status (working population, pensioners, people with disabilities, children etc.);

1.0.4. household-people that are related to each other by blood or otherwise, as specified in the applicable laws and regulations, live together and share a common household, or people that live alone;

1.0.5. median income per household member -total household income divided by the number of household members;

1.0.6. low-income household - a household, the total income of which is insufficient to meet the total of the minimum requirements of each family member;

1.0.7. targeted state social support - financial support offered by the state to low-income households;

1.0.8. minimum wage-a social norm specifying the minimum level of monthly wage for unskilled labor and services, as per the applicable laws and regulations.

1.0.9. poverty criterion - a threshold that is set every year along with the state budget in order to determine the extent of the targeted state social support, depending on the living wage calculated for the primary social and demographic groups of the population.

Article 2. Intended purpose of the living wage

2.0. The living wage is used for the following purpose:

2.0.1. in the development and implementation of the system of the provision of the targeted state social support to low-income families;

2.0.2. in the development of the concept and state programs of low-income household welfare improvement;

2.0.3. in the estimation and forecasting of the living standards of the population;

2.0.4. in the setting of the threshold of exemption from the payment of taxes and mandatory fees for the income of individuals;

2.0.5. in the development and implementation of measures based on the indexing of the population income and savings;

2.0.6. in the development of the state budget, local budgets, non-budgetary state funds, as well as the setting of prices and fees regulated by law.

Article 3. Estimation, revision and approval of the minimum consumption basket

3.1. The composition of the minimum consumption basket is determined as follows, on the bases of expenditures of a single person or a household in the primary social-demographic groups of the population:

3.1.1. minimum total of food products;

3.1.2. minimum total of non-food products, used individually or in the entire household (clothes, footwear, stationery, economic, household goods, cultural and domestic items, sanitary items, medicines etc.);

3.1.3. minimum total of services (housing and public utilities, transportation, communications, domestic services, education, cultural and educational services, health and recreation services).

3.2. The composition of the minimum consumption basket shall be determined by the appropriate executive body with the assistance of state scientific institutions and enterprises, as well as non-governmental organizations, no less than once in three years.

Article 4. Calculation, revision and approval of the living wage,

4.1. The living wage shall be determined and approved for the primary social and demographic groups of the population, in accordance with the procedures described in this Law.

4.2. The cost of food products, non-food products and services included in the consumer basket shall be calculated on the basis of their average market prices (rates), while the amount of mandatory fees shall be estimated on the basis of the standardized actual expenses.

4.3. The living wage shall be re-evaluated for the primary social and demographic groups of the population on an annual basis, and shall be approved with the state budget.

4.4. The living wage for the primary social and demographic groups of the population shall be used to determine the low-income level and shall be published in official government publications.

Article 5. Consideration of the living wage during the calculation of the minimum wage, basic pension components, benefits, pensions and other welfare payments

5.1. The living wage approved for the entire country shall be used in the determination of the poverty criterion for the calculation of the minimum wage, basic pension components, benefits, pensions, other payments and the extent of the targeted state social support.

5.2. Irrespective of their type of incorporation, the amount of salary paid by enterprises, agencies and organization to employees performing unskilled labor shall not be lower than the minimum wage.

5.3. The ratio between the living wage and the poverty criterion value, determined in order to calculate the minimum wage, basic pension components, benefits, pensions, other payments and the extent of the targeted state social support shall be calculated every year by the appropriate executive body.

5.4. The minimum wage, minimum wage, basic pension components and the level of the poverty criterion in the Azerbaijan Republic shall be gradually raised to the level of the national living wage.

5.5. The amounts of labor pensions shall be increased and indexed in accordance with the Law "On Labor Pensions" of the Azerbaijan Republic.

Article 6. Liability for violation of the laws and regulations on the living wage

Persons violating the applicable laws and regulations on the living wage shall be held liable in a manner prescribed by law.

Article 7. On the supersession of the Law "On minimum consumer budget" of the Azerbaijan Republic

The Law No. 329 "On minimum consumer budget" of the Azerbaijan Republic, adopted on October 14, 1992 (Proceedings of the Supreme Soviet of the Azerbaijan Republic, 1992, No. 19, Article 849) shall be deemed superseded.

Article 8. Entry into legal force

This Law shall become effective on the date of its publication

President of the Azerbaijan Republic

Ilham ALIYEV.

Baku, October 5, 2004.

No 768-IIQ.

Published in the "Azerbaijan" newspaper (December 4, 2004, ? 281).

Published in the "Laws of the Azerbaijan Republic" (31 December 2004, ? 12, Article 974).

As amended by Law No. 109-IIIQD dated May 12, 2006, and Law No. 260-IIIQD dated March 6, 2007.