

## About the living minimum

### LAW OF THE REPUBLIC OF AZERBAIJAN

This Law defines the principles and rules of determining the living wage in the Republic of Azerbaijan, providing it with state support, and raising the living wage in accordance with the socio-economic development of the country.

#### Article 1. Basic concepts

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

1.0.1. **minimum consumption basket** - a set of food, non-food goods and services necessary for the minimum level of human health and life activity determined on the basis of scientific norms;

1.0.2. **subsistence minimum** - a social norm consisting of the sum of the value of the minimum consumption basket and mandatory payments;

1.0.3. **main socio** -demographic groups of the population - population groups that differ according to age-sex characteristics, social status (working-age population, pensioners, *persons with disabilities*, children, etc.); [1]

1.0.4. **family** - persons who are connected by kinship or other characteristics determined by legislation, living together, having a common household or living alone;

1.0.5. **average income per person in the family** - the ratio of the total income of the family to the number of family members;

1.0.6. **low-income family** - a family whose average monthly income is below the aggregate of the need criteria for each family member; [2]

1.0.7. **targeted state social assistance** - monetary assistance provided by the state to low-income families; [3]

1.0.8. **minimum wage** - a social norm that determines the lowest level of monthly wages for unskilled labor and service by legislation.

1.0.9. **need criterion** - the threshold approved for each year together with the state budget for the purpose of determining targeted state social assistance depending on the minimum living wage for the main socio-demographic groups of the population. [4]

#### Article 2. Determining the living minimum

2.0. The living minimum is used for the following purposes:

2.0.1. in the formation and implementation of the system of providing targeted state social assistance to low-income families; [5]

2.0.2. in the development of the concept of improving the welfare of low-income families and State Programs; [6]

2.0.3. in the evaluation and forecasting of the standard of living of the population;

2.0.4. in justifying the limit of the income of natural persons that is not subject to tax and compulsory payments;

2.0.5. in the development and implementation of measures for indexation of monetary income and savings of the population ;

2.0.6. in the formation of the state budget, local budgets, extra-budgetary state funds , prices and tariffs regulated by legislation.

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

3.1. The minimum consumption basket is formed for the main socio-demographic groups of the population , according to the expenditure items of one person or family in the following composition :

3.1.1. minimum set of food products;

3.1.2. minimum amount of non-food goods for personal and family use (clothes, shoes and stationery, household, cultural-household, sanitary items, medicines, etc.);

3.1.3. a minimum set of services (housing-utility, transport, communication, household, education, cultural-educational, treatment-recreational services, etc.).

3.2. The composition of the minimum consumption basket is determined by the relevant executive authority with the participation of state *scientific institutions and organizations and non-governmental organizations* no less than once every three years. [7]

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

4.1. The minimum living wage is determined and approved by the main socio-demographic groups of the population in accordance with this Law.

4.2. Food products, non-food goods and services included in the consumption basket are calculated at average market prices (tariffs), and mandatory payments are calculated based on normalized actual costs.

4.3. The living wage for the main socio-demographic groups of the population is recalculated once a year and approved together with the state budget.

4.4. The subsistence minimum for the main socio-demographic groups of the population determines the threshold of low income and is published in official state publications.

#### Article 5. Consideration of the living wage when determining the minimum amount of wages , ~~the basic part of pensions, allowances, pensions and other social payments~~ [8]

5.1. The nationally approved subsistence minimum is the basis for determining the need criterion for determining the minimum amount of wages, ~~the basic part of pensions~~, allowances, scholarships, other payments and targeted state social assistance. [9]

5.2. Regardless of the form of ownership, enterprises, departments and organizations must pay their employees engaged in unskilled labor no less than the minimum wage.

5.3. In order to determine the minimum amount of wages , ~~the basic part of pensions~~, allowances, pensions , targeted state social assistance for the country, the ratio of the amount of the threshold of the need criterion to the minimum age is determined annually by the relevant executive authority . [10]

5.4. In the Republic of Azerbaijan, ~~the basic part of the minimum wage and pensions~~ , the threshold of the need criterion, is gradually being burdened to the level of the minimum living wage across the country . [11]

5.5. Labor pensions are increased and indexed in accordance with the Law of the Republic of Azerbaijan "On Labor Pensions". [12]

#### Article 6. Liability for violation of the minimum living wage legislation

Persons who violate the legislation on the living minimum are liable in the manner determined by the current legislation.

#### Article 7. On the repeal of the Law of the Republic of Azerbaijan "On the Minimum Consumption Budget".

The Law No. 329 of the Republic of Azerbaijan dated October 14, 1992 "On the Minimum Consumption Budget" ( Information of the Supreme Council of the Republic of Azerbaijan, 1992, No. 19, Article 849) shall be considered repealed .

#### Article 8. **Enactment of law**

This Law enters into force on the day of its publication.

**Ilham Aliyev,**

**President of the Republic of Azerbaijan**

Baku city, October 5, 2004

No. 768-IIQ

#### **LIST OF SOURCE DOCUMENTS USED**

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1. Law of the Republic of Azerbaijan No. 109-IIIQD dated May 12, 2006 ( **Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480** )
2. Law of the Republic of Azerbaijan No. 260-IIIQD dated March 6, 2007 ( **Collection of Legislation of the Republic of Azerbaijan, 2007, No. 5, Article 401** )
3. Law of the Republic of Azerbaijan [No. 837-VQD dated October 31, 2017](#) ("Azerbaijan" newspaper, December 7, 2017, No. 270, **Legislative Collection of the Republic of Azerbaijan, 2017, No. 12, Book I, Article 2205**)
4. Law of the Republic of Azerbaijan [No. 1026-VQD dated March 6, 2018](#) ( "Azerbaijan" newspaper, March 29, 2018, No. 69 , **Legislative Collection of the Republic of Azerbaijan, 2018, No. 3, Article 393** )
5. Law of the Republic of Azerbaijan No. [111-VIQD dated May 19, 2020](#) ( "Azerbaijan" newspaper, July 18, 2020, No. 139 , **Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 829** )

#### **LIST OF AMENDMENTS AND AMENDMENTS TO THE ACT**

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**[1]** With the Law of the Republic of Azerbaijan [111-VIQD dated May 19, 2020](#) ("Azerbaijan" newspaper, July 18, 2020, No. 139, **Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 829**) In Article 1.0.3, the word "disabled" has been replaced by the words **persons with disabilities**

**[2]** Article 1.0.6 was revised by the Law of the Republic of Azerbaijan [109-IIIQD dated May 12, 2006](#) **Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480**

The previous editorial said:

~~1.0.6. **low-income sections of the population** – families with the minimum standard of living defined by legislation;~~

[3] Article 1.0.7 was revised by the Law of the Republic of Azerbaijan 109-III QD dated May 12, 2006 Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480

The previous editorial said:

~~1.0.7. targeted state social assistance – assistance provided by the state in various forms (social payments, allowances, concessions from compulsory payments, etc.) to low-income sections of the population;~~

[4] Article 1.0.9 was added by the Law of the Republic of Azerbaijan 109-III QD dated May 12, 2006 Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480

[5] Article 2.0.1 of the Law of the Republic of Azerbaijan 109-III QD dated May 12, 2006 Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480 that "targeted social assistance by the state to low-income groups of the population" "words have been replaced by the words "state social assistance for low-income families"

[6] In Article 2.0.2 of the Law of the Republic of Azerbaijan No. 109-III QD of May 12, 2006 Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480 the words "low-income strata of the population" "low-income families" "was replaced by the words.

[7] Law of the Republic of Azerbaijan 837-V QD dated October 31, 2017 ("Azerbaijan" newspaper, December 7, 2017, No. 270, Legislative Collection of the Republic of Azerbaijan, 2017, No. 12, Book I, Article 2205 ) in Article 3.2, the words "scientific departments and institutions" replaced by the words "scientific institutions and organizations."

[8] The Law of the Republic of Azerbaijan 260-III QD dated March 6, 2007 Collection of Legislation of the Republic of Azerbaijan, 2007, No. 5, Article 401 in the name of Article 5 and Article 5.1 ", the minimum amount of pensions , the words "of the minimum amount, the basic part of pensions," have been replaced by the words "

Law of the Republic of Azerbaijan No. 1026-V QD dated March 6, 2018 ( "Azerbaijan" newspaper, March 29, 2018, No. 69 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 3, Article 393 ) from the name of the article, from articles 5.1 and 5.3, the words " base part of pensions " were removed.

[9] With the Law of the Republic of Azerbaijan No. 109-III QD dated May 12, 2006 (Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480). In Article 5.1, the words "addressable state social assistance and other payments" have been replaced by the words "need criterion for determining other payments and addressable state social assistance"

[10] In Article 5.3 of the Law of the Republic of Azerbaijan No. 109-III QD dated May 12, 2006 Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480 the words "addressed state social assistance" was replaced by the words "the threshold of the need criterion for the purpose of determining the state social assistance"

According to the Law of the Republic of Azerbaijan No. 260-III QD dated March 6, 2007 ( Legislative Collection of the Republic of Azerbaijan, 2007, No. 5, Article 401 ) in Article 5.3, the words " and the minimum amount of pensions " mean the minimum amount, the basic part of pensions " has been replaced by the words

[11] According to the Law of the Republic of Azerbaijan 109-III QD dated May 12, 2006 Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 480, after the word "amount" in Article 5.4, "the limit of the criterion of need" words are added.

In Article 5.4 of the Law of the Republic of Azerbaijan No. 260-III QD dated March 6, 2007 ( Legislative Collection of the Republic of Azerbaijan, 2007, No. 5, Article 401 ), the words " and the minimum amount of pensions " and the words "basic part of pensions " replaced by

5.4 of the Law of the Republic of Azerbaijan [No. 1026-VQD dated March 6, 2018](#) ("Azerbaijan" newspaper, March 29, 2018, No. 69 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 3, Article 393 ) The words " and the basic part of pensions " were removed from the article.

[\[12\]](#) By the Law of the Republic of Azerbaijan No. 260-IIIQD dated March 6, 2007 (Legislative Collection of the Republic of Azerbaijan, 2007, No. 5, Article 401), 5.5 was added the following content