



# REPUBLIC OF THE MARSHALL ISLANDS

MARITIME ADMINISTRATOR

Marine Guideline

No. 7-45-1

Rev. Aug/2020

**TO:** ALL SHIPOWNERS, OPERATORS, MASTERS, AND OFFICERS OF MERCHANT SHIPS, COMMERCIAL YACHTS, AND RECOGNIZED ORGANIZATIONS

**SUBJECT:** Guidance on Seafarer Employment Agreements

**References:** (a) MLC, 2006, *Maritime Labour Convention, 2006*  
(b) RMI Maritime Act, 1990 ([MI-107](#))  
(c) RMI Maritime Regulations ([MI-108](#))  
(d) RMI Marine Notice [2-011-33](#), *MLC, 2006 Inspection and Certification Program*  
(e) RMI Marine Notice [7-046-1](#), *Articles of Agreement between the Master and Seafarers in the Merchant Service of the Republic of the Marshall Islands (Shipping Articles)*

## PURPOSE

This Guideline provides information on the provisions that must be contained in a Seafarer Employment Agreement (SEA) as stipulated under the Maritime Labour Convention, 2006 (MLC, 2006), Republic of the Marshall Islands (RMI) Maritime Act 1990 (MI-107), and RMI Maritime Regulations (MI-108). These guidelines do not preclude the shipowner or operator from demonstrating an equivalent or higher standard as evidence of compliance.

This Guideline supersedes Rev. Oct 2017. It has been updated to incorporate amendments to MI-108 §1.03 and §7.45.1.c(2) which allow for seafarer employment agreements to be signed electronically by both the shipowner and seafarer. It also reflects the implementation under MI-108 §7.45.1(k) of the 2018 MLC, 2006 amendments (continuation of contracts and entitlements when a seafarer is held captive due to piracy or armed robbery). The MLC, 2006 amendments will enter into force 26 December 2020.

## APPLICABILITY

This Guideline is provided for the benefit and use of any shipowner who is employing or engaging persons to work in any capacity on board ships to which the MLC, 2006 applies, except as provided otherwise in RMI Marine Notice [2-011-33](#).

## GUIDELINES

The MLC, 2006 establishes the terms and conditions for employment for every seafarer employed on a ship to which the Convention applies. The MLC, 2006 requirements for SEAs have been codified in RMI Maritime Regulations (MI-108), shown in Appendix A of this Guideline. The MLC, 2006 does not specify the use of a standard format. To assist shipowners or operators, Appendix B of this Guideline provides guidance on provisions to be included in an SEA, with references to the RMI minimum regulatory requirements. The RMI Maritime Act 1990 (MI-107), Maritime Regulations (MI-108), Marine Notices, and Marine Guidelines referenced herein are available on the website: [www.register-iri.com](http://www.register-iri.com).

## APPENDIX A

### Republic of the Marshall Islands (RMI) Maritime Regulations, §7.45 – Conditions of Employment

#### 7.45.1 Seafarer Employment Agreement

a. The conditions of employment and shipboard living arrangements on board every vessel shall be subject to examination and approval by the [RMI] Maritime Administrator. Such conditions and arrangements shall be approved if they are not in conflict with the requirements of the Maritime Act and:

- (1) are embodied in a clearly written and legally enforceable contract for seafaring labor; or
- (2) are embodied in a clearly written and legally enforceable labor contract concluded between a shipowner or shipowners organization and a seafarers organization constituted in accordance with the substantive provisions of the applicable International Conventions; or
- (3) are ordered in accordance with the [RMI] Maritime Act by a court having jurisdiction over both the shipowner and seafarers concerned; or
- (4) are otherwise substantially equivalent to those specified in the applicable International Conventions.

b. Where the provisions of a seafarer's collective bargaining agreement conflict with or deviate from the [RMI] Maritime Act and/or these [RMI Maritime] Regulations with regard to the employment of the seafarer on vessels registered in accordance with Chapters 1 through 8 of the Maritime Act, the [RMI] Maritime Administrator may, at its sole discretion, determine that the conflicting or deviating provision is substantially equivalent to, and shall satisfy the requirements of, the [RMI] Maritime Act or [the RMI Maritime] Regulations, provided it is not inconsistent with or of a lesser standard than the [RMI] Maritime Act or Regulations.

c. Seafarers' employment agreements shall be signed by both the seafarer and the shipowner/operator, or a representative of the shipowner/operator, and each shall retain an original copy of the signed agreement for the duration of its term, provided that:

- (1) where this may not be possible at the time of joining a vessel, the employment agreement may be signed in the original by the shipowner/operator or its representative in its office and sent electronically to the crewing agency where the electronic copy of the agreement is received and signed in the original by the seafarer allowing the seafarer to hold an agreement with his/her own original signature when joining the vessel. Two (2) copies of the agreement signed in the original by the shipowner/operator or its representative shall then be forwarded to the vessel as soon as reasonable and, upon receipt, the seafarer shall countersign two (2) originals of the agreement and return one to the shipowner/operator or its representative; or
- (2) in lieu of original shipowner/operator or seafarer signatures, the Administrator will

accept electronic signatures<sup>1</sup> on seafarer employment agreements.

(3) regardless of the procedure used by the shipowner/operator to achieve compliance with the above signature requirements for employment agreements, the procedure must be properly documented.

d. Seafarers' employment agreements shall be agreed to by the seafarer under conditions which ensure that the seafarer has an opportunity to review and seek advice on the terms and conditions in the agreement and freely accepts them with a sufficient understanding of the seafarer's rights and responsibilities before signing.

e. Seafarers' employment agreements shall as a minimum contain the following particulars:

(1) the seafarer's full name, date of birth and birthplace;

(2) the name and address of the shipowner/operator, or a representative of the shipowner/operator;

(3) the place at which and date on which the seafarer's employment agreement is entered into;

(4) the capacity in which the seafarer is to be employed;

(5) the amount of the seafarer's wages or the formula for calculating such wages;

(6) the amount of paid annual leave or the formula for calculating such paid annual leave;

(7) the termination of the agreement and the conditions thereof, including:

(i) if the agreement has been made for an indefinite period, the conditions which entitle either party to terminate the agreement, as well as the required period of notice, provided that such period shall not be less for the shipowner than for the seafarer;

(ii) if the agreement has been made for a definite period, the date fixed for the termination of the agreement; and

(iii) if the agreement has been made for a voyage, the port of destination and the time period for discharge of the seafarer after completion of the voyage;

(9) the seafarer's entitlement to repatriation; and

(10) reference to a collective bargaining agreement, if applicable.

f. Should there be a restriction on the term of a seafarer employment agreement in an applicable collective bargaining agreement, such a restriction shall also be applicable to the seafarer employment agreement for service onboard an RMI vessel, provided the restriction is not in conflict with RMI laws or regulations. However, absent such a restriction, the seafarer's ability to extend his/her contract beyond its expiration date or 12 months, if so desired, would not be

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<sup>1</sup> See MI-108, §1.03.5 for the definition of "electronic signature".

limited, subject to mutual agreement between the seafarer and the shipowner.

**g.** Seafarers and shipowners shall provide for minimum notice periods for the early termination of a seafarer's employment agreement. The duration of these minimum periods shall be determined after consultation with the shipowners' and seafarers' organizations concerned, but shall not be shorter than seven (7) days.

**h.** Any seafarer may request termination of the seafarer's employment agreement on shorter notice than is required by the employment agreement or without notice on grounds of injury, illness, compassionate or other urgent reasons. Such termination shall be executed without penalty of whatever nature to the seafarer.

**i.** To the extent not prohibited by the laws, regulations and practices of the RMI, seafarers' employment agreements shall be understood to incorporate any applicable collective bargaining agreement. Clear information, including any labor contract, shall be made available to the crew on board every vessel as to the conditions of employment thereon.

**j.** Evidence of contractual or similar arrangements shall be maintained by the shipowner/operator for seafarers who are not employees of the shipowner/operator.

**k.** Effective upon entry into force of the 2018 MLC, 2006 amendments, in the event that a seafarer is held captive on or off the ship because of acts of piracy or armed robbery, regardless of whether the expiration date of the seafarer's employment agreement has passed or whether either party has given notice to suspend or terminate the seafarer's employment agreement:

- (1) the seafarer's employment agreement shall continue to have effect; and
- (2) wages and other entitlements, including the remittance of any allotments, under the seafarers' employment agreement shall continue to be paid until either the seafarer is released and repatriated or, where the seafarer dies in captivity, the date of death is determined.

## Appendix B

### Provisions<sup>2</sup> for Seafarer Employment Agreement<sup>3</sup>

#### 1. Parties Involved

- Seafarer's Full Name
- Seafarer's Birth Date or Present Age
- Seafarer's Place of Birth
- Shipowner/operator or Shipowner Representative's Name
- Shipowner/operator or Shipowner Representative's Address
- Place and date the Seafarer Employment Agreement is entered into

#### 2. The Capacity in which the Seafarer is to be Employed

#### 3. Term of Employment

- Definite Period Agreement, including the date fixed for termination; or
- Indefinite Agreement; or
- Voyage Agreement, including the port of destination and the time period for discharge after completion of the voyage; or
- any other term.

**Note<sup>4</sup>:** Should there be a restriction on the term of a seafarer employment agreement in an applicable collective bargaining agreement, such a restriction shall also be applicable to the seafarer employment agreement for service onboard a Republic of the Marshall Islands (RMI) vessel, provided the restriction is not in conflict with RMI laws or regulations.

#### 4. Wages<sup>5</sup> and Account of Wages<sup>6</sup>

- **Option A<sup>7</sup>:**

Basic pay or wages on commencement<sup>8</sup> shall be *(amount/currency) per (hour/day)*

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<sup>2</sup> Based upon minimum MLC, 2006 requirements, and not to be construed limited thereto.

<sup>3</sup> RMI Maritime Regulations ([MI-108](#)), §7.45 Conditions of Employment

<sup>4</sup> MI-108, §7.45.1e Seafarer Employment Agreement

<sup>5</sup> MI-108, §7.51.4 Payment of Wages

<sup>6</sup> MI-108, §7.51.4b(2) Seafarers shall be given a monthly account of the payments due and the amounts paid, including wages, additional payments and the prevailing market rate or official published rate of exchange used where payment has been made in a currency or at a rate different from the one to which agreed.

<sup>7</sup> MI-108, §7.51.4 a(1) Basic pay or wages means the pay, however composed, for normal hours of work and does not include payments for overtime worked, bonuses, allowances, paid leave or any other additional remuneration.

<sup>8</sup> RMI Marine Notice [7-046-1](#), Shipping Articles. Wages shall commence no later than on the day specified and agreed to in the employment agreement or at a time of presence on board for the purpose of commencing work, whichever first occurs, and shall terminate on the day of discharge or termination of the employment agreement.

- **Option B<sup>9</sup>:**

Consolidated wages on commencement shall be *(amount/currency)* per *(week/month)*

- Wages payable by *(method of payment)*
- At *(weekly/monthly)* intervals on the *(date)* of each *(week/month)*

## 5. **Overtime<sup>10</sup>**

Overtime hours, if applicable<sup>11</sup>. For the purposes of calculating overtime, normal working hours while in port and at sea shall be eight (8) hours per day. Work performed over and above normal working hours or on holidays, subject to paragraph 6 on Hours of Work and Rest, shall be considered overtime and be compensated for at overtime rates *(stipulate rates for week days, weekends and holidays, as agreed)*.

## 6. **Hours of Work and Rest<sup>12</sup>**

Minimum Hours of Rest requirements are outlined in the RMI Marine Notice [7-051-2](#). Work performed in excess of normal working hours shall not be compensated at overtime rates when such work is necessary for the safety of the vessel.<sup>13</sup>

## 7. **Paid Annual Leave and Holidays<sup>14</sup>**

- Seafarers are entitled to annual leave with pay for each completed month of employment *(minimum of 2.5 days)*.
- Seafarers shall be paid their normal basic remuneration during such leave.
- Seafarers are entitled to paid holidays in each year of employment *(minimum of 5)*.
- Seafarers shall be paid their normal basic remuneration during such holidays plus overtime, if worked.

## 8. **Termination of Employment<sup>15</sup>**

Employment may be terminated in the following circumstances:

- by mutual consent<sup>16</sup>;
- by misconduct as prescribed in the RMI Maritime Act<sup>17</sup>;

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<sup>9</sup> RMI Maritime Regulations ([MI-108](#)), §7.51.4 a(2) Consolidated wage means a wage or salary which includes the basic pay and other pay-related benefits that may include compensation for all overtime hours which are worked and all other pay-related benefits, or it may include only certain benefits in a particular consolidation.

<sup>10</sup> MI-108, §7.51.5 Overtime

<sup>11</sup> MI-108, §7.51.5 b The rate or rates of compensation for overtime shall be for no less than one and one-quarter (1.25x) times the [prorated] basic pay or wages per hour, unless otherwise stipulated.

<sup>12</sup> MI-108, §7.51 Hours of Work and Hours of Rest

<sup>13</sup> RMI Marine Notice [7-046-1](#), Shipping Articles

<sup>14</sup> RMI Maritime Act 1990 ([MI-107](#)), §833 Vacation allowance and holidays

<sup>15</sup> MI-108, §7.45 Conditions of Employment

<sup>16</sup> Evidence of Compliance: where termination at shorter notice or without notice has been agreed between the seafarer and shipowner or shipowner's representative then any costs to be borne by the seafarer must be agreed in writing and signed by both the seafarer and shipowner or shipowner's representative.

<sup>17</sup> RMI Maritime Act 1990 ([MI-107](#)), §830 Grounds for Discharge

- by seafarer’s need to terminate the agreement without notice on grounds of injury, illness, compassionate or other urgent reasons, this shall be without penalty to the seafarer;
- if in the opinion of the Master the seafarer’s continued employment would be likely to endanger the vessel or any person onboard; or
- by appropriate notice in accordance with paragraph 9 below.

**9. Period of Notice**

The period of notice required to be given to the seafarer by the shipowner/operator must not be less than that required to be given to the shipowner/operator by the seafarer and, except in the case of a fixed term or voyage agreement, must be not less than seven (7) days.

**10. Health and Social Security**

The health and social security protection benefits to be provided to the seafarer by the shipowner, including a statement as to applicable national provisions.

The RMI Maritime Act and Regulations provide for the following:

**.1 Medical Care<sup>18</sup>**

Seafarers will be provided with any medical care on board should that become necessary, free of charge, including access to necessary medicines, medical equipment and facilities for diagnosis and treatment and medical information and expertise. Where practicable and appropriate, they will be given leave to visit a qualified medical doctor or dentist in ports of call for the purpose of obtaining treatment.

**.2 Employment Injury and Sickness Benefit<sup>19</sup>**

If a seafarer becomes sick or are injured and remains on board the vessel, the seafarer will be paid his/her normal basic remuneration until the seafarer has been repatriated in accordance with the repatriation provisions set out below. After repatriation, the seafarer will be paid a percentage of his/her normal basic remuneration (*not to be less than one-third*) up to a maximum period of (*not to exceed 16*) weeks, commencing from the day of injury or sickness.

In the event of sickness or incapacity, seafarers will be provided with medical care<sup>20</sup>, including medical treatment and the supply of necessary medicines and therapeutic devices and board and lodging away from home until recovery or until the sickness or incapacity has been declared of a permanent character (*reached maximum cure*), subject to a maximum period of (*not to exceed 30*) weeks.

**.3 Unemployment Benefit<sup>21</sup>**

The shipowner shall ensure that, in every case of loss or foundering of the vessel, a seafarer shall be paid an indemnity against unemployment resulting from loss or foundering. The indemnity shall be paid for the days during which a seafarer remains in fact unemployed at the same rate as the wages payable under this employment agreement, but the total indemnity

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<sup>18</sup> RMI Maritime Regulations ([MI-108](#)), §7.42 Medical Care of Officers and Crew

<sup>19</sup> MI-107, §836 Wages, maintenance and cure

<sup>20</sup> RMI Marine Notice [7-042-1](#), Medical Care Onboard

<sup>21</sup> RMI Maritime Regulations ([MI-108](#)), §7.52.6 Unemployment Compensation



payable shall be limited to two (2) months' wages.

#### **.4 Survivor's Benefit<sup>22</sup>**

In the event of a seafarer's death occurring on board or ashore during a voyage, the amount of direct compensation for loss of life shall be no less than US\$10,000 or its foreign currency equivalent. The shipowner shall bear the costs of direct compensation for loss of life except for causes specified in the RMI law and regulations. The compensation hereunder shall be paid to a seafarer's designated beneficiary or beneficiaries, or in the absence of such designated beneficiary or beneficiaries, to the seafarer's estate or to their personal legal representative.

#### **.5 Beneficiary<sup>23</sup>**

Designated Beneficiary or Next-of-Kin and contact information.

- Name(s) and Address(es)

### **11. Repatriation<sup>24</sup>**

Seafarers are entitled<sup>25</sup> to repatriation, at no expense to them, to the port at which they were engaged, port where the voyage commenced, port of the seafarer's own country, or to such other port as may be agreed upon under the following conditions:

- When the period of employment is terminated by reason of completion of the voyage for which they were engaged;
- Upon the termination of the seafarer employment agreement by the seafarer for justified reasons;
- Upon termination of the seafarer employment agreement by the shipowner;
- Due to the seafarer no longer being able to carry out his/her duties under the seafarer employment agreement or where the seafarer cannot be expected to carry them out in the specific circumstances; or
- Upon the expiration of the contract period of employment.

The RMI law and regulations on repatriation shall be made available to the seafarer on board the ship.

**Note<sup>26</sup>:** A seafarer may not be entitled to repatriation at the expense of the shipowner in circumstances where they have been dismissed on disciplinary grounds or have breached their obligations under his/her seafarer employment agreement.

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<sup>22</sup> RMI Maritime Act 1990 ([MI-107](#)), §837 & MI-108, §7.50 Benefit of Compensation for Loss of Life

<sup>23</sup> MI-108, §7.50.9 Beneficiaries

<sup>24</sup> MI-107, §843 Repatriation; MI-108 §7.52.5c The duration of service on board, as mutually agreed between the seafarer and the shipowner, following which a seafarer is entitled to repatriation shall be less than 12 months. The right to repatriation shall be retained by a seafarer at the end of any satisfied contract period, extended or otherwise, unless forfeited pursuant to §844 of the MI-107.

<sup>25</sup> MI-108, §7.52.5a(2) Entitlements. A list of the precise entitlements to be accorded by the shipowner for repatriation shall be provided to each seafarer employed by that shipowner. This list shall include entitlements relating to the destination of repatriation, the mode of transport, the items of expense to be covered and other arrangements to be made by the shipowner.

<sup>26</sup> RMI Maritime Act 1990 ([MI-107](#)), §844 Loss of right of repatriation



**12. Articles of Agreement<sup>27</sup>**

The provisions for Shipping Articles in the RMI law and regulations are hereby incorporated within the seafarer employment agreement.

**13. Applicable Collective Bargaining Agreement(s)**

To the extent determined not to be inconsistent with RMI law and regulations, seafarer employment agreements shall be understood to incorporate any applicable collective bargaining agreements which should be referenced.

**14. Additional Provisions included by Shipowner**

It is recognized that there may be occasions on which shipowners wish to include additional provisions to those set out in the MLC, 2006. These may be included, referenced or attached provided that any such provisions shall not conflict with paragraph 16.

**15. Seafarer's Complaint Procedure, Conciliation, Mediation, and Arbitration**

Complaint procedures are outlined in the RMI Marine Notice [7-053-1](#), and provide guidance on the RMI Maritime Administrator's policy regarding a seafarer's right to lodge a complaint under the MLC, 2006 or the RMI Maritime Act<sup>28</sup> and Maritime Regulations<sup>29</sup>. This Notice shall be made available to the seafarer upon request, before signing an agreement. A copy of the Marine Notice will also be provided when the seafarer joins the ship.

**16. Amendments and Modifications (Recommended)**

The seafarer employment agreement, and any amendments, together with references and annexes, should constitute the entire seafarer employment agreement among the parties and should supersede all previous agreements between the Shipowner and the seafarer.

Any amendments and modifications to the seafarer employment agreement, the references and annexes should become effective only after consultation and should be made by written agreement between the Shipowner and the seafarer and appended to the seafarer employment agreement.

**17. Enforceability (Recommended)**

Should any term or provision of the seafarer employment agreement or the application thereof to any person or circumstance, to any extent, be invalid or unenforceable, the remainder of the seafarer employment agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, should not be affected thereby and should continue in full force and effect.

**19. Law and Jurisdiction<sup>30, 31</sup>**

- Shipowners or their representative may issue such rules and regulations as may be necessary for the safe and proper operation of their vessel, providing nothing contained therein shall be contrary to RMI law or regulations.

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<sup>27</sup> MI-107, 820 Shipping Articles, MI-108, §7.46.1, RMI Marine Notice [7-046-1](#)

<sup>28</sup> MI-107, §861 Conciliation, mediation and arbitration of labor disputes, differences or grievances

<sup>29</sup> RMI Maritime Regulations ([MI-108](#)), §7.53 On Board Complaint Procedures, Conciliation, Mediation and Arbitration

<sup>30</sup> RMI Maritime Act 1990 ([MI-107](#)), §853 Contracts for seafaring labor

<sup>31</sup> RMI Maritime Regulations ([MI-108](#)), §7.45.1a(5) Seafarer Employment Agreement

- Unless a determination by the RMI Maritime Administrator has been made in accordance with RMI Maritime Regulation 7.45.1b, the following clause shall appear in all contracts for seafaring labor:

“The parties to this contract hereby stipulate that the terms and conditions laid down herein shall be subject to the applicable provisions of the Maritime Law and Regulations of the Republic of the Marshall Islands. Any dispute as to the terms and conditions of this contract shall be resolved in accordance with the Maritime Law and Regulations of the Republic of the Marshall Islands.”

- Should there be a conflict, it must be resolved through tripartite discussion and agreement before the issue is applied.

**20. Declaration<sup>32</sup>**

- The seafarer confirms in writing that he/she has been given the opportunity to examine and seek advice on the seafarer employment agreement before signing, as well as such other facilities as are necessary to ensure that the seafarer has freely entered into an agreement with a sufficient understanding of his/ her rights and responsibilities.
- The shipowner/operator confirms in writing that the seafarer has been informed of his/her rights and duties under the agreement prior to, or in the process of the seafarer’s engagement onto the vessel.

**21. Place and Date**

**22. Signatures<sup>33</sup>**

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<sup>32</sup> MI-108, §7.45.1d Seafarer Employment Agreement

<sup>33</sup> MI-108, §7.45.1c Seafarer Employment Agreement