

Wage and Hour Rules Vary Across Hungary, Ukraine and Russia

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The modern global economy requires international employers to be fully aware of legal regulations in the countries in which they operate. Laws concerning wages and work hours are among the most important ones in the employment sphere and may vary significantly from country to country. Although Hungary, Russia and Ukraine are all former socialist countries, their modern wage and hour laws are quite different.

Hours Worked Generally

In Hungary, the minimum monthly wage rate is 138,000 Hungarian forint (HUF), or \$492.14, for unskilled employees and HUF 180,500 (\$643.70) for employees having at least secondary school education. The general full daily work time is eight hours. For full-time employment, the scheduled work time for employees must not exceed 12 hours daily and 48 hours weekly. Night work (between 10 p.m. and 6 a.m.) is not permitted for people ages 15 to 17, pregnant employees and employees who are single parents with a child under the age of 3.

In Russia, employment contracts are governed by the Labor Code of the Russian Federation, which sets standard weekly work time—40 hours—across all of Russia. Any hours worked beyond these are considered overtime. The statutory minimum monthly wage is set annually at the federal and regional level. For 2018, the monthly minimum wage across Russia has been 11,163 Russian rubles (RUB), or \$176.49, since May. In Moscow, the monthly minimum wage is RUB 18,742 (\$296.31) and RUB 17,000 (\$268.77) in St. Petersburg.

Ukraine establishes the standard weekly work time at 40 hours and the standard daily work time at eight hours, not including breaks. Hours worked above these thresholds are generally considered overtime. Every year, the State Budget Law of Ukraine defines minimum monthly and hourly wages. The minimum monthly wage rate currently is 3,723 Ukrainian hryvnia (UAH), or \$141.58.

Overtime and Maximum Hours of Work

In Hungary, the employee's scheduled work time, together with any potential overtime work, must not be more than 12 hours per day. The annual cap on overtime is 250 hours.

Russia's overtime eligibility threshold of 40 hours generally applies to all employees. There is a lower maximum normal workweek for certain employees (e.g., employees with disabilities), and overtime is prohibited for individuals such as pregnant employees and anyone under 18. Employees must not work more than four hours of overtime over two successive days or more than 120 hours per year. Employees must receive a premium of at least 50 percent above their normal pay rate for the first two hours of daily overtime work and at least double the normal rate for any subsequent overtime hours. Upon the employee's request, he or she may receive normal pay for overtime work, plus time off in lieu of at least the equivalent to the overtime hours worked.

Overtime work generally is prohibited in Ukraine. Employers may engage employees to work overtime only in exceptional cases stipulated by law (e.g., emergency recovery situations, cargo-loading operations) with prior consent from the trade union, if one exists. Overtime work for each employee should not exceed four hours every two consecutive days and 120 hours per year. Employees must be paid double time for overtime work. Time off in lieu is not permitted as compensation for any overtime work. Pregnant women, women with children under the age of 3 or minors are not permitted to work overtime.

Days of Rest and Breaks

In Hungary, employees are entitled to a daily rest period of not less than 11 uninterrupted hours in a 24-hour period. Employees are entitled to a break of not less than 20 minutes if they work for more than six but less than nine hours. If employees work for more than nine hours, they are entitled to an additional 25-minute break. The maximum length of the daily break is one hour. Employees are

entitled to either two days of rest per week or 48 uninterrupted hours, including at least one calendar day per week. For employees ages 15 to 17, it must be at least 12 hours.

In Russia, during the workday, employees are entitled to a rest and meal break of at least 30 minutes but no longer than two hours. The break is unpaid and is, therefore, not considered work time. Some employees (e.g., those working outside in the colder months or those engaged in cargo-loading operations) must be provided with special breaks to keep warm and to rest during paid work time. These employees must be granted a minimum continuous weekly rest period of at least 42 hours. Employees must generally not work on their rest days. However, if they are working on such days, they are entitled to receive at least double their normal pay or, as an alternative, their normal pay plus a day off.

Employees in Ukraine are entitled to a weekly rest period of not less than 24 hours. A workweek may entail five or six workdays. Sunday is generally a day off for all. Employees also must be provided with a break for rest and a meal of up to two hours per day. Commonly, the break should be provided four hours after starting work. Furthermore, Ukrainian labor legislation provides for 11 public holidays per year.

Although the general concepts surrounding minimum wage, overtime, breaks and holidays are common for central and eastern European countries such as Hungary, Russia and Ukraine, each country may have their own peculiarities. To ensure compliance and avoid unnecessary implications, employers must follow the rules that apply in the countries where they have a presence.

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