

ALRUD

Labour law changes
Q1 2024



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Enacted laws

Payments

New procedure for payment for overtime work

From **1 September 2024**, a new procedure has taken effect for calculating overtime payment in accordance with Part 1 of Article 152 of the Labour Code of the Russian Federation ("**Labour Code**"): the relevant federal law was signed by the Russian President on 22 April 2024.


According to the new rules, overtime payment will not only take into account **(1)** salary (wage rate), but also all **(2)** compensatory and **(3)** incentive payments included in the employer's general labour remuneration system.

 **Reminder:** The federal law was drafted because the existing approach was deemed to be unconstitutional.

New minimum wage

From **1 January 2024**, the minimum wage has increased and now is:

- **19 242 RUB** at the federal level;
- **29 398 RUB** in Moscow.


 **Please note:** The minimum wage in the Russian Federation ("**RF**") is expected to increase to **35,000 RUB** by 2030 according to the Russian President's address to the Federal Assembly.

Interest for the late accrual of payments owed to an employee

From **30 January 2024**, amendments to Article 236 of the Labour Code entered into force, which require employers to pay monetary compensation not only in the event of **(1)** a delay in payment for salaries and other amounts that have already accrued (including leave, termination payments

and other payments owed to the employee), but also in the event of **(2)** the failure to credit the amounts owed to the employee in a timely manner.

This obligation for employers resulted from a court decision if an employee is deemed to be entitled to receive amounts that were not credited on time. Interest is charged for each day of delay starting from the day following the day on which it should have been paid if it had been credited on time up to and including the day of actual payment.

 **Reminder:** These amendments were adopted pursuant to the position of the Constitutional Court of the Russian Federation on the material liability of employers.

Allowances


From **1 January 2024**, employees on parental leave shall retain the right to receive a monthly childcare allowance for a child up to 1.5 years of age not only if they work **(1)** part-time or **(2)** at home, but also if they **(3)** work full-time (including remote work) or if they **(4)** work for another employer.

Termination

Expansion in the category of employees protected from dismissal (including staff redundancy)

From **25 February 2024**, amendments to Part 4 of Article 261 of the Labour Code entered into force, which prevent employers from initiating the termination of an employment contract **(1)** with a single mother who is raising a child under the age of 16, and also **(2)** with another person raising the child without a mother. A similar prohibition previously only applied to single parents raising children under 14 years of age.

In addition, starting from **6 April 2024**, the Labour Code was supplemented with a new Article 264.1, which prohibits the termination of an employment contract with the spouse of a deceased combat veteran within one year from the date of his/her death unless the spouse remarries. Please note that participants in the special military operation have the status of a combat veteran.

 **Reminder:** The termination of this category of employees is permitted in the following cases: **(1)** repeated failure by an employee to perform job duties without a valid reason despite receiving disciplinary sanctions; **(2)** a single gross violation by an employee of his/her job duties (including unexcused absence, appearing at work in a state of intoxication, disclosure of secrets protected by law, violation of occupational safety requirements, or committing theft in the workplace); **(3)** wrongful acts by an employee directly involved in servicing monetary or commodity assets; **(4)** a single gross violation by the executive of an organization (branch or representative office) and/or his/her deputies of their job duties; **(5)** submission of false documents by an employee to an employer when signing an employment contract; **(6)** liquidation of an organization; **(7)** committing an immoral offence that precludes continued employment for an employee performing educational functions; **(8)** the use by pedagogical staff of educational methods that involve physical and/or mental violence against a student.

Foreign employees

New migration requirements

From **2024**, changes have been made to the legal status of highly qualified specialists (“**HQS**”) in the RF.

From **7 January 2024**:

- For **HQS** and their family members **(1)** the possibility was granted to obtain an unlimited residence permit upon fulfilment of a number of conditions, and **(2)** changes were made to the timelines for leaving the RF
- A company may provide certified copies of an employment or civil law contract when preparing documents and invitations for the employment of **HQS**
- The Russian government established **(1)** a period of 30 calendar days for **HQS** to obtain a work permit from the Ministry of Internal Affairs, which may be extended for valid reasons, as well as **(2)** the consequences of the failure to obtain the permit within the deadline
- Companies may not hire **HQS** for two years in the event of tax reporting violations regarding the **HQS**;

From **1 March 2024**:

- The remuneration of **HQS** was increased from 167,000 RUB to **250,000 RUB** per month.



Read more about these amendments in our [materials](#).

Taxation

New tax rates for remote employees working abroad

Income paid to remote employees employed abroad by Russian companies or Russian subdivisions of foreign companies is now considered to be income from Russian sources.

The new procedure for calculating and paying personal income tax (“**PIT**”) is as follows:

- From **1 January 2024**, a single **PIT** rate has been introduced of **(1)** 13% for income up to **5,000,000 RUB** per year and **(2)** 15% for income exceeding this amount. This new practice applies to all remote employees under an employment contract, regardless of their tax residency status.
- From **1 January 2025**, similar **PIT** rates will apply to the income of remote employees **(1)** working under civil law contracts with the results of intellectual activity or means of individualization and **(2)** performing work via the Internet in a Russian domain/using information systems and technical means located in the RF.

Such remote employees must meet one of the following conditions: **(1)** be a tax resident of the RF, or the income received shall come **(2)** from Russian companies or Russian subdivisions of foreign companies or **(3)** to an account in a bank located in the territory of the RF.

Employment

Workplace quotas for disabled persons

From **1 September 2024**, changes have been made to the rules for the employment of disabled people, as set out in the following comparative table below:

Prior to 1 September 2024	After 1 September 2024
<p>Currently, the quota for the employment of disabled persons is set by the laws of Russia's regions in the amount of:</p> <ul style="list-style-type: none"> • 2% to 4% for employers with more than 100 employees • no more than 3% for employers with 35 to 100 employees 	<p>The quota for the employment of disabled persons has been set at from 2% to 4% of the average number of employees for companies with more than 35 employees.</p> <p>The precise size of the quota will be set at the level of each region of the RF based on (1) the type of economic activity, (2) the average number of employees, and (3) the municipality.</p>
<p>The number of employees for the quota is determined based on the average number of employees.</p>	<p>The number of employees for the quota calculation is determined based on the average number of employees for the previous quarter.</p>
<p>The quota for hiring disabled persons is considered fulfilled if:</p> <ul style="list-style-type: none"> • Employment relations with disabled persons are formalized as part of the employer's obligation to employ disabled persons. 	<p>The quota for hiring disabled persons is considered fulfilled if:</p> <ul style="list-style-type: none"> • An employment contract is concluded with a disabled person for a workplace directly with the employer • An employment contract between a disabled person and another organization is concluded in accordance with an agreement on the employment of disabled persons concluded between the employer and another organization • In other cases established by the RF government
<p>The employer is obliged to inform the employment service about the fulfilment of the quota on a monthly basis.</p>	<p>The employer will be obliged to inform the employment service about the fulfilment of the quota on a monthly basis no later than the 10th day of the month following the reporting month.</p>

Interaction with the employment service

From **1 January 2024**, employers are obliged to inform the employment service not only about **(1)** the adoption of the below decisions, but also about their **(2)** change or **(3)** cancellation. Specifically, the employer must inform about:

- Deciding to liquidate an organization
- Deciding to reduce the number or staff of the organization's employees and possibly terminate employment contracts (including in the event of the mass dismissal of employees)
- Introducing a part-time work day (shift) and/or part-time work week
- Employees are temporarily transferred to remote work based on the employer's initiative in exceptional cases (*this ground is effective from 1 January 2024*)

Employers must inform the employment service about the change or cancellation of the above decisions within three working days using the unified digital platform.

Employers must provide notification about the availability of vacant jobs and vacant positions (changes in this information) within five working days from the date of the above events.

Combatting illegal employment

From **1 January 2024**, Russia introduced the concept of illegal employment, which is regarded as performing labour activities in violation of the established procedure for the registration of employment relations.

From **1 January 2025**, the Federal Service for Labour and Employment (Rostrud) will maintain a publicly accessible register of employers who have been found to engage in illegal employment. Interagency commissions that combat illegal employment in the regions of the RF will help identify offenders and combat illegal employment.

Military records

Changes in the conscription age and the age limit for remaining in the reserves

From **1 January 2024**, new requirements for the age of conscripts and persons subject to military service have been established:

- Persons from 18 to 30 years of age are subject to conscription for compulsory and alternative civilian service
- The age limit for deferment from military service for IT specialists was increased from 27 to 30 years of age
- Until **1 January 2028**, there will be a gradual increase of five years in the period during which soldiers, sailors, sergeants, senior officers, warrant officers and midshipmen must remain reserves.


Other

Monitoring the observance of employees' labour rights

From 5 February 2024, the Prosecutor's Office has been authorized to permanently monitor the Internet, court decisions and enforcement proceedings concerning the recovery of salaries and other systemic violations of labour legislation.

The Prosecutor's Office will base its inspections on the following:

- Information received as a result of monitoring
- Complaints from two or more persons about **(1)** the failure to pay wages; **(2)** violations of labour security legislation; **(3)** refusal to formalize labour relations

 **Please note:** The most heavily scrutinized subjects will be strategic, system- and city-forming enterprises, IT (electronic industry) organizations and companies that produce and sell significant goods, medical equipment and drugs.

Draft law

Personal data

The State Duma is actively considering draft laws on leaks of personal data.

Administrative liability for leaks of personal data

The State Duma **passed a draft law in the first reading** that envisages the following liability for companies if leaks of personal data affected:

- From 1,000 to 10,000 people – from 3 to **5 million RUB**
- From 10,000 to 100,000 people – from 5 to **10 million RUB**
- More than 100,000 people – from 10 to **15 million RUB**

In the event of repeated leaks, companies may face negotiable fines depending on their revenue. The State Duma is actively discussing the possibility of considering mitigating and aggravating circumstances.

Criminal liability for leaks of personal data

Another draft law, which was also adopted in the first reading, proposes imposing criminal liability in the event of:

- Violations when working with computerized information containing personal data (including cross-border transmissions)
- The creation and operation of information resources intended for the illegal storage and/or dissemination of personal data

Unscheduled inspections in the event of personal data leaks

During the spring session, the State Duma is expected to consider a draft law that would give Roskomnadzor new powers to conduct unscheduled inspections of companies due to reports about data leaks.

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