

Digest of current changes in the field of Russian labour relations

1st April 2021

Dear Ladies and Gentlemen!

Please find, herein, our latest up-to-date digest of the most significant, current changes, concerning legal regulation in the field of labour and employment.

I. Amendments to the Labour Code of the Russian Federation

Remote work

From **1st January 2021**, new rules for remote work came into force.

New types of the temporary remote working regime were established (conditional and period remote work). Now it is possible to transfer, temporarily, an employee to a remote working regime, without his/her consent.

More on that in our newsletter [here](#) and in our presentation from our webinar [here](#).

Nonprofit organizations

From **1st January 2021**, amendments have been in force, according to which nonprofit organizations are subject to the regulations for employers - microenterprises.

Nonprofit organizations, for these purposes, are nonprofit organizations which do not exceed the limits of the previous calendar year, in the number of employees and the amount of income. The Government of the Russian Federation has not yet established such values. It is assumed that this refers to employers who meet the microenterprise criteria:

- the average number of employees is no more than 15 people;
- income not exceeding 120 million rubles.

Nonprofit organizations may fully, or partially, **refuse to adopt local normative acts**, except the local act on the temporary transfer of employees to remote work. The conditions governing labour relations must be indicated in employment contracts.

Also, since **1st January 2021**, nonprofit organizations, with **up to 35 people**, have had the opportunity to conclude fixed-term employment contracts with employees, by agreement of the parties.

The changes will not affect a number of organizations, including state (municipal) institutions, state corporations and companies.

II. Health and Safety

Special evaluation of working conditions

From 30th December 2020, amendments have been in force, according to which, a special evaluation is valid indefinitely, if the conditions at the workplace have not changed.

Earlier, a special evaluation could only be automatically extended for 5 years. After this period, it was necessary to conduct a new special evaluation of working conditions.

Until some special circumstances, it is no longer required to re-conduct the special evaluation in respect of workplaces where:

- i. no harmful (hazardous) production factors were identified;
- ii. working conditions are recognized as optimal, or permissible;
- iii. the special evaluation is valid.

Special circumstances include industrial accidents, occupational diseases, or violations of Health and Safety requirements.

This also applies to the special evaluation of working conditions that are already in force, in organizations.

Measures to protect against emergencies

From 1st January 2021, in accordance with the Decree of the Government of the Russian Federation of 18th September 2020 No. 1485 ("Decree No. 1485"), employers are obliged to conduct training in emergency situations at least once a year, and upon hiring - within 1 month of starting work.

Employees are obliged to independently study the steps to be taken in an emergency and to participate in exercises and training. Employees, who are first appointed to a position related to emergency protection, must have completed additional professional education in the field of emergency protection, within the first year of work.

The text of Decree No. 1485 can be found [here](#).

New Health and Safety rules

From 1st January 2021, new Health and Safety rules came into force in a number of sectors of the economy.

The Ministry of Labour explained that employers must conduct an extraordinary assessment of knowledge on Health and Safety of employees affected by these changes. Assessment can be carried out by the employer's commissions, for assessment of knowledge. In this case, the members of the commissions will have to undergo retraining.

Also, the Ministry of Labour drew the attention of employers to the need to revise a number of local normative acts, regulating Health and Safety issues. In particular, occupational safety regulations, occupational safety training programs, information materials and other acts must comply with the new rules.

It will be recalled that, due to the new rules in force since 1st January 2021 on remote work, employers must also develop and approve a regulation on Health and Safety, when working with equipment and tools recommended, or provided, by the employer. The employer is obliged to familiarize employees with this provision against signature.

New procedure for conducting medical examinations

Order of the Ministry of Health of Russia of 28th January 2021 No. 29n ("**Order No. 29n**") approved:

- a **new list** of types of work, for which mandatory preliminary and periodic medical examinations are to be carried out;
- the **procedure for conducting** examinations;
- a list of **medical contraindications** for working with harmful, and (or) dangerous, factors.

The text of Order No. 29n can be found [here](#).

The joint Order of the Ministry of Labour of Russia No. 988n and the Ministry of Health of Russia No. 1420n of 31st December 2020 ("**Order No. 988n/1420n**") also introduced a **new list** of harmful and (or) hazardous factors and works, for which mandatory preliminary medical examinations are carried out upon hiring, and periodic medical examinations. The text of Order No. 988n/1420n can be found [here](#).

The new rules come into force on **1st April 2021** and are valid until **1st April 2027**.

III. Right to labour

Restriction of women's labour

From **1st January 2021**, the Decree of the Government of the Russian Federation of 4th August 2020 No. 1181 ("**Decree No. 1181**") introduced a new list of industries, jobs and positions with harmful (dangerous) working conditions, in which the use of women's labour is limited.

The new list is significantly **shorter** and contains just **100 positions**, in contrast to the previous one, where there were 456.

The text of Decree No. 1181 can be found [here](#).

Permissible limit of foreign employees

The Decree of the Government of the Russian Federation of 12th November 2020 ("**Decree No. 1823**") for **2021** established the permissible limits of foreign employees, in various sectors of the economy.

In contrast to previous years, the list of business activities, for which a limit is established, has been **expanded**.

For example, for the first time, the permissible limit of foreign employees has been set at 50%, in such spheres of activity as forestry and logging; wholesale trade in wood raw materials and wholesale of lumber. The limit is 70% in the field of activities for the maintenance of buildings and territories.

The text of Decree No. 1823 can be found [here](#).

IV. Social Security

Social contributions for IT companies

From **1st January 2021**, social contributions were reduced for some IT companies.

- For mandatory pension insurance - 6% (instead of 8%);
- For mandatory social insurance, for temporary disability and connection with maternity - 1.5% (instead of 2%);
- For mandatory health insurance - 0.1% (instead of 4%).

For a company to be able to take advantage of these benefits, there are several criteria, in particular:

- i. availability of a document confirming state accreditation;
- ii. 90% of the income must come from the established business activities of the company;
- iii. the average number of employees must be at least 7 people.

Minimum statutory monthly pay

From **1st January 2021**, the minimum statutory monthly pay was set at **12 792 rubles**.

Now, the minimum statutory monthly pay is calculated based on the **median salary**, calculated by Rosstat, for the previous year. The median salary shows the amount of money that the average employee receives.

Since 2021, the ratio, of the minimum statutory monthly pay and the median wage, has also been fixed: at **42%**. This value should be revised at least once every 5 years, based on the conditions of socio-economic development.

Transfer to direct payments of social benefits

From **1st January 2021**, sick pay leave and other social benefits have been paid to citizens, **directly** from the Social Insurance Fund. Please note that the employee does not have any right to deny this.

The following social benefits will be paid directly from the Social Insurance Fund:

- for temporary disability (sick leave),
- for pregnancy and childbirth,
- at the birth of a child,
- when registering, in the early stages of pregnancy,
- for caring for a child under 1.5 years old.

V. Personal data

New penalties for the breach of personal data laws

From **27th March 2021**, administrative penalties for breaches of personal data laws are increased. Below you can find a table summarizing the maximum penalties to be imposed on legal entities and companies' officials, for the violation of Russian laws on personal data (except the personal data localization requirement).

No.	Type of offence	Fine for legal entities	Fine for company's officials
1.	Data processing without an appropriate legal ground, or excessive data processing	up to RUB 100,000 (app. EUR 1,115, USD 1,355) for the first offence and RUB 300,000 (appr. EUR 3,345, USD 4,070) for a repeated offence	up to RUB 20,000 (app. EUR 220, USD 270) for the first offence and RUB 50,000 (app. EUR 560, USD 680) for a repeated offence
2.	Data processing without written consent, or in	up to RUB 150,000 (app. EUR 1,670, USD 2,035)	up to RUB 40,000 (app. EUR 440, USD 540) for

	breach of the requirements for written consent (when such consent is statutorily required)	for the first offence and RUB 500,000 (app. EUR 5,575, USD 6,775) for a repeated offence	the first offence and RUB 100,000 (app. EUR 1,115, USD 1,355) for a repeated offence
3.	Failure to provide easy access to the privacy policy, which also includes the absence of such a policy	up to RUB 60,000 (app. EUR 670, USD 815)	up to RUB 12,000 (app. EUR 135, USD 160)
4.	Failure to handle a data subject's request to access his/her data	up to RUB 80,000 (app. EUR 890, USD 1,085)	up to RUB 12,000 (app. EUR 135, USD 160)
5.	Failure to comply with the requirements for data specification, blockage, deletion	up to RUB 90,000 (app. EUR 1,000, USD 1,120) for the first offence and RUB 500,000 (app. EUR 5,575, USD 6,775) for a repeated offence	up to RUB 20,000 (app. EUR 220, USD 270) for the first offence and RUB 50,000 (app. EUR 560, USD 680) for a repeated offence
6.	Violation of the requirements for non-automated (manual), data processing, which have triggered unauthorized access, or other unlawful data processing	up to RUB 100,000 (app. EUR 1,115, USD 1,355)	up to RUB 20,000 (app. EUR 220, USD 270)

We would also like to remind you that certain penalties may be **multiplied**, e.g., per the amount of data subjects who have lodged complaints regarding unlawful data processing. Supervisory authorities and courts confirmed such practice in 2020.

VI. Other issues

Information about the employee's work activities

From **1st January 2021**, concerning persons entered employment for the first time: information about work activities must be generated **only in electronic form**. Labour books, for these persons, will no longer be issued.

The Ministry of Labor emphasized that the employee will not be able to return to the paper labour book, if the electronic form, of information about work activity, was initially chosen.

Remuneration payment for the employees' inventions

From **1st January 2021**, new rules have been in force for the payment of remuneration for employee inventions, utility models, industrial designs.

The main change is an **increase in the amount of remuneration** for the use of employees' patentable objects.

More on that in our newsletter [here](#).

Personal income tax

From **1st January 2021**, the taxation of personal income has changed. In particular, an increased personal income tax rate has been established.

- If the amount of income per year is equal to, or less than, 5 million Roubles, then the rate of personal income tax rate will not change and will be equal to **13%**;
- From income over 5 million Roubles per year - the tax withholding rate will be **15%**.

For persons not recognized as tax residents of the Russian Federation (i.e. living in Russia for less than 183 days in a calendar year), taxation **has not changed**. **Exceptions** include non-residents who were subject to the 13% tax rate, including highly qualified specialists ("**HQS**"). Therefore, in relation to income from labour activities of the HQS, new taxation is applied.

We hope that the information provided herein will be useful for you. If any of your colleagues would also like to receive our newsletters, please send them the link to complete a **Subscription Form**. If you would like to learn more about our **Labour and Employment Practice**, please let us know in reply to this email. We will be glad to provide you with our materials.

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If you have any questions, please, do not hesitate to contact ALRUD Partner



Sincerely,
ALRUD Law Firm

Irina Anyukhina

Partner
Labour and Employment



E: ianyukhina@alrud.com