

#employmentlawtalks - N 2/2022

MINIMUM EMPLOYEE SEVERANCE PACKAGES



As in many other countries, Armenian Employment Law sets out minimum severance packages that employers have to offer their employees when terminating the employment relationship. As in many instances under the Armenian Employment Law, severance packages are not straightforward and vary according to a number of scenarios. It should be noted that the severance packages mentioned here are the minimums prescribed by law, but in many cases, normally employers offer more generous packages, which is totally fine.

This is our second note under the series #employmentlawtalks. This time, we have laid out the minimum severance packages to be offered to employees when them.

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Below are the severance payments:

1. **One month's average salary** in case of:

- Company's liquidation/winding down
- Decreasing the number of employees or positions due to changes in production volumes and/or economic and/or technological and/or production requirements

2. In the cases when the employee:

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- (i) Is not suitable for the job or position, or
- (ii) His/her long-term incapacity (hasn't shown up to work for consecutive 120 days or within the last 12-month period for 140 days) or
- (iii) Reaches the retirement age of 63 or
- (iv) The essential terms of the employment agreement have been changed or (
- (v) Has been called for military duty,

the severance payments are as follows:

- 15 folds of the average daily salary if the employee is working with the employer for less than 1 year
- 25 folds of the average daily salary if the employee is working with the employer for more than 1 year, but less than 5 years
- 30 folds of the average daily salary if the employee is working with the employer for more than 5 years, but less than 10 years
- 35 folds of the average daily salary if the employee is working with the employer for more than 10 years, but less than 15 years
- 44 folds of the average daily salary if the employee is working with the employer for more than 15 years

HOW CAN WE HELP?

Our team has extensive experience in helping businesses and non-profits in dealing with Employment Law issues. So please, do get in touch when you want to get sophisticated advice.

NOTE: This material is for general information only and is not intended to provide legal advice. By publishing this note we assume no obligation to update the information provided herein.

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