
CLIENT NOTE

WHAT ARE THE UPCOMING POSSIBLE CHANGES IN THE LABOR CODE OF THE REPUBLIC OF ARMENIA?



A legislative draft envisaging large-scale amendments and supplements to the Labor Code of the Republic of Armenia has been put into circulation by the respective ministry. In this legal review, we have tried to summarize the notable changes provided by the draft and discuss the consequences of their adoption.

- Violence and harassment in the workplace will be prohibited. Appropriate punishments for these actions will also be established. Currently, these are not envisaged by the Labor Code.
- The amount of *gross* wages paid to the employee must now be included in the employment agreement. Currently, in practice, many employers only stipulate the net salary in employment agreements.
- It will be possible for the employment agreements to be signed through email or electronic communication, as long as their authenticity can be confirmed and verified. The current regulation is somehow vague in this respect.
- Employers will be obliged to clearly define the job responsibilities of the employees in the employment agreements. Employers will not be able to use vague or unclear language, such as “performing other tasks instructed by the employer”, which would clearly not fall in the scope of the job responsibilities of the employee.

- It will be possible to terminate the employment agreements in certain cases without any legal action or document. For example, if the employer (individual) passes away, the contract will be considered terminated automatically, without the need for any registration or legal document. Currently, the employee needs to terminate the contract unilaterally based on a document issued by the authorized body that confirmed the death of the employer.
- If an employee violates the notice period when terminating their employment agreement, they will be required to pay a fine to the employer. This is currently not envisaged.
- Employers will be obliged to consider certain circumstances during layoffs in determining which employees will be made redundant. These circumstances include being entitled to a disability pension or being the only capable family worker who has reached a certain age, etc. Failure to consider these circumstances may make the dismissal order invalid.
- Employees caring for a child up to *two* years old will be able to request part-time work. Women with a child under two years old will also be given additional breaks every three hours in addition to rest and meal breaks. During these breaks, the employee will be paid an average hourly wage.
- Employers will be given the opportunity to determine the period of granting leave to an employee without them requesting the leave if the latter avoids or refuses to use the annual leave or part of it for *two and a half consecutive working years*. Currently, employees are entitled to transfer their annual leave days to the next year for an indefinite period of time.
- An option of study leave referring to studies in foreign educational institutions in order to improve professional qualifications or directly perform work duties will be provided for the employees. This leave will be granted for the entire period of study, but may not be longer than two years. In practice, many employers currently face difficulties when their staff member leaves for another country for studies, in which cases they terminate the employment agreement.
- Employers will have the option to provide vocational training for up to 5 months to new employees before hiring. If an employee fails to complete their duties or refuses to be hired after the training, they will have to pay the actual costs associated with the training, unless agreed otherwise.
- Employers will have the right to organize unpaid internships for up to two months for individual interns. While this is currently being implemented in practice, it is illegal.

The above regulations are still at the stage of editing and completion and are likely to undergo some further changes in the future. After the final version of the draft is adopted by the legislator, we will be delighted to present you with the relevant regulations with our comments and our proposed legal mechanisms thereto.

NOTE: This material is for general information only and is not intended to provide legal advice

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