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# CHANGES IN THE TERMS OF EMPLOYMENT AND COMPENSATION

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## LEGAL FRAMEWORK (1)

- ! The Constitution of the Russian Federation (dated 12 December 1993)
- ! The Labour Code of the Russian Federation (dated 30 December 2001)
- ! Federal laws:
  - ✓ 10-FZ “ON TRADE UNIONS, THEIR RIGHTS AND OPERATING GUARANTEES” dated 12 January 1996
  - ✓ 115-FZ “ON THE LEGAL STATUS OF FOREIGN CITIZENS IN THE RUSSIAN FEDERATION” dated 25 July 2002
  - ✓ 152-FZ “ON PERSONAL DATA” dated 27 July 2006
- ! **Federal regulations**
  - ✓ RESOLUTION NO. 1 BY THE STATE STATISTICS COMMITTEE (*Goskomstat*) “ON APPROVAL OF STANDARDISED FORMS OF SOURCE ACCOUNTING DOCUMENTS REGARDING LABOUR AND LABOUR COMPENSATION” dated 5 January 2004
  - ✓ RESOLUTION NO. 225 BY THE RUSSIAN GOVERNMENT “ON EMPLOYMENT RECORD BOOKS” dated 16 April 2003

## LEGAL FRAMEWORK (2)

### ! Employer regulations

- ✓ Internal labour regulations
- ✓ Regulations on the protection and processing of personal data
- ✓ Regulations on labour protection

### ! Employment contract

### ! Collective bargaining agreements

(Moscow trilateral agreement between the Moscow Government, Moscow trade-union associations and Moscow employer associations dated 24 December 2008 for 2009: criteria for mass dismissal)

- ✓ Industry-specific
- ✓ Regional
- ✓ Local

## Possible ways of optimising staff costs

- ! Salary reduction;
- ! Modification of the terms of employment due to a change in the organisational or technological working conditions;
- ! Part-time working day (shift) or part-time working week established by the employer or by agreement between the parties;
- ! Unpaid leave;
- ! Business interruption;
- ! Transfer. Relocation.

## Salary reduction

- ! By agreement between the employee and the employer;
- ! The agreement must be made in writing;
- ! Bonuses;
- ! Currency of salary (Roubles/foreign currency).

## Modification of the terms of employment due to a change in the organisational or technological working conditions

- ! The terms of employment cannot remain unchanged;
- ! The employee's employment functions cannot be changed;
- ! The employer must give at least 2 months' prior written notice to the employee of any forthcoming modifications and the reasons giving rise to them;
- ! The employer must offer all available vacancies to the employee;
- ! If no appropriate vacancies are available or the employee rejects them, he/she may be dismissed.

## Part-time working day (shift) and/or part-time working week established by the employer (1)

- ▮ Reasons are related to a change in the organisational or technological working conditions;
- ▮ Where such reasons may give rise to mass dismissal. The criteria for mass dismissal are defined in industrial and/or territorial agreements;
- ▮ The employer must give at least 2 months' prior written notice to the employee of any forthcoming changes and the reasons giving rise to them;

## **Part-time working day (shift) and/or part-time working week established by the employer (2)**

- ! The regime is imposed under the procedure established for adopting internal regulations, subject to the trade union's opinion;
- ! It may be imposed for up to 6 months;
- ! Changes in the terms of employment must not worsen the employee's position compared to that established under any collective bargaining agreements;
- ! The employer must give written notice to that effect to the Federal Employment Service within 3 business days of its decision to take relevant measures.



## **Part-time working day (shift) or part-time working week established by agreement between the parties**

- ! By agreement between the employee and the employer;
- ! The agreement must be made in writing;
- ! Compensation is paid in proportion to the hours worked or depending on the scope of work performed.

## Unpaid leave

- Employer-initiated unpaid leave is not established by law;
- Upon the employee's application (with the employer's consent);
- The employee should have a valid reason;
- The duration is agreed between the employee and the employer;
- Salary is not paid over the leave period.

## Business interruption

- ! Business interruption is a temporary interruption in operations for economic, technological, technical or managerial reasons;
- ! The period of a business interruption caused by reasons beyond the control of the employer and the employee is paid at a rate equal to at least two thirds of the tariff rate or base salary (including the position-attached one) calculated on a pro rata basis;
- ! The employee shall not be paid during a business interruption if it has occurred through the employee's own fault;
- ! The relevant order should be issued;
- ! The employer must report the business interruption to the Federal Employment Service in writing within 3 business days of its decision to take relevant measures.

## Transfer. Relocation

- Transfer to another job is not allowed unless the employee gives its written consent. A written agreement is required between the employee and the employer;
- Temporary transfer is allowed for up to 1 year;
- Transfer to another job for up to 1 month without the employee's consent is possible in the event of an emergency business interruption;
- Relocation without the employee's consent is possible with the same employer, to another workplace or another business unit located in the same area, unless this results in amending the terms of the employment contract established by the parties.



**Thank you for your attention!**

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