

ALRUD

Labour Law Changes
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Enacted Laws

Payments

New rules on overtime payments

From **1 September 2024**, new rules are in effect for calculating overtime payments in accordance with Part 1, Article 152 of the Labour Code of the Russian Federation ("**Labour Code**").

Now when paying for overtime work, employers not only are required to consider **(1)** the salary (wage rate), but also all **(2)** compensatory and **(3)** incentive payments envisaged by the employer's general labour remuneration system.

The provisions of the updated version of Article 152 of the Labour Code, which establishes the procedure for overtime payments, apply to all employees regardless of their work and rest schedules.



Reminder: the new overtime payment procedure was adopted because the previous approach was deemed to be unconstitutional.

Compensation for unused rest days upon dismissal of an employee

From **1 March 2025** employers are required to compensate employees for unused rest days for work on weekends or public holidays upon dismissal. Employees would be entitled to claim the difference between the higher wage for work on a weekend or non-working holiday and the actual payment for work on that day.

In addition, if employee decides to use a rest day instead of receiving a higher wage, it may be used at the employee's request **(1)** either within one year from the date when the employee performed duties on a weekend or public holiday, **(2)** or added to the leave in the specified period.




Reminder: the law was drafted on behalf of the Constitutional Court of the Russian Federation ("**RF**").

Allowances

New maternity allowances for women dismissed due to a company's liquidation


From **8 August 2024**, female employees in the event of their employer's liquidation, shall receive maternity benefits amounting to 100% of the minimum cost of living established in the region of the RF at the employee's place of residence (stay) or actual location.

 **Reminder:** the allowance previously amounted to 300 RUB.

Foreign employees

New migration requirements

From **1 January 2025**, the period of temporary stay for foreign citizens in the RF who arrived on a visa-free regime will be reduced: this period may not exceed 90 days in total within one calendar year¹.

 **Reminder:** the period of temporary stay previously could not exceed 90 days cumulatively during each 180-day period.

Furthermore, as of **5 February 2025**, a new legal regime of expulsion (the "**Expulsion Regime**") will be introduced for foreign citizens or stateless persons staying in the RF without legal grounds to stay (reside) in the country and will require such persons to be entered in a special register of controlled persons ("**Controlled Person**" and the "**Register**").

The personal data included in this Register will be used to apply restrictions on the rights, identification of the location, detention and confinement of Controlled Persons. From the date of entry in the Register until the removal of their data from the Register, the Controlled Person will be subject to the following restrictions²:

- Prohibition to change their place of residence or place of stay in the Russia without the permission of the supervisory authorities
- Prohibition to leave the territory of a specific region of the RF or municipality where the Controlled Person stays (resides), except for leaving Russia
- Prohibition on their state registration as legal entities or individual entrepreneurs
- Prohibition on the acquisition or state registration of their immovable property and vehicles
- Restrictions on their right to drive vehicles
- Refusal to open a bank account or perform other banking operations³
- Prohibition on marriage.

¹ Thus, if a foreign citizen exceeds the period of stay of 90 days cumulatively within one calendar year, he/she shall be prohibited from entering the RF for three years from the date of the previous departure from the RF

² The Controlled Person may appeal the decisions taken in connection with the application of the Expulsion Regime, including the imposition of restrictive measures

³ Except for transfers of funds to make mandatory payments, as well as transfers of funds to the Controlled Person's account and the issuance of cash to the Controlled Person in an amount not exceeding 30,000 RUB per month

The information is entered in the Register, in particular, **(1)** from the day following the expiration date of the temporary stay or temporary residence permit; **(2)** from the annulment date of these documents; **(3)** from the date on which the supervisory authorities record a foreign citizen's entry to Russia by illegally crossing the state border. Information from the Register shall be deleted, for example, **(1)** once the Controlled Person departs Russia; **(2)** if the Controlled Person acquires legal grounds to stay (reside) in Russia.

Information from the Register posted on the official website of the Ministry of Internal Affairs will be provided free of charge. The procedure for the operation of the Register will be established later by the Russian government.

Controlled Persons shall be obliged **(1)** to report to the internal affairs authorities within the prescribed time limit should an order to appear be sent; **(2)** to inform the internal affairs authorities about their location (including by sending information with a photographic image with a geolocation mark if it is impossible to appear in person) and the circumstances that are preventing them from independently departing Russia on time.

If a Controlled Person repeatedly (two or more times) fails to perform their obligations, a decision shall be taken to deport the Controlled Person or place him/her in a special institution. As a rule, a Controlled Person may only be placed in a special institution for up to 48 hours, although this period may be extended by a court decision.

When applying the Expulsion Regime, police officers are authorized to:

- Enter the residential or other premises where the Controlled Person is staying (residing) or is actually present
- Use data from mobile devices, geolocation services, payment systems and special technical means of facial recognition operating in automatic mode
- Request and receive documents and information from the Controlled Person that are needed to exercise control, including on electronic media
- Receive documents and information from organizations, including banks, on the Controlled Person's bank accounts and cash flow
- Require legal entities and other individuals who have entered into legal relations with the Controlled Person to submit copies of documents and other information in connection with the Expulsion Regime
- Monitor, including with the use of technical means, the Controlled Person, as well as the activities of individuals and legal entities assisting the Controlled Person in staying (residing) in the RF
- Issue orders for the Controlled Person to appear before authorized officials.

Moreover, starting from **5 February 2025**, police officers will be authorized to decide on the administrative expulsion of foreign citizens from Russia.



Reminder: at present, administrative expulsion can only be ordered by judges or the border authorities (in the event an administrative offence is committed when entering the RF).

Support measures for foreign citizens who share traditional Russian spiritual and moral values

Starting from **1 September 2024**, foreign citizens may apply for a temporary residence permit without regard for any quotas and without submitting a document confirming knowledge of the Russian language, Russian history or the basics of Russian legislation, if they have expressed a desire to move from foreign countries to Russia and reside there based on the grounds that they do not accept policies that run counter to Russian traditional values.


The list of foreign states whose citizens (residents) can receive humanitarian support is established by the Russian government.

Taxation

New tax rates for individuals

From **1 January 2025**, a new personal income tax (the “PIT”) scale will take effect. The new procedure for calculating PIT will be as follows:

Annual income, millions of RUB	Up to 2,4	From 2,4 to 5	From 5 to 20	From 20 to 50	Over 50
PIT rate	13%	15% of any amount exceeding 2,4 m RUB	18% of any amount exceeding 5 m RUB	20% of any amount exceeding 20 m RUB	22% of any amount exceeding 50 m RUB

 **Reminder:** the previous PIT rates of 13% and 15% (the 15% rate will apply to any portion of annual income exceeding 2.4m RUB) will be retained for several different types of incomes, e.g., for insurance and pension payments.

Maintaining tax rates for certain payments for employees in the Far North and equivalent areas

From **1 January 2025**, as part of the tax reform, PIT rates of 13% and 15% will be provided for employees of the Far North and equivalent areas, as well as other areas with unfavorable ecology (13% – to the part of the amount of such payments for the year not exceeding 5m RUB, and 15% – to the part exceeding it). The scale will not apply to the entire salary, but to the part that relates to regional coefficients and percentage allowances for work in these areas.

A new procedure for calculating average earnings to determine the part of the payments upon dismissal that is not subject to PIT

From **1 January 2025**, to determine the non-taxable part of the payments upon dismissal, the average monthly earnings will be calculated according to the rules for calculating the average earnings for maternity and childcare allowances (based on earnings for 2 calendar years), and not according to Government Decree No. 922 dated 24 December 2007 (based on earnings for 12 calendar months).



Reminder: the severance payment provided to employees upon dismissal and the average monthly earnings for the period of employment are now not subject to PIT and social insurance contributions in the amount of three times (six times for employees of the Far North) average earnings.

Personal data

Anonymization of personal data

From **1 September 2025**, employers will be obliged as personal data controllers to provide the Ministry of Digital Development, Communications and Mass Media (the “**Ministry**”) with a list of personal data obtained as a result of anonymization in order to establish anonymized data sets in the specially created State Information System (the “**SIS**”).

Operators must provide this list of personal data upon the Ministry’s request. Upon receipt of the relevant request containing the list of requested anonymized personal data, as well as the timeframe for its submission, the operator must anonymize the personal data it processes and transfer the data to the SIS.

After such data is transferred to the SIS, it will be ensured that no further retrieval is possible. Anonymized information in the SIS will be prohibited from being transferred to foreign individuals, foreign organizations or persons with an unexpunged criminal record who have been involved in extremist or terrorist offences.

Prohibition of foreign information security services from “unfriendly” jurisdictions


Starting from **1 January 2025**, restrictions will be introduced on the use of foreign equipment used to protect information for critical information infrastructure entities, systemically important organizations, state corporations and the government authorities. It will be prohibited to use:

- Information security products originating **(1)** from “unfriendly” states; or **(2)** from manufacturers that are entities under the jurisdiction of, directly or indirectly controlled by, or affiliated with “unfriendly” states
- Cybersecurity products (work or services) from companies from “unfriendly” states.

New IT restrictions

Effective from **12 September 2024**, new U.S. software and IT sanctions restrictions prohibit:

- The provision of design and IT consulting services to any person in Russia
- The supply of cloud technologies and IT support services for business management, as well as design and manufacturing software.


 **Reminder:** Russian companies that use such software for HR purposes may consider the following options: **(1)** changing vendors, which would allow for the continued use of the software in Russia; **(2)** localizing the relevant HR processes.

Employment

Fines for refusal to employ disabled persons within the allocated quota


From **20 November 2024**, the amount of administrative fines for **(1)** an employer's failure to fulfil the obligation to fulfil the quota for hiring disabled person; and **(2)** an employer's refusal to hire a disabled person within the quota will increase.

Thus, fines will be imposed **(1)** from 50,000 to 100,000 RUB on companies; and **(2)** from 20,000 to 30,000 RUB on officials.

 **Please note:** prior to the entry into force of the law, fines may only be imposed on officials and only in the amount of 5,000 to 10,000 RUB.


Leave for disabled persons

From **1 September 2024**, the provisions of the Labour Code guarantee that disabled persons are granted annual basic paid leave of at least 30 calendar days.

 **Reminder:** this provision was previously contained in Law No. 1032-1 of the RF dated 19 April 1991 "On the Employment of the Population in the RF" (the "**Former Law on Employment**"), whose provisions will be fully repealed starting from 1 January 2025 due to the adoption of the new law.

Provision of staff employment (outstaffing)

From **1 January 2025**, provisions from the Former Law on Employment on activities to provide staff employment will also be repealed.

 **Please note:** the State Duma previously considered a draft law that proposed, among other things, transferring the provisions on outstaffing from the Former Law on Employment to the Labour Code, but this initiative was rejected in the last readings. Currently, the State Duma is considering a new draft law to move the provisions on outstaffing to the Labour Code.

New rules for fulfilling the quota on the hiring of disabled persons

From **1 September 2024**, a new procedure has been established on the quota of workplaces for persons with disabilities. In accordance with the new rules, the number of employees who must be employed to fulfil the quota is calculated by the employer on a quarterly basis based on the average number of employees for the previous quarter⁴.

An employer is considered to have met the quota if it signs:

- An employment contract with a disabled person for a workplace directly with the employer itself⁵
- An employment contract between a disabled person and another organization (including public associations of disabled persons and organizations formed by them) that has concluded an agreement for the employment of a disabled person with the employer (“Agreement”)
- An agreement with an organization that ensures that a group of employers meets the quota (by concluding an agreement with another organization or an individual entrepreneur who, for its part, will conclude an employment agreement with the disabled person).

An employer shall be exempt from fulfilling the established quota when **(1)** it is declared bankrupt and bankruptcy proceedings are initiated; **(2)** the number of employees is reduced to the number of employees for which no quota is established; **(3)** there are no disabled persons registered with employment services who are seeking work and meet the qualifications of the vacancies declared by the employer; **(4)** there are no other organizations in a region of the RF at the employer's location that are ready to conclude the Agreement.

Extension of the tax secrecy regime to part of the information on employment

From **1 November 2024**, the tax secrecy regime applies to information transferred by the tax authorities to the interdepartmental commissions of the constituent entities of the RF on combating illegal employment (“**Regional Commissions**”) and territorial bodies of the Federal Service for Labour and Employment (“**Rostrud**”).



Reminder: the list of such information submitted by tax authorities to the Regional Commissions, as well as to the territorial bodies of Rostrud is specified in a special list.

Military records

Digitalization of military records

From **8 August 2024**, employers may send information about their employees to the military registration office via the Military Register, in addition to submitting such information directly or via state services.

From a practical standpoint, this option will be available from **1 November 2024** due to the planned start of operation of the Military Register.

⁴ Excluding employees of the employer's representative offices and branches located in other regions of the RF, as well as the number of employees whose working conditions are classified as harmful and/or hazardous according to the results of a special assessment of working conditions.

⁵ In such a case, when one disabled person of group I is employed, the quota can be fulfilled with a multiple of two workplaces.

Leave payment from the Far North for mobilized employees

From **1 September 2024**, mobilized employees working in companies located in the Far North and similar areas are entitled to payment of their cost of travel and transportation of baggage within the RF to their place of leave once every two years at the employer's expense if they have not used this right in connection with the suspension of their employment contract.

Such employees may exercise such a right once every two years during the suspension of their employment contract after it is renewed. An employee may exercise their right to the reimbursement of their expenses once a year. If an employee is reimbursed for expenses in the current year according to their leave schedule, he/she will only be able to receive reimbursement for expenses for the period when the employment contract was suspended in the following year in accordance with their leave schedule.

Other

Possibility of sending labour books abroad

From **1 January 2025**, it will be permitted to export and send labour books as well as military cards and identity cards outside the RF. Such documents were only previously allowed to be sent within Russia.

In addition, the law establishes rules for the legalization of Russian and foreign official documents, as well as the procedure for requesting such documents.



Reminder: employers are required to provide employees with their labour books upon **(1)** receipt of a written request from the employee; **(2)** termination of the employee's employment on the last day of employment; or **(3)** receiving a request from an employee to switch to an electronic labour book.

Increase in the amount of state fees in labour disputes

From **9 September 2024**, the court state duties that must be paid by employers for labour disputes have been increased.

Case category	Amount of state duty
A property claim with a price:	
Up to 100,000 RUB	4,000
From 100,001 to 300,000 RUB	4,000 + 3% of the amount over 100,000 RUB
From 300,001 to 500,000 RUB	10,000 + 2.5% of the amount over 300,000 RUB
From 500,001 to 1m RUB	15,000 + 2% of the amount over 500,000 RUB
From 1,000,001 to 3m RUB	25 000 + 1% of the amount over 1m RUB
From 3,000,001 to 8m RUB	45,000 + 0.7% of the amount over 3m RUB
From 8,000,001 to 24m RUB	80,000 + 0.35% of the amount over 8m RUB
From 24,000,001 to 50m RUB	136,000 + 0.3% of the amount over 24m RUB
From 50,000,001 to 100m RUB	214,000 + 0.2% of the amount over 50m RUB
Over 100m RUB	314,000 + 0.15% of the amount over 100m RUB, but no more than 900,000 RUB
Non-property or property, but not assessable claims	20 000
Appeal, private complaint	15 000
Cassation complaint	20 000
Cassation or supervisory appeal to the Supreme Court of the RF	25 000

Mentorship

From **1 March 2025**, the Labour Code will regulate the mentorship. According to the law, mentorship may be assigned only on the basis of the employee's written consent and specifying the content, terms and forms of the mentor's functions in the employment contract. Additional payments for such work may be established by agreements between the parties, collective bargaining agreements or employer's local acts. The employer shall notify the employee at least 3 business days in advance about the cancellation of mentorship.

New procedure for permission to conduct a special assessment of working conditions

From **1 September 2024**, employers are permitted to conduct a special assessment of working conditions from the date on which the Ministry of Labour records the company's registration in a special register. Previously, organizations were only permitted to conduct a special assessment of working conditions from the date of the relevant decision of the Ministry of Labour.

An application for registration must be sent to the Ministry of Labour as an electronic document signed with an authorized electronic signature, including via the Gosuslugi service. From the moment an application is registered, the Ministry of Labour must consider it within five working days.

Supplemented list of medical contraindications for certain types of work

From **1 September 2024** until 1 September 2030, there will be a new list of medical contraindications for certain types of activities due to mental health issues.

The list was supplemented with mental and behavioural disorders associated with the use of psychoactive substances. Such disorders shall be considered when hiring employees and subsequently referring them for psychiatric examination until the end of follow-up medical care as a result of sustained remission (recovery).

New first aid rules

From **1 September 2024**, a new first aid procedure is in force:

- The new rules clarify a number of names of medical devices
- The sequence of actions in the first aid procedure is clearly described
- The list of conditions in which first aid is provided was updated to include acute psychological reactions to stress and convulsive seizures with loss of consciousness.

First aid may be provided without a victim's consent unless he/she has refused it in advance.




Reminder: in accordance with the Labour Code in the area of labour protection the employer is obliged to provide training, as well as measures to provide first aid to injured people at work.

Changes in reporting to Rostrud


From **1 September 2024** until 1 September 2030, new report forms to the employment service have been approved. In particular, a report form has been approved to provide information about available jobs and vacancies, including the need to fill them.

Employers will submit information on disabled persons in only one form – information on the fulfilment of the hiring quota (previously employers submitted two separate forms).

 **Please note:** most of the new reporting forms have three separate boxes in which employers can specify the type of information to be submitted to the employment service (“primary”, “amending” or “cancelling”). This is because employers must report not only on decisions made, but also on changes or cancellations.


New employer risk categories for 2025

Rostrud has approved new lists for assigning risk categories to legal entities for 2025.

 **Reminder:** the assigned risk category affects the frequency of scheduled inspections: one inspection every two years – at high risk; every three years – at significant risk; every five years – at medium risk, and every six years – at moderate risk⁶.

Combatting the accumulation of overdue wage debts

From **1 March 2025**, special interdepartmental commissions to combat the accumulation of overdue wage arrears will be established in the regions of the RF to **(1)** monitor such arrears; and **(2)** hold employers liable for violating the deadlines for wage payments. These commissions will not be authorized to exercise state control (supervision) or municipal control.

 **Reminder:** if an employer violates the deadline for wage payments, it must pay it along with interest amounting to no less than 1/150 of the key interest rate of the Central Bank of the RF in effect at that time⁷.

⁶ Planned control (supervisory) activities are not conducted in relation to low-risk companies.

⁷ The key interest rate is currently 21%.

Draft Law

Termination

Restrictions on the conclusion of fixed-term employment contracts with the heads of structural subdivisions

The State Duma **passed in the first reading** a draft law that makes it impossible to conclude fixed-term employment contracts with employees who fill the positions of heads of structural subdivisions at companies.

According to the amendments, employment contracts with such employees concluded on the basis of clause 8, Part 2, Article 59 of the Labour Code prior to the entry into force of the draft law will be considered indefinite unless the Labour Code envisages other grounds for concluding a fixed-term employment contract. If such grounds exist, such employment contracts must be brought into compliance within 30 business days of the effective date of the draft law.



Reminder: if the draft law prepared on behalf of the Constitutional Court of the RF is adopted, it shall enter into force from the date of its official publication.

Personal data

Prohibition to include consent to the processing of personal data in other documents

The State Duma **passed in the first reading** a draft law that would require the separate formalization of consent to the processing of personal data from other documents signed by the subject of personal data and/or provided to him/her for review.



Please note: the authors of the draft law point out that consent to the processing of personal data is often currently included in contracts that are provided primarily for other purposes (e.g., an employment contract). In this case, there may be concealed conditions among the significant amount of information not related to the processing of personal data to grant consent to the processing of personal data, including for the purpose of its transfer to an indefinite number of persons, which violates the rights of personal data subjects.

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