



Coronavirus,  
economic crisis  
and labour relations in Russia.

What to expect and why to be afraid?

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## Dear customers,

Changes in the economic realm in the light of the economic crisis, the coronavirus infection hazard and the corresponding restrictions will inevitably affect not only our lives but also business processes as well as labour relations.

The afore-mentioned global threats as well as the devaluation of the national currency have raised a number of questions for the employers of the Russian Federation that require an immediate response and decisive action.

Based on our practices, at the moment, the most challenging issues for employers are:

- the transfer of employees to a remote workplace due to the coronavirus infection prevention;
- staffing and payroll optimisation in connection with a decrease in the scope of work;
- down time due to circumstances beyond the control of the employee and employer;
- change in the essential terms of the agreement;

Given the foregoing, we would like to draw the attention of our customers to the following circumstances:

Employees should be transferred to remote work subject to the provisions of Articles 72.1, 72.2, 73, 312.1, 312.2, 312.3, 312.4 of the Labour Code of the Russian Federation.

In particular, employers are obliged:

To send employees notifications of transfers by attaching additional agreements. Moreover, the additional agreements should state whose means of communication will be used in the work.

If an employee is to use his/her means of communication, or if, during remote work, an employee will have to bear any copying equipment expenses and expenses associated with the production of hard copies, to stipulate the conditions and procedure for compensation to the employee for such expenses.

At the same time, an additional agreement should specify the working time recording procedure..

**Important!** Workers may not be transferred to remote work only by issuing a **HR** order, since in this case it is supposed to change the essential conditions of the labour agreement, which are to be reflected in the additional agreement.

Both staffing and payroll can be optimised through:

- staffing cuts;
- transfer of an employee to working on a part-time basis with proportionally reduction in wages;
- official registration of down time;

All the optimisation methods are provided for by the Labour Code of the Russian Federation, however, when applying a method, the employer should take into account special requirements and restrictions which are often contained not only in the Labour Code of the Russian Federation but also other regulatory documents, in particular, the law of the Russian Federation On Employment in the Russian Federation.

We also would like to draw your attention to the fact that it is prohibited to involuntarily put employees on leave without pay in accordance with provisions of the labour law of the Russian Federation; and if those circumstances can be proved, it may entail not only the restoration of workers' rights but also holding the employer to administrative liability.

We would like to remind you that failure by the employer to comply with the employment agreement termination procedure, as well as changes in the essential working conditions, entail the recognition of those procedures as unlawful, and restoration of the workers' former rights.

Against the backdrop of a crisis and a constantly changing situation, our customers are not always able to make the right decision when choosing a method, as a result of which we are ready to offer all possible optimisation methods for analysis and indicate the timing of implementation and the size of the expected costs of the employer for each option.

If the points discussed above are relevant for your company, we are always ready to offer you with all possible assistance by providing appropriate written or verbal explanations, which, in our opinion, will help you understand the current situation in detail, develop a follow-up action strategy and minimise possible risks.

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