



The Legal 500 & The In-House Lawyer
Comparative Legal Guide
Armenia: Employment & Labour Law (3rd
edition)

This country-specific Q&A provides an overview
to employment laws and regulations that may occur
in Armenia.

This Q&A is part of the global guide to Employment &
Labour Law. For a full list of jurisdictional Q&As
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- 1. Does an employer need a reason in order to lawfully terminate an employment relationship? If so, describe what reasons are lawful in your jurisdiction?**

An employer can dismiss an employee only when have reasons and in case defined by Labour code of Republic Armenia.

The employment contract can be terminated in cases which is mentioned in Labour Code of Republic Armenia, but most spreads cases are:

- By agreement of the parties, under any terms agreed between the employer and the employee, without any specific limitations.
- By the employee, by presenting a written notice to the employer not less than one month before leaving the position, without explaining the grounds or giving any other explanation (in case of, for example, chronic illness, the notification term can be decreased).
- By the employer, where there is a good reason under Article 113 of the Labour Code of Armenia and the legal procedures are observed.

The good reasons include:

- disciplinary violations by the employee (mainly, showing up to work drunk, under influence of drugs or being absent for a whole day without excuse);
- the employee's non-compliance with their employment obligations;
- the employee having reached retirement age;
- in case of restoration of the employee in his previous job;
- failure by the employee to fulfil the duties entrusted to him by the employment contract or the internal disciplinary rules without a valid reason;
- in case of loss of confidence in the employee;
- in case of long-term employee disability;
- in case of refusal or evasion from the compulsory medical examination;
or
- liquidation of the organisation-employee
- staff reductions/layoffs. In the presence of the grounds under the Labour Code.

2. What, if any, additional considerations apply if large numbers of dismissals (redundancies) are planned?

If more than 10% of the total number of employees are envisaged to be dismissed during a two-month period, the employer must submit information about the number of the employees to be dismissed to the Ministry of Labour and Social Relations and to the employees' representative, not later than two

months before the dissolution of the labour contracts.

3. What, if any, additional considerations apply if a worker's employment is terminated in the context of a business sale?

If the shareholders, but not the employer, changes in case of sale of the employer's business, from the legislative point of view, this is not a ground for isolation or change of labour contracts. However, if instead of share purchase assets a sale agreement is signed, there is no guarantee of transfer of labour contracts to the new company.

4. What, if any, is the minimum notice period to terminate employment?

In the case of dissolution of the labour contracts initiated by the employer, with exception for cases of dissolution of the contract for any breach of labour discipline, the employer should give notice of termination of employment within the defined term. In case of dissolution of the contract for the reason of reduction of staff, the employee shall be given two months' notice. In other cases, the term of the notice depends on the employee's length of service, and constitutes 14-60 days.

5. Is it possible to pay monies out to a worker to end the employment relationship instead of giving notice?

Yes, an Employer may provide pay in lieu of notice in size of average salary of the employee for notification period days.

6. **Can an employer require a worker to be on garden leave, that is, continue to employ and pay a worker during his notice period but require him to stay at home and not participate in any work?**

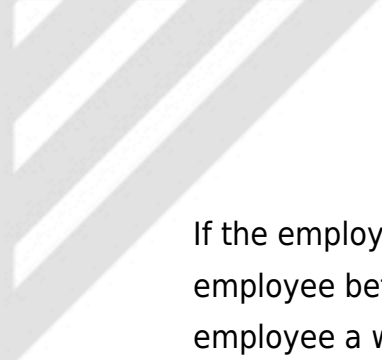
The legislation of the RA does not define such a provision, but if the employer fails to observe the terms of the notice and dissolves the labour contract earlier, it will be subject to the payment of a fine for each day the notice was not made, which shall be calculated based on the average daily salary of the employee.

7. **Does an employer have to follow a prescribed procedure to achieve an effective termination of the employment relationship? If yes, describe the requirements of that procedure or procedures.**

Yes an employer have to follow a prescribed procedure to achieve an effective termination of the employment relationship.

An employer have to notice an employee in the notice period mentioned in point 4 this questionnaire.

In case of terminating the employment contract on the bases: liquidation of the organisation-employee, in case of reduction of the number and (or) staff of the employees, due to changes in production volumes and (or) the conditions of economic and (or) technological and (or) work organization and (or) production necessity or in case of restoration of the employee in his previous job, an employer must to pay a severance pay to the employee in the amount of his average monthly wage. In other cases (inefficiency of the employee in his/her position or in performance of his/her work, conscription for military service, long-term disability, retirement, and material changes of the terms of the contract), the dismissal pay shall be defined, depending on the length of service of the employee to that employer, as 10 to 40 times their average daily salary.



If the employment relationship is terminated as a disciplinary sanction, the employer before employing a disciplinary sanction, must request from the employee a written explanation of the violation. If a reasonable time limit set by the employer fails to provide a written explanation without good reason, the disciplinary sanction (termination of contract) can be applied without written explanation.

8. If the employer does not follow any prescribed procedure as described in response to question 7, what are the consequences for the employer?

If the employee does not agree with a dissolution of the labour contract initiated by the employer, the employee is entitled to appeal to the court within two months upon receiving the corresponding individual legal act. Employees are exempted from payment of state duty in case of any reference to the court for labour disputes.

In the case of any dissolution of the labour contract without legal grounds or in defiance of the defined procedures, the employee can be re-employed judicially, be paid for the whole period of forced leave or receive compensation in the amount of one to 12 times his/ her average monthly salary if re-employment is impossible.

9. How, if at all, are collective agreements relevant to the termination of employment?

Wide practice of signing collective agreements has not yet formed in the RA.

10. **Does the employer have to obtain the permission of or inform a third party (e.g local labour authorities or court) before being able to validly terminate the employment relationship? If yes, what are the sanctions for breach of this requirement?**

In case of liquidation of the organization or reduction of the number of the employees, while terminating the employment contracts the employer shall submit the information about the number of the dismissed employees to the State Employment Service of the Republic of Armenia and the representative of the employees, about the termination of the employment contract not later, than two months in advance, if during two months they envisage to dismiss more than ten percent of the total number of employee, which, however, makes not less than 10 employees.

11. **What protection from discrimination or harassment are workers entitled to in respect of the termination of employment?**

Discrimination against employees is prohibited pursuant to the national legislation, as well as international treaties ratified by the RA. Discrimination on the grounds of sex, race, nationality, language, origin, citizenship, social status, religion, marital and family status, age, beliefs and opinions, membership to parties, trade unions or non-governmental organisations, and other circumstances not connected with the working skills of any employee, is prohibited.

12. **What are the possible consequences for the employer if a worker has suffered discrimination or harassment in the context of termination of employment?**

The employees can enforce their violated rights both through negotiations with

the employer and judicially. The negotiations can be conducted both before the initiation of claim in court and during the proceedings. Thus, the parties can resolve disagreements amicably.

Judicial enforcement of their rights violated due to discrimination. If the labour contract has been dissolved due to discrimination the employee can be re-employed and paid for the period from dissolution of the contract to the moment of re-employment.

13. **Are any categories of worker (for example, fixed-term workers or workers on family leave) entitled to specific protection, other than protection from discrimination or harassment, on the termination of employment?**

The labour contract may not be dissolved during the temporary disability period of any employee (with exception of long-term disability) or during the leave of: pregnant women-during the period lasting from submission of the pregnancy certificate to the employer to the completion of one month after the end of the pregnancy and delivery leave; persons who take care of a child but are not on leave - during the whole period of care for the child until it attains the age of one, with several exceptions; after taking the decision to strike and during the strike, persons who take part in a strike in compliance with the procedure defined by legislation; and for persons who have duties imposed on him/her by governmental or local self-management bodies, save for cases of conscription for military service.

14. **Are workers who have made disclosures in the public interest (whistleblowers) entitled to any special protection from**

termination of employment?

By legislation of Armenia there is not definition “disclosures Employer's information in the public interest”. Here non disclosed information can be disclosed in case of having a such decision of court and in that case an Employee can be protected from termination of employment.

15. **What financial compensation is required under law or custom to terminate the employment relationship? How do employers usually decide how much compensation is to be paid?**

There is not required any compensation under law for termination of employment contract. But by custom parties can agree about compensation for terminating the employment relationship and its size is about from one to six months average salary of an employee.

16. **Can an employer reach agreement with a worker on the termination of employment in which the employee validly waives his rights in return for a payment? If yes, describe any limitations that apply.**

No.

17. **Is it possible to restrict a worker from working for competitors after the termination of employment? If yes, describe any relevant requirements or limitations.**

No, by Armenian legislation there is not possible to restrict a worker from

working for competitors after the termination of employment.

18. **Can an employer require a worker to keep information relating to the employer confidential after the termination of employment?**

Yes, Ex-employee can only restrict a worker to not open commercial or other non disclosed information to competitors: new employers or another third persons.

19. **Are employers obliged to provide references to new employers if these are requested?**

No they are not.

20. **What, in your opinion, are the most common difficulties faced by employers in your jurisdiction when terminating employment and how do you consider employers can mitigate these?**

Armenian Labor legislation regulating every question about termination and in our opinion if an employer will do terminating employment with strict following the procedures it will not bring him difficulties in future.

21. **Are any legal changes planned that are likely to impact on the way employers in your jurisdiction approach termination of**



employment? If so, please describe what impact you foresee from such changes and how employers can prepare for them?

At the moment, legal changes that may affect the approach of employers to dismissal are not planned.