

LABOUR & EMPLOYMENT

Armenia



Labour & Employment

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Quick reference guide enabling side-by-side comparison of local insights, including legislation, protected employee categories and enforcement agencies; worker representation; checks on applicants; terms of employment; rules on foreign workers; post-employment restrictive covenants; liability for acts of employees; taxation of employees; employee-created IP; data protection; business transfers; termination of employment; dispute resolution; and recent trends.

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LEGISLATION AND AGENCIES

Primary and secondary legislation

What are the main statutes and regulations relating to employment?

The primary statute regulating labour relations in Armenia is the Labour Code and relevant international treaties. Specific regulations of the Civil Code and legislation regulating different types of state service (civil service, military and diplomatic service, etc) regulate particular types of labour relations. Finally, specific aspects of labour relations are regulated by the Law on Foreigners, the Law on Labour and Collective Agreements, and internal and individual legal acts of the employer.

Law stated - 28 April 2023

Protected employee categories

Is there any law prohibiting discrimination or harassment in employment? If so, what categories are regulated under the law?

The Armenian Constitution prohibits discrimination generally and discrimination in employment particularly. Armenian labour legislation prohibits any discrimination in the form of direct or indirect exclusion or limitation based on sex, race, skin colour, ethnic or social origin, genetic characteristics, language, religion, world view, political or other views, membership of a national minority, property status, birth, disability, age or other social circumstances, the purpose or result of which is:

- the manifestation of less favourable treatment in cases of occurrence, change and termination of collective and individual labour relations; or
- a prohibition of the recognition or exercise of any right established by labour legislation on an equal footing with others.

An exception is made when the distinction, exclusion or limitation is objectively justified by the legal aim pursued, and the means used to achieve that aim are proportionate and necessary.

In job advertisements and over the course of labour relations, establishing any discriminative condition is strictly prohibited with the exceptions of practical qualities, professional training and professional qualifications if such conditions arise from the inherent requirements of the job.

Law stated - 28 April 2023

Enforcement agencies

What are the primary government agencies or other entities responsible for the enforcement of employment statutes and regulations?

The primary government agencies are:

- the Ministry of Labour and Social Affairs, which exercises state control over the uniform application of labour legislation; and
- the Health and Labour Inspection Authority, the purpose of which is to ensure compliance with the requirements

of labour legislation and other normative legal acts containing labour law norms, and collective and labour contracts.

Concerning private control, trade unions, and works councils elected by an assembly of the workers who carry out non-state control over the implementation by employers of labour legislation, other regulatory legal acts and collective agreements must be mentioned. Non-state control over the implementation of labour legislation, other regulatory legal acts and collective agreements by employees is carried out by employers.

Law stated - 28 April 2023

WORKER REPRESENTATION

Legal basis

Is there any legislation mandating or allowing the establishment of employees' representatives in the workplace?

The Labour Code allows the establishment of employees' representatives, such as a trade union or works council elected by the assembly (conference) of workers. Apart from that, the Law on Trade Unions regulates and guarantees the activities of trade unions.

Moreover, a works council is elected if the organisation does not have a trade union (or any trade unions), or if any existing trade unions do not unite more than half of the organisation's employees. At the same time, the presence in the organisation of works councils elected by employees should not interfere with the exercise of the trade unions' functions.

Law stated - 28 April 2023

Powers of representatives

What are their powers?

According to the Labour Code, it is possible to divide the powers of representatives into two groups: administrative and protective. There is no legal differentiation between the powers of trade unions and works councils.

The holders of administrative powers have the right to, among others:

- draw up their statutes and regulations;
- freely elect their representatives;
- organise their administration and activities;
- plan their projects;
- receive information from the employer in the manner prescribed by the Labour Code;
- provide recommendations to the employer on the organisation of work; and
- conduct collective negotiations in the organisation.

The holders of protective powers have the right to, among others:

- challenge any decisions or actions made by the employer or their representatives within the organisation that contradict the legislation, collective agreements or labour agreements, or violate the rights of the employee's representative;

- ensure coordination of the interests of employees and employers in collective labour relations at different levels of social partnership; and
- carry out non-state control over the implementation of labour legislation.

The employer is obliged to respect the rights of employees' representatives and not interfere with their activities, as well as to consider the propositions presented by these representatives.

Law stated - 28 April 2023

BACKGROUND INFORMATION ON APPLICANTS

Background checks

Are there any restrictions or prohibitions against background checks on applicants? Does it make a difference if an employer conducts its own checks or hires a third party?

Background checks are not provided by Armenian labour legislation. However, the Labour Code provides a limited list of information and documents that the employer must request when hiring a new employee, such as an identity document and a certificate of education or necessary qualification if, according to labour legislation, the work is related to a certain type of education or professional training. If necessary, with the agreement of the employer and the employee, the employee can submit a reference including the data available to the employer's individual (personalised) accounting system regarding their previous work activities.

During the hiring process, requesting documents that are not provided by law is forbidden. Moreover, employers have no right to obtain and process data on employees' political, religious and other beliefs or personal lives. In cases directly related to labour relations, employers have the right to obtain and process data on employees' personal lives only with their written consent. Furthermore, employers do not have the right to acquire and process personal data about employees' membership in public associations or activities in trade unions, except for in cases provided by law.

Law stated - 28 April 2023

Medical examinations

Are there any restrictions or prohibitions against requiring a medical examination as a condition of employment?

The Labour Code provides a possibility for the employer to request a health certificate if the employment contract is concluded for jobs that require an initial and periodic medical examination, as well as when concluding employment contracts with citizens under the age of 18. The list of such jobs and the form of reference are defined by the government.

The Labour Code provides cases of mandatory medical examination. Employers have the right to terminate employment contracts concluded with employees in the case of an employee's refusal or avoidance of mandatory medical examinations.

Law stated - 28 April 2023

Drug and alcohol testing

Are there any restrictions or prohibitions against drug and alcohol testing of applicants?

The Labour Code provides a limited list of information and documents that the employer must request during the hiring process. Requesting documents that are not provided by law is forbidden and there is no explicit obligation for the employer to request negative alcohol and drug test results.

The Labour Code provides the employer's right to terminate an employment contract if an employee is under the influence of alcohol, drugs or psychoactive substances in the workplace.

Law stated - 28 April 2023

HIRING OF EMPLOYEES

Preference and discrimination

Are there any legal requirements to give preference in hiring to, or not to discriminate against, particular people or groups of people?

Armenian labour legislation does not provide any obligation on the employer to give preference in hiring particular people or groups of people at risk of discrimination.

Law stated - 28 April 2023

Written contracts

Must there be a written employment contract? If yes, what essential terms are required to be evidenced in writing?

According to the Labour Code, labour relations between employee and employer are established by a written employment contract concluded in the manner prescribed by labour legislation or by an individual legal act on employment. In each case, the employment contract or the individual legal act is written and includes:

- the date and place of conclusion of the employment contract;
- the first name and surname of the employee, and, at their request, their patronymic;
- the name of the organisation or the first name and surname of the employer, and, at their request, also their patronymic;
- the structural subdivision (if any);
- the date of commencement of work;
- the title of the position or labour functions, or both;
- the amount of the official salary or the method of its determination, or both;
- the allowances, surcharges, etc, issued to employees in a prescribed manner;
- the period of validity of an individual legal act or an employment contract (if necessary);
- the duration and conditions of the probationary period, if one is established;
- the working hours (ie, normal or part-time working hours, reduced or general accounting of working hours);
- the type of annual leave (minimum, additional, extended) and its duration; and
- the position, first name and surname of the person who signed the legal act.

By agreement of the parties, other conditions may be included in an individual legal act or a written employment

contract.

Law stated - 28 April 2023

Fixed-term contracts

To what extent are fixed-term employment contracts permissible?

As a rule, a fixed-term employment contract is concluded if labour relations cannot be defined for an indefinite period considering the conditions or the nature of the work to be done, unless otherwise envisaged by the Labour Code. Fixed-term employment contracts are permissible only in cases provided by the Labour Code; that is, for:

- employees in elected positions for a selected period;
- employees appointed for a period defined by law;
- seasonal workers.
- workers who perform temporary work (ie, work with a duration of up to two months);
- the replacement of a temporarily absent employee;
- foreigners for the period of validity of the right of residence if the foreigner is required to have a residence status to work in Armenia; and
- persons who:
 - are entitled to a pension and have reached the age of 63; or
 - are not entitled to a pension and have reached the age of 65, based on an assessment of the person's professional abilities in the position or work offered by the employer.

The Labour Code does not provide a definite maximum duration for fixed-term contracts. Nevertheless, interpretations of the Labour Code permit the definition of some such terms (eg, two months for a temporary job, the period of validity for the right of residence for foreigners).

Law stated - 28 April 2023

Probationary period

What is the maximum probationary period permitted by law?

The Labour Code provides a maximum probationary period of three months. However, in cases provided by law, a probationary period of up to six months may be established.

Law stated - 28 April 2023

Classification as contractor or employee

What are the primary factors that distinguish an independent contractor from an employee?

Armenian legislation permits work on the basis of an employment contract or a civil law contract, which is another legal category for the provision of services.

Civil law contracts are concluded to achieve a specific result, such as performing certain actions or carrying out certain activities. The contractor is obliged to provide services personally unless otherwise provided by the contract for the provision of services. The contractor enjoys certain independence in organising the performance of the work; namely, using their own materials or defining their period of work.

As for work on the basis of an employment contract, certain particularities are allowed, among others:

- the employee is obligated to comply with the employer's internal regulations and relevant security protocols;
- the employee must perform work in person; and
- the employer is obligated to control the working process and ensure appropriate working conditions.

The Labour Code allows employees to seek recognition of their rights and reclassification of the relationship between an independent contractor and an employer through a court process. Thus, the true nature of the relationship between the contractor and the employer is crucial in determining whether an employment relationship exists.

Law stated - 28 April 2023

Temporary agency staffing

Is there any legislation governing temporary staffing through recruitment agencies?

No.

Law stated - 28 April 2023

FOREIGN WORKERS

Visas

Are there any numerical limitations on short-term visas? Are visas available for employees transferring from one corporate entity in one jurisdiction to a related entity in another jurisdiction?

As a rule, a foreign worker must have a visit entry visa to perform work activities and to obtain a work permit.

In Armenia, an employer has the right to conclude an employment contract with:

- a foreign worker if the worker has a temporary residence status card; and
- a foreign worker exempted from the requirement to obtain a work permit by virtue of a relevant international treaty if they have a civil service number, except for cases where the foreign worker is not required to have a residence permit or obtain a civil service number – for instance, citizens of the Eurasian Economic Union (EAEU) member states are exempted from the obligation to obtain a work permit in the EAEU territory.

To hire a foreign worker and obtain a work permit, the employer fills in an application established by government decree on the appropriate common electronic platform, which is under the jurisdiction of the authorised state body for the migration field.

Law stated - 28 April 2023

Spouses

Are spouses of authorised workers entitled to work?

As a general rule, spouses of foreign workers are entitled to work in Armenia if they obtain a work permit from the authorised state body.

Armenia has been a member of the EAEU since 2014, which means that there are special regulations on this consent. Such regulations provide a possibility for a person to get a temporary residence permit based on the grounds that they are the spouse of an EAEU citizen who holds an Armenian temporary residence permit or a certificate certifying the legality of residence, or is the spouse of a foreign citizen holding an Armenian special passport or permanent residence permit. In such cases, spouses are exempted from the obligation to obtain a work permit.

Law stated - 28 April 2023

General rules

What are the rules for employing foreign workers and what are the sanctions for employing a foreign worker who does not have a right to work in the jurisdiction?

As the main normative legal act, the Labour Code establishes that foreign citizens and stateless persons have the same labour capacity as citizens of Armenia unless otherwise provided by law.

However, the key legal act regulating relations related to the work of foreign citizens in Armenia is the Law on Foreigners, according to which foreign workers have the right to:

- freely dispose of their labour abilities;
- choose a profession and type of activity; and
- engage in economic activities not prohibited by Armenian legislation.

At the same time, foreign workers are guaranteed the principle of equality of the parties to labour relations, regardless of their gender, race, nationality, language, citizenship and other circumstances unrelated to the worker's business qualities.

An employer that hires a foreign worker without a permit is subject to a fine of 50,000 drams.

It should be emphasised that a foreign worker who engages in work without a valid work permit may face negative repercussions as their entry visa will be declared invalid.

Law stated - 28 April 2023

Resident labour market test

Is a labour market test required as a precursor to a short or long-term visa?

To engage a foreign worker, an employer must fill out an application form established by the government on a common electronic platform conducted by the authorised state body for the field of migration. The minimum deadline to apply for filling a vacant position is 15 working days, which will allow the authorised body to study the requirements of the Armenian labour market and, if possible, offer the employer the option of replenishing the workplace with Armenian citizens through the common electronic platform. Only when the vacancy remains unfilled within this time frame may the employer proceed to recruit a foreign worker who meets the requirements. Subsequently, the employer can apply to the authorised body for a specific work permit for the foreign worker, accompanied by the necessary documentation.

Law stated - 28 April 2023

TERMS OF EMPLOYMENT

Working hours

Are there any restrictions or limitations on working hours and may an employee opt out of such restrictions or limitations?

According to the Labour Code, the standard working hours for full-time employees in Armenia are 40 hours per week, with eight hours per day being considered the standard daily working time.

Overtime working hours may not exceed 48 hours per week. By agreement of the parties, overtime working hours may not exceed 12 hours per day (including breaks for rest and meals).

Working hours for certain categories of employees (healthcare, etc) may be 24 hours per day.

By agreement of the parties, overtime working hours for two consecutive days may not exceed 12 hours per day (including breaks for rest and meals) together with standard working hours.

The daily working hours (including breaks for rest and meals) of an employee under two or more employment contracts with different employers, or with the same employer, may not exceed 12 hours per day.

Night work, defined as work performed between 10pm and 6am, may be subject to additional regulations.

Law stated - 28 April 2023

Overtime pay – entitlement and calculation

What categories of workers are entitled to overtime pay and how is it calculated?

In general, overtime pay is available to all employees. However, there is an exception in the Labour Code that states that any overtime work done by the senior officials (the list of these positions being established by internal disciplinary rules) of an organisation that exceeds the established working time is not classified as overtime.

For other employees, for each hour of overtime work, the employer must pay a surcharge of at least one-and-a-half times the hourly rate. The employee should be paid at least the hourly rate established for them by agreement of both parties.

The employer has the responsibility to accurately record the overtime working hours of each employee in the time sheets.

Law stated - 28 April 2023

Overtime pay – contractual waiver

Can employees contractually waive the right to overtime pay?

No.

Law stated - 28 April 2023

Vacation and holidays

Is there any legislation establishing the right to annual vacation and holidays?

All employees are entitled to receive paid annual leave and the duration of this leave depends on the number of working days in a week. For a five-day working week, the minimum annual leave amount is 20 working days. For a six-day working week, the minimum amount is 24 working days. For some types of jobs, the amount of leave may vary.

By agreement of the parties, annual leave may be granted in parts.

Annual leave is granted within the same working year, which is calculated in calendar days and starts on the date specified in the employment contract or individual legal act. It ends on the corresponding date in the following calendar year.

Usually, for the first year of work, annual leave is granted after six months of continuous work, except for joint employees. For the second and subsequent working years, annual leave can be granted at any time during the working year, following the order defined by the collective agreement or by consent of the parties in the absence of such an agreement.

Public holiday days are established by law and it is against the law to require employees to work on these days, except for technical work that cannot be interrupted, public services or urgent repairs.

Law stated - 28 April 2023

Sick leave and sick pay

Is there any legislation establishing the right to sick leave or sick pay?

Armenian legislation grants employees the entitlement to sick leave and corresponding sick pay, provided that a medical certificate issued by a healthcare provider is presented.

Law stated - 28 April 2023

Leave of absence

In what circumstances may an employee take a leave of absence? What is the maximum duration of such leave and does an employee receive pay during the leave?

Employees may take a leave of absence for various reasons, such as illness, family care, parental responsibilities, education and fulfilment of state or public duties. The maximum duration of such leave and whether an employee receives pay during the leave depend on the reason for the leave as well as the terms of the employment contract or applicable laws and regulations. For instance, sick leave can be granted for up to 140 days and employees may receive up to 100 per cent of their salary during this time.

Maternity leave can last for up to 140 days and, in some cases, up to 180 days if complications arise. During maternity leave, female employees can receive up to 100 per cent of their salary. However, for other types of leave (eg, unpaid leave), an employee may not receive pay.

Law stated - 28 April 2023

Mandatory employee benefits

What employee benefits are prescribed by law?

Employees are legally entitled to various benefits such as annual leave, public holidays, secure working conditions, payment for overtime work, night work, sick leave, leave for business trips and maternity-related benefits.

The Labour Code also includes provisions that provide guarantees for employees who have experienced an

occupational disease or work disability, as well as for those who have become temporarily incapacitated. These provisions include maintaining the employee's workplace and position until their work capacity is restored or they are recognised as a person with a disability.

Law stated - 28 April 2023

Part-time and fixed-term employees

Are there any special rules relating to part-time or fixed-term employees?

The Labour Code contains specific provisions for part-time and fixed-term employees. For example, part-time employees have the same rights and protections as full-time employees, but their leave, vacation time and other benefits are prorated based on the number of hours worked. Fixed-term employees are entitled to the same rights and protections as full-time employees, including paid leave, sick leave and other benefits, but their employment is limited to a specific period. The Labour Code also regulates the conditions and procedures for renewing or terminating fixed-term employment contracts.

Law stated - 28 April 2023

Public disclosures

Must employers publish information on pay or other details about employees or the general workforce?

Armenian legislation does not impose any obligation on employers to disclose information related to the salaries or any other details of their employees.

Law stated - 28 April 2023

POST-EMPLOYMENT RESTRICTIVE COVENANTS

Validity and enforceability

To what extent are post-termination covenants not to compete, solicit or deal valid and enforceable?

Armenian legislation does not provide any specific regulations on post-termination covenants, which means that there are no provisions limiting or permitting these types of agreements. As a result, the validity and enforceability of these covenants will be assessed on a case-by-case basis by the courts.

In general, Armenian courts are likely to consider such covenants invalid if they are deemed to violate the principle of freedom of labour, which is established by the Constitution and the Labour Code. However, if the covenant is reasonable and necessary to protect the employer's legitimate interests (eg, trade secrets or confidential information), the court may enforce it.

It is worth noting that employers in Armenia have other legal options to protect their interests after an employee's contract is terminated. For example, employers can use non-disclosure agreements to protect confidential information, or take legal action against former employees who breach their contractual obligations or use the employer's proprietary information for competitive advantage.

Law stated - 28 April 2023

Post-employment payments

Must an employer continue to pay the former employee while they are subject to post-employment restrictive covenants?

No. There is no direct regulation on post-employment restrictive covenants.

Law stated - 28 April 2023

LIABILITY FOR ACTS OF EMPLOYEES

Extent of liability

In which circumstances may an employer be held liable for the acts or conduct of its employees?

An employer can be held responsible for the actions of its employees if they cause damage to third parties due to non-performance or inadequate performance of their job duties.

Law stated - 28 April 2023

TAXATION OF EMPLOYEES

Applicable taxes

What employment-related taxes are prescribed by law?

In Armenia, both employers and employees are subject to various employment-related taxes prescribed by law. These include social security tax, personal income tax and mandatory funded pension system contributions.

Social security tax is calculated as a percentage of the employee's gross monthly salary, and is paid by both the employer and the employee. Personal income tax is also calculated based on the employee's gross monthly salary and is withheld by the employer from the employee's pay cheque. Mandatory funded pension system contributions are made by both the employer and the employee, and are calculated as a percentage of the employee's gross monthly salary.

Law stated - 28 April 2023

EMPLOYEE-CREATED IP AND CONFIDENTIAL BUSINESS INFORMATION

Ownership rights

Is there any legislation addressing the parties' rights with respect to employee inventions?

The Civil Code, the Labour Code, and copyright and related rights legislation are the laws that govern the rights of the parties regarding employee inventions.

Law stated - 28 April 2023

Trade secrets and confidential information

Is there any legislation protecting trade secrets and other confidential business information?

The domestic legal system of trade secret legal regulation includes many legal acts, in particular the Constitution, the

Civil Code, the Law on Freedom of Information and the Labour Code. However, there is no uniform and complete trade secret regulation.

Law stated - 28 April 2023

DATA PROTECTION

Rules and employer obligations

Is there any legislation protecting employee privacy or personnel data? If so, what are an employer's obligations under the legislation?

The protection of employees' personal data is regulated by the Labour Code, according to which the employer can process an employee's personal data only for purposes stipulated in the Labour Code. These purposes are:

- to ensure the fulfilment of the requirements of laws and other regulatory legal acts;
- to support the process of hiring employees;
- to support education and promotion of the employees;
- to ensure the personal security of the employees;
- to supervise the quantity and quality of the work performed; and
- to ensure the wholeness of the property.

Ensuring the wholeness of the property refers to the employer's right to process an employee's personal data for the purpose of safeguarding people and protecting property. This may include the installation of video surveillance systems in exceptional cases when other measures cannot achieve these goals and consent from employees is not required if video surveillance serves these purposes. However, utilising personal data obtained through video surveillance for any purposes unrelated to safeguarding individuals and property is strictly prohibited. For instance, using video surveillance to monitor the quality and quantity of an employee's work is not permissible.

To ensure the protection of employees' personal data, the Labour Code specifies that employers may only obtain access to such data through the employee themselves. If the information is held by a third party, access can only be granted with the written consent of the employee concerned.

The Labour Code also establishes cases in which the employer:

- does not have the right to access an employee's personal data without their written consent; or
- can get such data only when an opportunity is directly provided by law.

In particular, the employer is not entitled to obtain or handle information concerning an employee's political, religious or other beliefs, or their personal life. However, in instances that are directly connected to their employment, the employer may obtain and handle data about an employee's personal life only after obtaining the employee's written consent.

The employer has no right to obtain and process an employee's personal data on their membership to non-governmental organisations or their activities in trade unions, except for in cases provided by law.

Law stated - 28 April 2023

Privacy notices

Do employers need to provide privacy notices or similar information notices to employees and candidates?

According to the Labour Code, the employer needs to provide privacy notices to employees. Specifically, employers are required to inform employees about the purpose, means and sources of acquiring personal data, the type of data being obtained and the implications of the employee's refusal to provide written consent. Additionally, the Labour Code stipulates that employees and their representatives must be informed of the employer's legal policies concerning the processing of employee personal data, as well as their rights and obligations in this regard.

Law stated - 28 April 2023

Employee data privacy rights

What data privacy rights can employees exercise against employers?

If an employee believes that, while processing their personal data, the employer violated their rights provided by law, the employee is entitled to challenge the actions, omissions or decisions of the employer by lodging a complaint with the relevant authority or court. In Armenia, the designated authority responsible for the protection of personal data is the Agency for Protection of Personal Data under the Ministry of Justice.

Law stated - 28 April 2023

BUSINESS TRANSFERS

Employee protections

Is there any legislation to protect employees in the event of a business transfer?

The Labour Code safeguards the rights of employees in the event of a business transfer. This means that, regardless of the transferee, the new owner is prohibited from terminating employees on any grounds that are not prescribed by the Labour Code or from infringing upon the rights that are guaranteed to employees by the Labour Code and the employment agreement.

With regards to outsourcing, it is presumed that the employer no longer requires the services of the affected employees and, as a result, the employer may reduce its staff. However, to safeguard the rights of employees, the Labour Code stipulates that the employer must offer these employees other suitable jobs that are commensurate with their qualifications, professional training and health status. An employer may only terminate an employee if there are no corresponding positions available within the company.

Law stated - 28 April 2023

TERMINATION OF EMPLOYMENT

Grounds for termination

May an employer dismiss an employee for any reason or must there be 'cause'? How is cause defined under the applicable statute or regulation?

The Labour Code provides an exhaustive list of reasons that entitle an employer to terminate an employment contract. This implies that an employee cannot be dismissed by the employer for any arbitrary reason. The grounds for

termination specified in the Labour Code are as follows:

- in the case of:
 - the liquidation of a company (termination of the activity of an individual entrepreneur);
 - non-compliance of the employee with the position held or the work performed;
 - reinstatement of the employee at their previous job;
 - periodic non-fulfilment by an employee (without a valid reason) of the duties assigned to them by an employment contract or internal regulations;
 - loss of trust in the employee;
 - an employee's refusal or evasion of mandatory medical examinations; and
 - the residence status of a foreign worker being recognised as invalid;
- if the employee:
 - is in the workplace under the influence of alcohol, narcotic drugs or psychotropic substances;
 - fails to show up for work for no valid reason during the entire working day;
 - reaches the age of 63 and is entitled to a pension;
 - who is not entitled to a pension reaches the age of 65 if the relevant basis is provided in the employment contract; and
 - is excluded from work for more than 10 consecutive working days or more than 20 working days during the previous three months because of their failure to submit the necessary documents required to attend work during isolation declared in relation to the covid-19 pandemic;
- when the number of employees is reduced, which is preconditioned by changes in the volume of production, economic and technological conditions, and conditions of organisation of work as well, as production needs; and
- due to the long-term disability of the employee.

Although the current situation as it relates to the covid-19 pandemic no longer mandates active isolation measures, it is important to note that the requirement outlined in the Labour Code regarding the submission of necessary documents during isolation remains valid.

Law stated - 28 April 2023

Notice requirements

Must notice of termination be given prior to dismissal? May an employer provide pay in lieu of notice?

According to the Labour Code, the employer is obligated to give notification prior to dismissal to employees in cases specified by the Labour Code. For example, when the employment contract is terminated due to the liquidation of the company or a reduction in the staff, the employer must provide employees with two months of prior notice.

According to the Labour Code, it is possible for an employer to provide pay in lieu of notice, which is calculated by multiplying the employee's average daily salary by each day of notice.

Law stated - 28 April 2023

Dismissal without notice

In which circumstances may an employer dismiss an employee without notice or payment in lieu of notice?

In situations outlined by the Labour Code, such as when an employee fails to perform their duties or loses the employer's trust, the employer has the right to terminate the employee's contract without notice or payment in lieu of notice.

Law stated - 28 April 2023

Severance pay

Is there any legislation establishing the right to severance pay upon termination of employment?
How is severance pay calculated?

According to the Labour Code, employees are entitled to severance payments upon termination in the amount of their average monthly wage:

- when the organisation is liquidated;
- when the number of employees is reduced; and
- if the employee is reinstated at their previous job.

There are other grounds for the employer to pay severance pay; for example, in the case of the employee's long-term inability to work or when the employee reaches retirement age. In these cases, the employer pays severance pay considering the employee's continuous work experience and the average daily salary of the employee.

Law stated - 28 April 2023

Procedure

Are there any procedural requirements for dismissing an employee?

In certain cases stipulated by the Labour Code (liquidation of the company or reduction of the staff, etc), the employer is obliged to notify the employee before the termination of the contract and, in some cases (when terminating the contract for the employee's non-performance or incomplete performance of their duties, or when confidence in the employee is lost), the employer is required to seek a written explanation from the employee before terminating the contract.

There is no need for prior approval from a government agency.

Law stated - 28 April 2023

Employee protections

In what circumstances are employees protected from dismissal?

The termination of an employment contract upon the initiative of the employer is prohibited in the following cases:

- during:
 - a temporary period during which the employee is unable to work;
 - a period of leave taken by the employee;
 - the employee's pregnancy;
 - the implementation of duties imposed on the employer by state and local self-governance bodies;
 - a period of natural disaster, technological accidents, epidemics and other cases of emergency if, in connection

with these incidents, the employee did not show up for work;

- a period of unplanned transfer or unplanned provision of holidays provided for educational (including preschool) institutions if the employee did not show up for work to organise care for a child under the age of 12;
- when an employee who is not on leave takes care of a child until the child turns one year old; and
- after a decision on a strike is adopted and during the strike if the employee takes part in the strike in the manner defined by the Labour Code.

Law stated - 28 April 2023

Mass terminations and collective dismissals

Are there special rules for mass terminations or collective dismissals?

The Labour Code stipulates specific procedures to be followed in the event of mass dismissals. If a company is liquidated or the number of employees is reduced, the employer must notify both the State Employment Service and the employees' representative at least two months in advance. This requirement applies when the employer intends to dismiss more than 10 per cent of the total number of employees, but not fewer than 10 employees within a two-month period. Such terminations are referred to as mass dismissals.

Law stated - 28 April 2023

Class and collective actions

Are class or collective actions allowed or may employees only assert labour and employment claims on an individual basis?

Under Armenian law, class and collective actions are allowed. Employees can claim against employers both individually and on a collective basis.

Law stated - 28 April 2023

Mandatory retirement age

Does the law in your jurisdiction allow employers to impose a mandatory retirement age? If so, at what age and under what limitations?

The retirement age is established by law, so employers have no right to impose a mandatory retirement age. The general retirement age is 63, but it can vary for some professions.

Law stated - 28 April 2023

DISPUTE RESOLUTION

Arbitration

May the parties agree to private arbitration of employment disputes?

Employment disputes may be submitted to the arbitration court for resolution if an agreement has been concluded

between the employee and the employer or a collective agreement provides the option of submitting the dispute to arbitration.

Law stated - 28 April 2023

Employee waiver of rights

May an employee agree to waive statutory and contractual rights to potential employment claims?

No.

Law stated - 28 April 2023

Limitation period

What are the limitation periods for bringing employment claims?

The general limitation period is three years, except for in cases provided by the Labour Code. For example, if an employee disagrees with changes in working conditions or the termination of the employment contract, the employee has a right to file a lawsuit against the employer within two months of receiving the relevant notification.

The limitation period does not apply to claims regarding the protection of honour and dignity of the employee, wages, or compensation for damages caused to the life or health of the employee.

Law stated - 28 April 2023

UPDATE AND TRENDS

Key developments and emerging trends

Are there any emerging trends or hot topics in labour and employment regulation in your jurisdiction? Are there current proposals to change the legislation?

The Ministry of Labour and Social Affairs is planning to implement large-scale changes to the Labour Code. The project has been approved by the government and is now included on the agenda of the session of the National Assembly.

A revision of the grounds for termination of the employment contract at the initiative of the employer and the removal of the grounds for termination of the employment contract upon reaching retirement age have been proposed. A reduction in working hours for employees who take care of a child for up to two years has also been proposed.

Law stated - 28 April 2023

Jurisdictions

	Angola	FTL Advogados
	Armenia	Concern Dialog Law Firm
	Australia	People + Culture Strategies
	Austria	Schindler Attorneys
	Belgium	Van Olmen & Wynant
	Bermuda	MJM Barristers & Attorneys
	Brazil	Cescon, Barriou, Flesch & Barreto Advogados
	Canada	KPMG Law
	Chile	SCR Abogados
	China	Morgan, Lewis & Bockius LLP
	Colombia	Holland & Knight LLP
	Egypt	Eldib Advocates
	Finland	Kalliolaw Asianajotoimisto Oy
	France	Morgan, Lewis & Bockius LLP
	Germany	Morgan, Lewis & Bockius LLP
	Hong Kong	Morgan, Lewis & Bockius LLP
	Hungary	VJT & Partners
	India	AZB & Partners
	Indonesia	SSEK Law Firm
	Iran	Dadflamingo
	Israel	Barnea Jaffa Lande
	Italy	Zambelli & Partners
	Japan	TMI Associates
	Kazakhstan	Morgan, Lewis & Bockius LLP
	Luxembourg	Castegnaro

	Malta	GVZH Advocates
	Mauritius	Orison Legal
	Mexico	Morgan, Lewis & Bockius LLP
	Netherlands	CLINT Littler
	Nigeria	Bloomfield Law
	Norway	Homble Olsby Littler
	Pakistan	Axis Law Chambers
	Panama	Icaza González-Ruiz & Alemán
	Philippines	SyCip Salazar Hernandez & Gatmaitan
	Puerto Rico	Morgan, Lewis & Bockius LLP
	Romania	Muşat & Asociații
	Singapore	Morgan Lewis Stamford LLC
	Slovenia	Law firm Šafar & Partners
	South Korea	JIPYONG LLC
	Sweden	Advokatfirman Cederquist KB
	Switzerland	Wenger Plattner
	Taiwan	Brain Trust International Law Firm
	Thailand	Pisut & Partners
	Turkey	Bozoğlu Izgi Attorney Partnership
	United Arab Emirates	Morgan, Lewis & Bockius LLP
	United Kingdom	Morgan, Lewis & Bockius LLP
	USA	Morgan, Lewis & Bockius LLP