

Legal Update for April, 2020



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Amendments to the RA Labor Code

(adopted in the second reading and in full)



As the Labor Code of the Republic of Armenia has not yet stipulated provisions for remote work in emergency situations, and, as it may be due to possible restrictions during the state of emergency, it may not be possible for employees to appear on time or at all, or work full-time for objective reasons. Thus, further provisions are stated by the amendments:

- The concept of remote work, in which case the employee's salary must be fully maintained.
- Procedure for payment of wages during compulsory unemployment, as well as other opportunities for organizing work in a state of emergency.
- In case of idleness, the payment of at least two thirds of employee's average hourly wage, instead of the current imperative regulations, which stipulates that in such case two-thirds of the salary is only paid.
- The existing provisions stipulate that the employer does not pay for the idleness due to reasons that are considered insurmountable, but, due to the amendments, he can decide to pay or not. It is also envisaged that in case of emergency prevention work or elimination of its consequences, overtime work may last up to 8 hours in two consecutive days, instead of the current 4.

It is envisaged to add a new Article 33.1 to the RA Labor Code, stipulating the right of **the state authorized body to exercise control over the employers and, if necessary, to apply appropriate measures of responsibility** in case of information received from state or local self-government bodies about complaints or violations received from individuals.

The Concept of Remote Work:

The new Article 106.1 defines the concept of remote work with the following content: **“Work carried out remotely is the work carried out from the place of work during the period of prevention of natural disasters, technological accidents, epidemics, accidents, fires and other emergencies. , in the event that due to these circumstances it is not possible to ensure the implementation of those works at the workplace”**. Remote work shall not be considered as change of essential conditions of work. It also stipulates that **“if it is not possible to continue the work stipulated in the employment contract, including remotely, in case of having unused annual leave, the employer provides the employee with annual leave upon the employee's request.”**

The prohibition of termination of employment contract:

Part 1 of Article 114, which stipulates the prohibition of terminating an employment contract on the initiative of the employer, is intended to add new clauses, which are:

5) during the period of prevention of natural disasters, technological accidents, epidemics, accidents, fires and other emergencies of immediate nature or immediate elimination of their consequences, if due to these cases, the employee did not show up for work or work on a part-time day,

6) during the period of unauthorized transportation or unplanned provision of vacations for educational (including pre-school) institutions, if the employee did not show up for work or did not show up for part-time work to organize the care of a child under twelve years of age.

Salary during idleness.

Article 186 of the Code, which regulates the procedure for payment during idle time, is to be supplemented with a new clause with the following content:

“Provisional restrictions on the rights and freedoms of individuals and legal entities during the period of prevention or immediate elimination of natural disasters, technological accidents, epidemics, accidents, fires and other emergencies, **in which case it is not possible to perform work responsibilities, shall be considered as a force majeure event under Article 6 of this Article.**”

In special cases, a remuneration procedure (187.1) will be provided, in particular:

1. If, during the period of natural disasters, technological accidents, epidemics, accidents, fires and other emergencies of immediate nature or due to the immediate elimination of their consequences, the employee did not show up for work or work on a part-time basis, then the work is paid for according to the time worked or the actual work done.

2. In case of unauthorized transfer or unscheduled leave for educational (including pre-school) institutions, in order to organize the care of a child up to twelve years of age, in case of non-full-time employment, the employee's salary is fully maintained, if the employee was absent till two hours: In the cases mentioned in this part, in case of absence from work for more than two hours during the working day, as well as not appearing at work during the whole working day, the work shall be remunerated at least in accordance with the actual working time or the actual work performed.

Violation of work discipline: The following regulations will be established in violation of work discipline (article 220):

1. Violation of work discipline is **considered to be the non-performance or improper performance of work duties due to the fault of the employee.**

2. Violation of work discipline is not considered.

1) non-appearance of an employee due to natural disasters, technological accidents, epidemics, accidents, fires and other emergencies during the period of immediate elimination of their consequences;

2) not to show up to work or to work part-time for non-full-time work during the period of unplanned relocation or unplanned provision of leave for educational (including pre-school) institutions, in order to organize the care of a child up to 12 years old.”

Thus new guarantees for protection of employee's rights are defined by the new amendments.

Amendments to the RA “Law on Medicine”



Taking into account the establishment of the legal regime of the state of emergency, changes were made in Part 3 of Article 31 of the RA Law on Drugs, in particular, it was stipulated that:

"Legal entities and individual entrepreneurs engaged in the wholesale sale of drugs are obliged to be licensed within seven months after the entry into force of the wholesale licensing of drugs."

The procedure for licensing the wholesale sale of drugs came into force on January 14, 2020. **The previously scheduled three-month period has been extended by 4 months.**

RA Government Decisions on neutralization of economic consequences of COVID-19

The 15th event to neutralize the economic consequences of COVID-19

It is planned to carry out tree planting works, in which the local population will be involved, thus creating additional jobs to mitigate the risks related to the reduction of the population's income.

The total cost of the works is **about 200 million drams.**

The residents who took part in the tree planting will be provided with 50 drams for the preparation and planting of each coupon.

See: <https://www.e-gov.am/gov-decrees/item/33911/>

The 14th event to neutralize the economic consequences of COVID-19

The program is designed for students studying in the paid distance education system of universities with state and state accreditation of Armenia.

- It is planned to reimburse graduate students studying at state universities who have more than 90% of MOG (gpa), 100% of the semester tuition fee, and students of all other courses who have more than 90% of the MOG will receive 75% of the semester tuition fee.

- It is planned to zero the student loans provided from May 1 for those students whose maximum cost of higher education will be more than 80%. And those students whose MOG cost is less than 80% will receive a 5% subsidy on student loan interest rates, which will make the loan available at a 4% interest rate.

See: <https://www.e-gov.am/gov-decrees/item/33862/>

13th event to neutralize the economic consequences of COVID-19

The decision envisages the following social assistance measures for families entitled to social and family benefits.

As of April 2020, families receiving benefits will receive 50% of the benefits, 70% of which will be provided in cash and 30% will be transferred as a subscription fee for electricity consumed by the subscriber. If the beneficiary is not a subscriber of the electricity network, the amount will be provided in cash.

See: <https://www.e-gov.am/gov-decrees/item/33824/>

12th event to neutralize the economic consequences of COVID-19

The program is designed to provide support to at least 280,000 subscribers. 30% support will be provided to subscribers whose spending in February 2020 amounted to:

- Consumption of natural gas - 10.001 - 30.000 AMD inclusive,
- Electricity consumption, including 5,001-10,000 drams.

See: <https://www.e-gov.am/gov-decrees/item/33819/>

11th event to neutralize the economic consequences of COVID-19

The beneficiary of this program is 220 thousand subscribers and 660 thousand citizens.

The state will reimburse 50% of the expenditures on natural gas and electricity in February of this year for the subscribers who had up to 10,000 drams of natural gas and up to 5,000 drams of electricity during the mentioned month.

See: <https://www.e-gov.am/gov-decrees/item/33811/>

10th event to neutralize the economic consequences of COVID-19

This decision aims to support those who:

- **In 2019, they were a family business or a self-employed person.**
- **They started their activity after January 1, 2020 and are not sole proprietors.**

The beneficiaries of the event will be provided with a one-time financial assistance of up to 136 thousand drams, the exact amount of which depends on the amount of turnover of the economic entity in the first quarter of 2020.

Micro-entrepreneurs who started their business in 2020 are not sole proprietors, just as micro-entrepreneurs who have applied for a cash register but do not yet have a cash register device will receive a minimum wage of 68,000 drams.

See: <https://www.e-gov.am/gov-decrees/item/33845/>

9th event to neutralize the economic consequences of COVID-19

Beneficiaries are those **who are under the age of eighteen and are not registered as employees as of March 12, who were not employed between March 12-31.**

Support is provided for each child in the amount of **26,500 AMD.**

The family can be a beneficiary if the child or children up to the age of one, as well as the parents (or the single parent) lived in the Republic of Armenia on March 12-31.

See: <https://www.e-gov.am/gov-decrees/item/33694/>

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