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Employment: Employees in Russia Can Now Work From Home

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The Employment section did not involve the reporting or the editorial staff of The Moscow Times.

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Recent developments in technology and network systems have created opportunities for employees to work remotely instead of in their employer's office or facility. Remote employment provides a unique opportunity for an employee to work from any place at his/her discretion, including in other countries. Employers also benefit from remote employment through costs savings and the ability to employ specialists living far from the employer's location.

Until recently, despite the fact that remote employment operates in practice, Russian employment legislation had no provisions in this respect. Due to a gap in employment regulation, remote employees had to work under civil law contracts, e.g. service agreements, and, accordingly did not have standard employment rights and guarantees (e.g. work health and safety, holiday entitlement, etc.). However, in April 2013, the Russian Labor Code (the "Labor Code") was supplemented by Chapter 49.1, which aims to provide a legal framework for remote employment.

What is Remote Employment?

Remote employment implies working outside the employer's place of business, including offices and any other places under the employer's control. Networks (e.g. the Internet) that allow for an employee's cooperation with his/her employer are widely used in remote employment, including on issues arising from entering into a special remote employment agreement ("REA") and issues to be handled during the term of the employee's employment (e.g. correspondence, presenting his/her work output, etc.).

Entering into an REA

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The procedure for entering into an REA has been simplified compared to a normal employment agreement. As such, there is no need to execute hard copy documents, except for (a) an original hard copy of the executed REA to be retained by the employee, (b) an employment record book to be provided to the employer, (c) a copy of the employment termination order, and (d) other documents specifically agreed upon by the employer and the employee.

In all other cases the document exchange between employer and employee may be performed electronically provided a protected qualifying electronic signature is used for the execution of the electronic documents. The costs for obtaining this electronic signature are reasonable. They amount to approximately $200 for the employer and about $100 for the employee.

Special Conditions for Remote Employment

While the Labor Code generally requires the maintenance of a record of the employee's job in his employment record book, this is not the case for remote employment. As such, the record can be replaced by a simple confirmation of the employee's employment history to his/her employer.

Moreover, there is no need for the employer to register the remote employee's workplace for tax purposes.

The employer may require a remote employee to use specific hardware or software while performing his/her duties under the REA. However, recovery of the costs incurred by the employee due to his/her use of such hardware and software may also be specifically agreed upon.

In addition, the obligation to obtain a state pension insurance certificate is imposed upon the remote employee rather than on the employer, unlike in non-remote employment.

The employee may determine his work schedule at his/her own discretion.

It should be noted that despite the simplified procedure for entering into and performance under the REA, the employer is still obliged to:

• ensure minimum workplace safety requirements, e.g. mandatory social insurance of employees from accidents;

• and comply with Labor Code procedures in respect of employees' annual leave.

Termination of Employment

Generally, an employee may be dismissed on the limited list of grounds specifically indicated in the Labor Code. Before the implementation of provisions regarding remote employment the only exception to the above rule was the CEO of the company. Now, remote employees may also be dismissed on additional grounds as agreed upon in the REA.

Summary

Russian lawmakers have finally recognized the importance of remote employment for the current labor market. We believe that the introduction of remote employment legislation is aimed at keeping Russian employment law current with global standards and that it will undoubtedly improve the labor environment in Russia.

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