

Globalization Partners provides [employer of record services](#) for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Armenia. Your candidate is hired via Globalization Partners' Armenian PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

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Our solution enables customers to run payroll in Armenia while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Armenia.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the brightest people in more than 185 countries around the world, quickly and painlessly.

Armenia is the smallest of the 15 former Soviet states that became independent in 1991 and lies in the southern Caucasus region bordering Europe and Asia. Armenians are a hard-working people. In business situations they appreciate punctuality and relationships are extremely important to business success.

Basic Facts About Hiring in Armenia

Armenia is a relatively easy country in which to do business. It is helpful to have established in-country relationships in order to navigate local laws and complete business deals. Workers have relatively high skills for the area, but wages remain low. There are no employment permits required for foreigners.

When negotiating terms of an employment contract and offer letter with an employee in Armenia, it may be useful to keep the following in mind:

Public Holidays in Armenia

Armenia celebrates 10 public holidays.

- New Year's Day
- Armenian Orthodox Christmas
- International Women's Day
- Good Friday
- Genocide Remembrance Day
- Victory and Peace Day
- First Republic Day
- Constitution Day
- Independence Day
- New Year's Eve

Bonus in Armenia

Bonuses are common and can be included in the employment contract or given on a

discretionary basis.

Working Hours in Armenia

Armenians work an eight hour day and should not exceed 40 hours per week.

Overtime is allowed, but at a maximum of four hours per day or eight hours per week. Employees generally receive at least 150% of their regular hourly rate for each overtime hour.

Vacation in Armenia

Armenian workers are generally entitled to 20 days of annual paid vacation.

Sick Leave in Armenia

Employees on sick leave due to a work related injury or sickness can return to their prior job when healthy.

If the sickness or injury is not work related, the employee is guaranteed his/her job if his/her absence is no more than 120 successive days or 140 total days within the past 12 months.

Employees are entitled to receive full benefits while on sick leave.

Maternity/Paternity Leave in Armenia

Female employees are allowed up to 140 days of paid maternity leave. Leave extends from 70 days before the birth to 70 days after the expected date of childbirth, or 155 days if there are complications and 180 days for multiple births.

Pay is capped at five times the legal monthly minimum wage.

Termination/Severance in Armenia

A probationary period of up to three months is allowed.

Notice is required prior to dismissal for redundancy. For employees with:

- One year service: 5 days are required
- Up to 5 years' service: 6 days notice
- Up to 10 years' service: 7 days notice

Workers terminated due to redundancy are also entitled to severance pay of one month.

The employee must be given at least two months notice in the event of

- Liquidation of company
- Changes in production volumes
- Economic or technological changes
- Changes in working conditions

If the employee has a long-term inability to work, is no longer suitable for the position, or he/she has a long-term inability to work, he/she must be given notice before termination.

Taxes in Armenia

Individual social security accounts are mandatory for workers who were born after January 1, 1974. The employee's contributions are as follows:

- 5% of monthly earnings up to 500,000 drams a month, plus up to 1.5% of the account balance for administrative fees.
- For earnings exceeding 500,000 drams a month, the insured's contribution is 10% of monthly earnings minus a government flat-rate contribution of 25,000 drams, plus up to

1.5% of the account balance for administrative fees.

Employers must also contribute to social security at a flat rate of 7,000 drams a month

- Plus 15% of the employee's monthly income from 20,000 drams to 100,000 drams
- Plus 5% of income greater than 100,000 drams.

The employer's contributions also finance sickness, maternity, work injury, and unemployment benefits.

Health Insurance in Armenia

Government health providers offer medical services directly to patients. Benefits include general and specialist care, hospitalization, laboratory services, dental care, maternity care, and transportation.

Employment Contracts in Armenia

It is legally required to put a strong employment contract in place in Armenia, in the local language, which spells out the terms of the employee's compensation, benefits, and termination requirements. An offer letter and employment contract in Armenia should always state the salary and any compensation amounts in dram rather than a foreign currency.

Employment contracts must also meet Labour Code requirements and include the:

- Name and surname of the worker (and optionally, his or her father's name);
- Name of the company or the name and surname of the physical entity (ie, the employer and, optionally, his or her father's name);
- Structural sub-division (where available);
- Date on which employment starts;
- Position and/or official duties;
- Basic salary and method of payment;
- Bonuses, additional payments or premiums granted to employees;
- Validity period of the employment contract (if necessary);

- Duration of the probation period on which the parties have agreed; and
- Work time duration, where incomplete working time is set.
- Date and place where contract was concluded

This information is provided as generally accepted information and is not intended as advisory services.

Why Globalization Partners

Establishing a branch office or subsidiary in Armenia to engage a small team is time-consuming, expensive and complex. Armenian labor law has strong worker protections, requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Armenia. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Armenia PEO and [Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Armenia, please [contact us](#).