

Requirements for Hiring Highly Qualified Employees in Russia

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For foreign employees working in Russia, July 1, 2010 became a very important day: The new category of "highly qualified employees" was officially introduced by the national law. In the summer of 2012, after two years passed since the date of revolutionary amendments in Russian immigration legislation coming into force, we have a clearer picture, a better understanding of the procedure and solid practical experience that could be useful for various employers in Russia.

The law defines "highly qualified specialists" as foreign nationals whose annual income paid in accordance with the labor / civil law agreement signed with a Russian employer exceeds 2 million rubles gross (which is approximately \$65,000 and 53,000 euros). The changes have an impact only on this category of specialists working only for Russian legal entities that have not violated the rules and procedures of foreign nationals' employment in two years preceding the application.

This status of employment is continuing to gain momentum. The number of highly qualified employees climbed to 30,000 people within two years. The major reasons for the strong willingness of employers to issue a highly qualified status for foreign employees are the following:

- Validity of work permit and work visa for 3 years
- Fast process of 21 days for the issuing work permit and invitation for visa
- No quota, no medical test, no registration for 90 days is required
- 13 percent income tax vs. 34 percent applicable for standard foreign employees
- Once issued for several regions of Russia vs. standard work documents valid for one region only
- Eligible to apply for Russian residence permit to avoid double taxation

However, providing so many advantages, the highly qualified status demands from the employer a strict respect of requirements established by the law and constantly monitored by the Federal Migration Service:

- Employer must keep highly qualified specialist on Russian payroll with Russian labor contract
- Employer must register highly qualified specialist in tax authority within 30 days after obtaining work permit
- Employer must notify the Federal Migration Service on salary payment and tax deduction quarterly
- Employer must provide highly qualified employee with medical insurance
- Employer must notify Federal Migration Service about any change in the Russian local labor contract

These requirements should be met as stipulated by the law. If the employer does not meet any of these requirements, the Federal Migration Service can withdraw the work permit and work visa from all highly qualified employees working for the employer and prohibit the employer from hiring foreign employees for two years.

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