

**By the Judgement of 11 April 2023 № 16-II the Constitutional Court assessed constitutionality of Article 236 (part 1) of the Labour Code of the Russian Federation**

In accordance with this legal provision, if the employer violates the established deadline for the payment of wages, vacation (paid leave) pay, severance pay and (or) other payments due to an employee, the employer is obliged to perform the relevant payment with interest (monetary compensation) in the amount of not less than 1/150 of the key rate of the Central Bank of the Russian Federation established at the material time with regard to the amounts not paid on time, for each day of delay starting from the day following the established payment deadline up to and including the day of actual payment; in case of failure to fully pay wages and (or) other payments due to the employee within the established deadline, the amount of interest (monetary compensation) is calculated from the amounts actually not paid on time.

The contested legal provision was found to be incompatible with the Constitution of the Russian Federation in so far as it does not ensure recovery of interest (monetary compensation) from the employer in the event that payments due to the employee – in violation of labour legislation and other legal regulations on labour law standards, collective agreement, contract, local regulatory act and employment contract – were not accrued in a timely manner, and the court decision recognised the employee's right to receive them along with the calculation of the amount of such interest (monetary compensation) from the actual unpaid sums of money from the day following the day when, in accordance with the current legal regulation, these payments should have been paid if they were accrued in a timely manner.

Until appropriate legislative amendments are made, the interest (monetary compensation) provided for by the contested legal provision shall be subject to recovery from the employer even in the event that the payments due to the employee were not accrued to him/her in a timely manner, and the court decision recognised the employee's right to receive them. In this case, the amount of interest (monetary compensation) is calculated from the actual unpaid amounts of money from the day following the day when, in accordance with the current legal regulation, these payments should have been paid if they were accrued in a timely manner, up to and including the day of actual payment.