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# New rules for liquidation firm-employers

Amendments to the Labor code and the law on state registration of legal entities and individual entrepreneurs will come into force in mid-August.

The amendments are intended to change the approach to protecting the rights of people who remain unemployed after the company closes. This problem has become particularly urgent in connection with the coronavirus pandemic. Many companies closed, and not all of their employees received the necessary payments.

From August 13, 2020, it is assumed that the employer will not be able to liquidate the organization and exclude it from the register until the corresponding severance payments are paid to all its employees.

According to the new rules, the employer can pay all amounts due to the employee immediately at the time of dismissal. Thus, in fact, the employee will receive two monthly salaries at once.

On the one hand, the changes made do protect the rights of employees.

However, it is no secret that in the case of liquidation, the employer often resorts to the option of "blackmail", in which all employees are asked to leave on their own, since in this case the employer reserves the obligation to pay severance pay and receives significant savings.

On the other hand, if the liquidation of an enterprise is related to its deplorable financial situation, such changes can lead not only to an increase in criminal cases against employers, but also to a situation when companies change their General Directors to dead souls, and the society itself simply stops its activities, as it was before.

Thus, all state initiatives to improve the labor situation can be called a "disservice", since an attempt to protect one side leads to the adoption of retaliatory measures by the other side, which do not always fit into the legal framework, so it is not necessary to talk about the balance of rights and legitimate interests.

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