

## LABOR LAW ASPECTS IN THE CONTEXT OF COVID-19

### TEMPORARY LAYOFF

Until May 31, 2020, throughout the temporary suspension of the individual employment agreement on the employer's initiative (temporary layoff), the allowances which employees benefit from, amounting to **at least 75% of the basic salary** corresponding to their position, paid from the salary fund, **will be paid out of the unemployment insurance fund**, but no more than 75% of the gross average salary for 2020, with the possibility of continuing its granting after this date in the areas in which the restrictions will be maintained. The condition for accessing this facility is for employers' activity to be temporarily reduced/disrupted, either totally or partially, as a result of the effects of the SARS-CoV-2 coronavirus epidemic.

Important aspects:

- In case an employee has several individual employment agreements, out of which at least one full-time employment agreement is active during the state of emergency, they may not benefit from the temporary layoff allowance;
- In case all individual employment agreements of an employee are suspended, they may benefit from the temporary layoff allowance by reference to the individual employment agreement with the most favorable salary rights;
- In case the budget corresponding to personnel costs allows it, the employer can supplement the temporary layoff allowance granted by the State, by paying its employees the amount representing the balance up to at least 75% of the basic salary corresponding to their positions;
- In order to receive temporary layoff allowances, employers and co-operatives which have concluded an employment agreement with its workers must send employment agencies, by e-mail, a request and a statement on own responsibility, as well as the list of persons who will benefit from the temporary layoff allowance. The amount will be transferred into the employer's account within 15 days at most and the temporary layoff allowance must be paid within 3 days after the account has been credited.

- Sportsmen, persons who have concluded an employment agreement with a co-operative or copyright holders and lawyers may also benefit from the temporary layoff allowance amounting to 75% of the gross average salary.
- Employers falling within one of the conditions provided above and to whom the allowance is reimbursed must calculate, retain and pay, out of the allowance, the tax and the mandatory social contributions. For the allowance paid from the state budget, the insurance contribution for work is not due.
- The amounts representing the allowances are not subject to enforced execution by committing them during the period of their granting, regardless of the budget from which they are supported.
- The fiscal facilities provided in the Fiscal Code granted to the natural persons who activate in the sector of constructions, respectively: (i) the income tax exemption; (ii) reduction of the share of health insurance contribution; and (iii) the exemption from the CASS payment **does not apply** during the state of emergency regarding the allowances received for the supervision of children granted under Law 19/2020 on granting days off to parents to care for their children, in case educational establishments are temporarily closed.

*The legal basis for the above is represented by **Emergency Ordinance no. 30/2020 amending and supplementing enactments, as well as introducing social protection measures in the context of the epidemiological situation caused by the spread of the SARS-CoV-2 coronavirus, Emergency Ordinance 32/2020 amending and supplementing Government Emergency Ordinance no. 30/2020, Order of the Minister of Labor and Social Protection no. 741/2020 approving the template of temporary layoff forms and Emergency Ordinance 48/2020 regarding some financial-fiscal measures and Emergency Ordinance no. 53/2020 and Decision no. 848/2020; and Emergency Ordinance 70/2020.***

**Mitel & Asociatii**