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New support measures in the context of the epidemiological situation caused by the spread of SARS-CoV-2 coronavirus

On August 10, 2020 Emergency Ordinance no. 132/2020 for the establishment of certain support measures for employees and employers in the context of the epidemiological situation caused by the spread of the SARS-CoV-2 coronavirus, as well as for increasing the employment (hereinafter “**GEO 132/2020**”) was published in the Official Gazette no. 720/10.08.2020.

Among the most important aspects, the normative act provides additional forms of financial support to employers and employees, as well as for other categories of individuals affected by the current epidemiological situation.

New financial support measures in the context of the epidemiological situation caused by the spread of SARS-CoV-2 coronavirus

The measures impact the employees, employers and other categories of individuals, as follows:

Measures of financial support granted to employers and employees

- By exception of certain provisions of the Labor Code¹, in case of temporary reduction of business activity caused by the state of emergency/alert/siege, employers can reduce the working time by a maximum of 50% for a period of at least 5 working days;
- During this period, the employees can benefit of an indemnity of 75% of the difference between the total gross base salary and the gross base salary related to the hours actually worked. Such indemnity is paid by the employer at the salary payment date and can be further reimbursed by the state if the employer cumulatively fulfills the following criteria:
 - at least 10% of the total number of employees should be impacted by this measure and
 - the employer's turnover should be reduced with at least 10% in the last months compared to the same period of the previous year;
- The indemnity cannot be cumulated with other indemnities previously provided by the law in the actual pandemic context;
- During the period when the measure is applied:
 - employers may not hire or contract staff to perform similar activities to those provided by employees with reduced time schedule and should not make collective layoffs;
 - employees should not perform activities for the employer outside the established reduced schedule. Otherwise, sanctions can apply for the employer;
- Other salary related benefits are granted proportionally with the effective working time;
- The payment of performance bonuses for the management structure should be postponed as they cannot be granted whilst benefiting from this form of employee related financial support;
- Employers (under certain conditions and within the budget limit set by the authorities) can receive for each employee who has worked remote for a minimum 15 working days during the state of emergency, a one-time financial support of RON 2,500 in order to purchase technological equipment. The procedure and details regarding the types of equipment will be published within 10 days after GEO 132/2020 enters into force;
- In case of employment contracts concluded for a determined period of up to 3 months, employers can benefit (no later than December 31, 2020) from an indemnity of the employee's gross salary up to maximum RON 2,253.

Measures of financial support granted to other categories of individuals

- In the context of reduction of business activity caused by the establishment of the state of emergency/alert/siege:
 - professionals can benefit (upon request) from a monthly gross indemnity capped at RON 2,253, if certain conditions are met. Such indemnity can be cumulated with other indemnities previously provided by the law in the current pandemic context;

¹ From the provisions art. 112, alin (1) form Law 53/2003 – Labor Code

- daily workers performing activities in one or more specific fields² can benefit from a gross indemnity of 35% of the remuneration obtained for the working day during a period of three months (by the decision of the services' beneficiary) but no later than December 31, 2020.

The procedure to benefit from the above measures (reimbursement, necessary justifying documents) will be established at a later stage within 30 days by Government decision and within 10 days by Labor and Social Protection Minister's Order after GEO 132/2020 enters into force.

For further questions regarding the aspects mentioned in this alert, please contact us.



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² According to the art. 12 from Law 52/2011 regarding the exercise of occasional activities carried out by day workers

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