



Support measures for employees and employers in the context of the epidemiological situation caused by the spread of SARS-CoV-2 coronavirus, as well as for stimulating workforce growth

Through Emergency Ordinance no. 132/2020, the Romanian Government has introduced various measures to support employees and employers in the context of the epidemiological situation caused by the spread of the SARS-CoV-2 coronavirus.

I. Reduction of employee working time

In the event of a temporary reduction in a company's activity caused by the declaration of the state of emergency/alert/siege, employers may reduce the amount of time their employees work by up to 50% of the amount stipulated in their individual employment contracts.

During this period, affected employees, in addition to the salary rights associated with the actual time worked, will receive an indemnity payment equal to 75% of the difference between the amount of gross basic salary stipulated in the individual employment contract and the amount of gross salary corresponding to the number of hours actually worked as a result of the worktime reduction measure.

The aforementioned indemnity is to be paid first by the employer and then reclaimed from the unemployment insurance budget. The procedure for reclaiming these amounts, as well as the period of application of these facilities, is to be established by Government decision.

Notes:

- the working time reduction measure is established by decision of the employer and is for a period of at least 5 consecutive working days; it must be communicated to the employees and registered with the General Registry of Employees
- the measure cannot be cumulated with other measures established by the Labour Code with a view to reducing working time, and during application of the measure the employer cannot initiate collective dismissals
- during a period of reduced working time, affected employees are not allowed to perform overtime
- during a period of reduced working time, companies are forbidden from hiring staff to perform activities identical or similar to those performed by employees whose working time has been reduced; the subcontracting of activities carried out by these employees is similarly forbidden
- the indemnity payment granted for the period of reduced working time constitutes salary income and is subject to income tax and social contributions, including the employment insurance contribution
- the indemnity payment cannot be cumulated with other types of fiscal facilities granted to employers for their employees in the context of the epidemiological situation
- the carrying out of work by employees, including through teleworking or homeworking, outside of the established working schedule (as well as outside of the reduced working schedule), constitutes an offence punishable by a fine to the employer of Lei 20,000 for each such case identified, up to a total amount of RON 200,000.



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Cumulative conditions that must be met in order to receive the indemnity payment:

- a) the measure to reduce working time affects at least 10% of the company's employees
- b) the reduction in company activity is justified by a decrease in turnover for the month prior to application of the measure, or for the month preceding the month prior to application of the measure, of at least 10% compared with the same month the previous year.

Source: Emergency Ordinance no. 132/2020 on the 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 the stimulation of employment growth, as published in the Official Gazette no. 720 on 10 August 2020.

II. Part payment of salaries of employees on fixed-term contracts

The employer may request the part payment of the salaries of employees on fixed-term employment contracts concluded for periods of up to 3 months, at the level of 41.5% of the corresponding amount of salary due for the number of days worked on a work schedule of 8 hours a day. However, this amount cannot exceed 41.5% of the average gross national salary corresponding to the amount of time worked.

This facility is available for a period of 3 months, at the employer's decision, but not beyond 31 December 2020.

The employer must first pay the entire amount of salary due under the aforementioned fixed-term employment contracts, with the 41.5% part payment of the salary being subsequently reimbursed by the National Agency for Employment.

Source: Emergency Ordinance no. 132/2020 on the 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 the stimulation of employment growth, as published in the Official Gazette no. 720 on 10 August 2020.

III. Allowances available to other categories of beneficiary

In the event of a temporary reduction of activity caused by the declaration of the state of emergency/alert/siege, professionals, as regulated under the Civil Code, as well as persons who have concluded individual labour conventions, may benefit from a monthly allowance equal to 41.5% of the average gross national salary for the year 2020.

For day labourers working in one of the sectors affected by the interruption or restriction of activity due to the effects of the SARS-CoV-2 coronavirus, an amount representing 35% of the remuneration due for each day's work will be paid from the State Budget, for a period of 3 months, at the decision of the beneficiary of the work, but not beyond 31 December 2020.



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IV. Financial support for employers who carry out their work through teleworking

Employers who carry out their work through teleworking can receive financial support from the State Budget in the amount of RON 2,500 for each teleworker. This amount is granted only once and is intended for the purchase of packages of technological goods and services necessary to the performance of their work through teleworking.

The amount is paid to employers from the unemployment insurance budget within the limits of the funds allocated for this purpose.

The method of granting this support and the categories of goods that can be purchased will be established by Order of the Minister of Labour and Social Protection within 10 days of publication of this emergency ordinance.

Conditions for granting the financial support:

- the employees have performed their work through teleworking for at least 15 working days during the state of emergency
- the employer provides the National Agency for Employment with the supporting documents for the acquisition of the goods, as established by Order of the Minister of Labour and Social Protection, within 30 days of receiving the financial support.

Source: Emergency Ordinance no. 132/2020 on the 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 the stimulation of employment growth, as published in the Official Gazette no. 720 on 10 August 2020.

This newsletter is a service of TPA.

Kind regards

Your TPA Team



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Contact:

TPA Romania

Str. Grigore Cobălcescu 46, 010196 Bucharest

Tel.: +40 21 310 06-69

Fax: +40 21 310 06-68

<http://www.tpa-group.ro>

<http://www.tpa-group.com>

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Claudia Stanciu Stănciulescu

Tax Advisor, Partner

email: claudia.stanciu@tpa-group.ro

www.tpa-group.ro

www.tpa-group.com



Ioana Zavastin

Payroll Manager

email: ioana.zavastin@tpa-group.ro

www.tpa-group.ro

www.tpa-group.com

IMPRINT Information update: August 11 2020. This information has been simplified and is not a substitute for individual advice. Responsibility for the content lies with [Claudia Stanciu-Stănciulescu, Tax partner, and Ioana Zavastin, Payroll Manager](#), of TPA Romania, Str. Grigore Cobălcescu 46, 010196 Bucharest, Romania. TPA Romania is an independent member of the Baker Tilly Europe Alliance. Tel: +40 21 3100669. Homepage: www.tpa-group.ro;

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