

LEGAL ALERT



Government Decision no. 719/2020 approving the procedure for settlement and payment of the amounts granted based on GEO no. 132/2020 on the measures to support the employees and the employers in the context of the epidemic caused by the spread of the SARS-CoV-2 coronavirus, as well as for stimulating the employment increase

Government Decision no. 719/2020 approving the procedure for settlement and payment of the amounts granted based on GEO no. 132/2020 on the measures to support the employees and the employers in the context of the epidemic caused by the spread of the SARS-CoV-2 coronavirus, as well as for stimulating the employment increase ("GD 719/2020") was published in the Official Gazette of Romania on 31 August 2020.

CONTEXT

Considering that GEO 132/2020 on the measures to support the employees and the employers in the context of the epidemic caused by the spread of the SARS-CoV-2 coronavirus, as well as for stimulating the employment increase ("GEO 132/2020") is effective as of 10 August 2020, GD 719/2020 refers to the procedure for settlement and payment of the amounts granted in order to make the work schedule flexible, for reasons related to the epidemic caused by the spread of CoVid-19 virus.

SCOPE

In the context of prevention and control of the risk relating to the spread of the Covid-19 virus, the competent authorities considered that it is necessary to provide for flexibility measures in the employment field, so that the employer could reduce the working time of the employees, and the employees would receive the salary for the work actually performed from the employer, and a percentage of the salary corresponding to the unperformed work from the state.

The provisions of this decision refer to the concrete procedure that has to be followed by the employer for the settlement and payment of such amounts.

For 2020, the settlement of the following benefits is applicable until 31 December 2020:

- Benefits provided for employees with individual employment agreements;
- Benefits due to professionals.

MAIN REGULATIONS

A. Benefit received by employees with individual employment agreement ("IEM")

For full-time employees, the normal duration of the working time is 8 hours/day and 40 hours/week. GEO 132/2020 introduced the possibility that the employers which have their activity temporarily reduced due to the state of emergency/alert/siege, to reduce the employees' working time by up to 50% of the period under IEM.

During the reduction of the working time, the employees benefit from the salary corresponding to the work hours actually performed and a benefit of 75% of the difference between the gross base salary under IEM and the gross base salary corresponding to the time actually worked in that month.

Such benefit will be settled from the unemployment insurance budget, at the request of the employers.

Thus, the application submitted by the employer will be accompanied by the following documents:

1. **An affidavit** showing the fulfillment of the conditions relating to:

- the reduction of the working time for at least 5 consecutive working days;
- the communication of the employer's decision to the employee at least 5 days before the actual implementation of the measure and the registration in the general registry of employees on the day preceding its implementation at the latest;
- the reduction of the working time for at least 10% of the number of employees of the unit and the decrease of the turnover in the month preceding the application of such decision or, at the most, in the month before its previous month, by at least 10% compared to the similar month in the previous year.

2. **The list of persons** for which the settlement is requested, signed by the legal representative of the employer.

Such documents will be submitted electronically or by mail with the competent employment agencies.

The benefit will be settled for the month preceding the submission of the application, within no more than 10 days from the submission of the application and the documents provided to such end and after the payment of the applicable taxes and contributions.

For the payment of such benefits, the employers have to provide the data of an account opened with a credit institution, and the payment will be made into such accounts.

Note: The templates of the application and the documents will be approved by order of the Minister of Labor and Social Protection within no more than 10 days from the entry into force of GD 719/2020.

B. Benefit due to day workers

The day workers that carry out their activity in the industries affected by the effects of SARS-CoV-2 as a result of business interruption or restriction, may benefit for a maximum period of 3 months (no later than 31 December 2020), at the sole discretion of the work beneficiary, from an amount of 35% of the remuneration due for each day of work.

The application along with the lists of day workers receiving the benefit will be submitted electronically by the work beneficiaries with the competent agencies for payments and social inspection, in the current month, for the previous month.

The settlement of such amounts will be performed within 10 days from submission, only for the day workers who are included in the Electronic Registry of Day Workers.

The application and the lists of day workers, approved by the work beneficiaries are verified by the agency for payments and social inspection in the territorial area of which they carry out their activity or they have their registered office, based on the name and personal identification number, with the support of the territorial labor inspectorates.

Notă: The templates of the application and

the lists of day workers will be established by order of the Minister of Labor and Social Protection within no more than 10 days from the entry into force of GD 719/2020.

C. Benefits paid for the employees with individual employment agreements concluded for a definite period of time

According to GEO 132/2020, for the employees who conclude the individual employment agreement for a definite period of up to 3 months, the employer may opt to incur from the unemployment insurance budget a share of 41.5% of the salary corresponding to the days worked for a working time of 8 hours/day, but no more than 41.5% (i.e. RON 2,253) of the average gross salary provided under the law (RON 5,429). The measure applies until 31 December 2020, but no more than 3 months.

For the settlement of such amounts, the employer will submit with the competent employment agencies, by mail or electronically, in the current month for the previous month, after payment of the applicable taxes and contributions, an application along with the following documents:

- an affidavit showing the fulfillment of the conditions for receiving such benefit;
- the list of persons for which the settlement of the amount is requested, approved by the legal representative of the employer.

The settlement will be performed within 10 days as of the submission of the application only for the employees included in the General Registry of Employees and after payment of the applicable taxes and contributions.

Note: The templates of the application and the documents will be approved by order of the Minister of Labor and Social Protection within no more than 10 days from the entry into force of GD 719/2020.

The template applications and electronic forms published on the Electronic sole contact point platform or on <https://aici.gov.ro/> platform may be used for electronic submission of the applications and the documents provided in all the above sections.



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