

COVID – 19

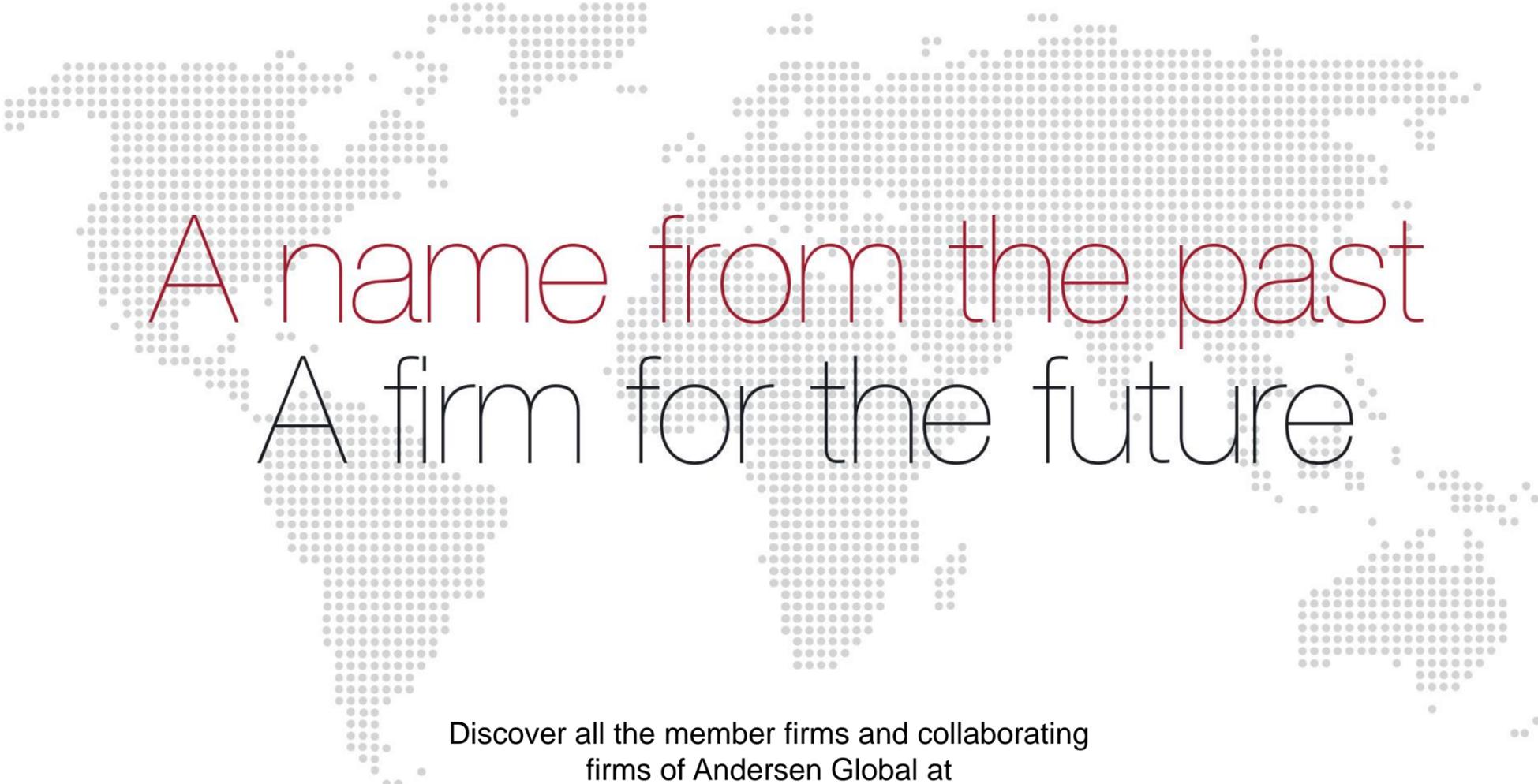
Key EMPLOYMENT LAW support policies in Europe

Updated: May 15, 2020

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## Austria

Due to the crisis caused by COVID-19, the Austrian Federal Government has adopted several packages of measures. General rules regarding physical distancing were introduced, including a general interdiction of leaving the house, except for work, urgent help for others, essential errands or short walks with family members. With effect from March 16, 2020, the Austrian federal government has thus adopted (and since, extended) legislation in order to support the Austrian labor market in view of these rules.

In case of closure of firms based on the epidemic-law, employers have a compensation claim towards the State for lost earnings and the remunerations paid to the employees in that time.

Such closures are, however, avoided if possible. For the moment being, all Austrian employees should be allowed to work from home, as long as they are not working within so called system-relevant industries. By a new law, enacted within a few days, a new form of short-time work was provided for, which can be applied for since March 16, 2020 retroactively from March 1, 2020.

Any employer who is willing to put his employees on short-time work instead of dismissing them can apply for a grant for the following model:

The working time can be reduced by at least 10%, at most by 90%.

An agreement between the employer and the employee representatives or the respective individual employee is a condition for the application.

The first application period may be up to 3 months, a prolongation by further 3 months is possible.

Complete applications are approved within 48 hours.

If working time is reduced to 10%, employees are nevertheless entitled to 80% to 90% of their previous net earnings (depending on how much they earned before short-time work).

The employer only bears the costs for the work effectively received, the delta between this amount and the upper edge of the guaranteed net remuneration is paid by the State.

The employer must guarantee that the number of employees affected by short-time work shall be upheld until at least one month after the end of the short-time work period.

This model has been applied for by more than 45.000 firms until April 10, 2020 and more than 20.000 applications have been already approved, securing 650.000 jobs so far. The financial resources for this model were increased to five billion euros.

Schools are closed since March 16, 2020. Parents may use specific “care-holidays”, which are provided for by law generally. If these holidays are exhausted, a “special release” amounting to a maximum of 3 weeks may be applied for – but is only applicable, if agreed upon. Most parents try to reconcile home-schooling and home-office in the same time.

The closedown allowed so far to keep open all shops and facilities working in system-relevant industries, a ban on entering any other business premise was put in place. From April 14, 2020 on, all kinds of shops may be opened, as long as they do not surpass 400m<sup>2</sup>. Employees are however required to wear masks, as soon as they have contact to clients, and to imperatively safeguard a distance of min. 1 meter to all other persons.

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## Bosnia and Herzegovina

- ❖ No specific support policies yet.
- ❖ Measures expected in the coming months.
- ❖ No indemnification of employment costs.
- ❖ Republic of Srpska: the Government plans to compensate taxes and contributions for March for 40,000 employees in sectors severely affected by the crisis, but employers will still be required to pay net salaries.
- ❖ Federation of BH: the Government plans to rebalance its budget in April, in order to provide funds for workers' compensation.
- ❖ Republic of Srpska: according to the Labor Law, employer can send employee to paid leave in case of unplanned temporary reduction of the amount of work and for reasons of economic, technical or technological nature, in which case employees are entitled to a salary compensation of at least 50% of the average salaries earned in the previous three months. In contrast, the Labor Law of Federation of BH, does not envisage that employer can send a worker to paid leave.

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60% compensation of the insurable earnings shall be reimbursed to the employers (incl. social security contributions owed by the employer) for the period of declared state of emergency, but not more than 3 months.

- ❖ Only applies to labor agreements.
- ❖ Unconditional for employers, whose operations have been discontinued by order for the duration of the State of emergency.
- ❖ For the rest of the businesses – in case of a minimum of 20% decrease in revenue compared to March 2019.

Other employment and social security matters:

- ❖ Employers can order employees to work from home, providing them with clear instructions on the use of equipment, costs related to working from home, etc.
- ❖ Employers can establish part-time working hours for full-time employees, with certain limitations on the minimum amount of working hours.
- ❖ Employers can grant employees without their consent the use of annual paid leave.
- ❖ The Employer can temporarily suspend the activity of the company, of part of it or of separate employees for the entire period of the state of emergency or for a part of it.
- ❖ In case the work of a company or a part of it has been temporarily suspended with an order of a state body, the employer should prevent the employees from accessing their workplace for the period of the order.
- ❖ The employees shall be entitled to their gross salary for the said period.
- ❖ Employers should allow certain vulnerable categories of employees to use their annual paid leave in case they have requested so (e.g. mothers to children below 12 years of age, pregnant employees, disabled employees, etc.).
- ❖ Certain legally defined deadlines affecting pension insurance companies have been extended.
- ❖ Legally defined deadlines, affecting insured persons and pensioners with regard to the application of the first section and subsections four to eight of the Social Security Code, are suspended.

#### Immigration

- ❖ A foreigner holding prolonged residence permit in Republic of Bulgaria and the term of residence expires during the state of emergency, may apply for continuation of residence within 14 days after cancellation of the declared state of emergency.
- ❖ A person who holds prolonged residence permit and whose residence permit expires during a declared state of emergency, may enter the territory of the country without a visa within 14 days after the cancellation of the state of emergency.
- ❖ The “stay requirement” for physical residence in the EU/Bulgaria should not apply for long-term and permanent residents during a declared state of emergency.
- ❖ The term of validity of residence ID documents of certain categories of foreigners who hold a residence permit in Republic of Bulgaria, can be extended with 6 months, in case the respective document expires in the period March 13, 2020 - October 31, 2020.

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#### Croatia

- ❖ Recommendation from Croatian Institute for Public Health:
  - ✓ all employers should arrange remote work, cancel all business meetings and trips.
  - ✓ if employers cannot organize remote work, they shall instruct employees who feel sick to stay at home.
  - ✓ Employees are obliged to inform their employers if there is any suspicion of being infected with COVID-19.
- ❖ If an employee is in self-isolation, Croatian Health Insurance Fund (HZZO) pays salary compensation directly to the employee (the employee firstly needs a medical certificate for work inability and submits afterwards an application for salary compensation to HZZO).
- ❖ If an employer proves that certain conditions are met (e.g. revenue decrease, cancellation of work contracts), it may submit an application to the government to ensure a minimum of monthly wage up to HRK 3,250 for full-time employees and HRK 1,625 for part-time employees, during the time period of three months.

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#### Cyprus

- ❖ Reduced contributions to the General Healthcare System.
- ❖ Special parental - employee leave for childcare of working parents as all schools have closed. For a parent with a salary of up to EUR 2,500: for the first EUR 1,000 of the parent's salary, a 'special leave' allowance of 60% of the salary will be paid, for the subsequent EUR 1,000 of the parent's salary, a 40% allowance will be paid. In the case of single-parent families, the rate of payment of the benefit varies between 70% and 50% respectively.
- ❖ Support scheme for employees whose place of employment has either partially or wholly ceased business operations. For employed persons who meet the social insurance conditions in relation to the Unemployment Benefit according to the Social Insurance Law, the support is at 60% of the value of such units according to the aforementioned law. The maximum amount that may be paid as Special Unemployment Benefit for a 1-month period cannot exceed EUR 1,214.

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#### France

- ❖ Indemnification of all or part of part time employment cost due to reduction of all or part of working time.
- ❖ Remote work is compulsory whenever it is possible.
- ❖ Increase of working time duration for certain activities (up to 60 hours per week).
- ❖ The company may impose days off during the crisis period.
- ❖ Social charges payment are delayed.

#### Germany

- ❖ If the employer decides to shut-down offices/stores, it remains obliged to pay remuneration as the employees are capable of and willing to work and the employer is not employing them (so called default of acceptance).

- ❖ If the employer has to shut-down offices/stores due to an official closure of a company/a shopping mall with the aim of preventing infection, this may also be a case of operational risk, which is assigned to the employer. Consequently, the employer has to continue payments to employees in this case as well. However, it remains possible to claim any damage / loss of turnover from the authority retrospectively.

Note: in any case, apply for compensation under § 56 IfSG. Possible argumentation of the state in the case of a claim under § 56 IfSG: the employee's claim for compensation under § 616 BGB takes precedence over the claim for reimbursement!

- ❖ Each federal state has a corresponding form for applying for compensation payments. The employer must submit the application using the application form of the federal state.

For example for North Rhine-Westphalia [here](#).

- ❖ If the spread of the coronavirus leads to i.a. store closures, but also delivery and production bottlenecks, loss of orders the employer may introduce short-time working in order to minimize compensation costs arising from operating risk.

In this case, the following is triggered:

- ✓ Temporary reduction of the regular working time (if necessary to "zero")
- ✓ Simultaneous reduction of the salary
- ✓ Entitlement to short-time work compensation (KUG) by the Federal Employment Agency.
- ❖ However, in order to be (a) able to introduce short-time working and (b) entitled to KUG:
  - ✓ The employer must have the right to reduce working hours, this can be laid down in existing short-time working clause in the employment contract, individual agreement, works agreement or collective agreements.
  - ✓ A considerable loss of work and remuneration of a minimum of 10 % of the employees, which can be based either on economic reasons or an unavoidable event. Reasons for short-time work may therefore include, among others, plant closures, decline in sales, shortage of raw materials, interruptions in the supply chain or similar, if these are unavoidable.
- ❖ The employer pays the employee the reduced remuneration corresponding to the reduced working time plus the KUG, which is paid by the Employment Agency to the employer for the purpose of passing it on to the employee (not full wage replacement).

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- ❖ **Payment KUG** at the earliest from the calendar month in which notification according is received by BfA. Maximum period of entitlement: currently 12 months; can be extended to up to 24 months (planned but not implemented yet).
- ❖ **Amount of the KUG:** in principle 60 % of the net flat-rate remuneration that was not paid. If there is at least one child living in the household, the KUG amounts to 67% of the lost flat-rate net remuneration. The flat-rate net remuneration applicable to the respective employee is set out in the corresponding ordinance of the Federal Government. On this basis, the amount of the KUG can be calculated using the table provided by the Employment Agency.
- ❖ KUG is paid for every employee in an employment relationship subject to social insurance contributions, regardless of the amount of his or her salary. However, the amount of the KUG is capped: Wages (including higher wages) up to a monthly gross amount of EUR 6,900 are considered.

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#### Greece

- ❖ Special purpose paid leave for employees with children as defined in the relative leg act (use of 1 day of annual leave for every 3 days of special leave). 1/3 of special leave subsidized by State.
- ❖ Unilaterally enforcement by the employer of a remote working system.
- ❖ Suspension of notifications to ERGANI Information System regarding any change of working hours (remote working, overwork or overtime).
- ❖ Overtime which exceeds 120 hours per year does not require the prior issuance of a special permit by the Ministry of Labor.
- ❖ Exception of businesses from certain areas from the prohibition of work on Sundays and public holidays.
- ❖ Safe operation staff. The employers classified by the Ministry of Finance as “severely affected” by the coronavirus crisis may reduce monthly working hours and salary for at least 50% of total staff. During the implementation period no dismissals are allowed.
- ❖ Intragroup transfer of employees.
- ❖ Suspension of employment contracts by employers on lockdown by State order. Right of suspension of employment contracts for all or part of employees by the employers classified as “severely affected” for a period of 45 consecutive days.

- ❖ Prohibition of dismissals during the lockdown period or suspension period. If effected such dismissals are invalid.
- ❖ Special state benefit of EUR 800 and a full social security coverage by the State to employees whose employment contracts have been suspended or terminated/resigned during the period from March 1 to March 20, 2020.
- ❖ Special provisions on Easter allowance.
- ❖ Extension of the deadlines for employers to pay social security contributions, or to pay the contributions in installments or make partial payments.

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#### Hungary

- ❖ No general indemnification of employment cost for the moment.
- ❖ Some changes for special industries/sectors: tourist/entertainment/catering sectors are exempted for March, April, May and June from all of the employment related taxes payable by the employer (i.e. the ones above the gross wage), while on the employee’s side (i.e. the difference between the gross and the net) only the health insurance contribution in kind is payable, and even that is capped at HUF 7.710 / employee / month.
- ❖ There is a new support scheme applicable to R&D jobs (see Gov. Decree no. 103/2020). it is capped at HUF 318.920 per month, and may be claimed and received by the employer for maximum 3 months and subject to several conditions;
- ❖ There is also a new support scheme applicable for employment under reduced time (see Gov. Decree no. 105) is capped at HUF 75.000 per month. The disbursement of this subsidy is subject to a great number of conditions, there’s significant administration involved in applying for it and it’s not possible to apply a working time cycle for its duration. The employer and the employee need to apply jointly and it is the employee who will be its recipient;
- ❖ These two subsidies CANNOT be claimed together, only one of them;

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- ❖ If the employer can and does apply a working time cycle (which, pursuant to Gov. Decree 104 may be unilaterally extended to 24 months!), it may NOT receive a subsidy for employment under reduced time;
- ❖ In order to comply with the prohibitions and restrictions imposed for the duration of the State of Danger proclaimed by the Government, Act I of 2012 on the Labor Code (“LC”) shall be applied according to the below modified rules for the duration of the state of danger and a period of 30 days thereafter:
  - a. the employer may modify the announced work schedule by deviating from the rules of communication (basically working order can be changed at anytime),
  - b. the employer may unilaterally assign the employee to work from home or order teleworking,
  - c. the employer may take any necessary and justifiable measures to monitor the employee’s state of health.
  - d. the employee and the employer may deviate from any of the provisions of the LC by a separate agreement.

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#### Italy

- ❖ Payment of wage treatment integration for 9 weeks for the suspended employees if the suspension of the production activity is due to the COVID 19 emergency.
- ❖ Extraordinary paid leaves for employed parents with children of less than 12 years old or suffering a mental or physical handicap.
- ❖ Payment of a EUR 600 monthly indemnity for freelance worker (not for professionals as lawyers, doctors or architects subjected to private social security).
- ❖ Suspension of individual or collective dismissals due to economic reasons for 60 days.
- ❖ Suspension of the productive activities considered not essential to deal with the emergency.
- ❖ Implementation of smart working.
- ❖ Imposition of days off during the emergency time.

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#### Ireland

A Temporary Wage Subsidy Scheme is available to employers who keep employees on the payroll throughout the crisis. Key features for employers:

- ❖ Initially, refund employers up-to a maximum of EUR 410 per qualifying employee. From April, scheme to move to subsidy payment based on 70% of the normal net weekly up to a max of EUR 410.
- ❖ Employers should pay no more than the normal weekly net pay of the employee.
- ❖ Subsidy capped at EUR 350 for those earning b/w EUR 38,000 and EUR 76,000.
- ❖ Certain conditions regarding eligibility must be met.
- ❖ Sick people out of work due to COVID-19 can claim increased sick pay from EUR 305 to EUR 350 per week. Certain conditions apply.

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#### Kosovo

Financial support for business organization under financial distress due to the public health emergency situation, are for two months as follows:

- ❖ Covering of expenditures for the monthly employee salaries in the amount of EUR 170.
- ❖ Covering of the value of pension contributions with regards to the measures foreseen under the Decision.
- ❖ Provision of financial liquidity is foreseen for: Micro-enterprises and the self-employed through certain programs of the Kosovo Credit Guarantee Fund, in the amount of EUR 10,000 for a period of 24 months, and Business Organizations authorized to provide basic services on return by December 31, 2020.
- ❖ Payment of monthly assistance in the amount of EUR 130 is foreseen to citizens who lose their jobs due to the public health emergency situation, for April, May and June.
- ❖ Financial support to business organizations registering employees with at least one-year employment contract during the period of public health emergency situation, with one EUR 130 for the following two months after registration.

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- ❖ Double payment of the social assistance scheme to all beneficiaries of social assistance schemes and an additional payment per month to all beneficiaries of pension schemes who receive only basic payment.
- ❖ Field workers and those exposed directly to the risk of infection in their work will receive a salary top-up in the amount of EUR 300, for two months. Criteria, terms, condition and manner of implementation of measures are not specified yet.

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#### Luxembourg

- ❖ Repayment for partial unemployment in situations of force majeure (80% of costs can be refunded from the Employment Fund relating to the unemployment hours). Limits: 250% of minimum social salary applicable for a non-qualified employee and 1,022 hours maximum annually per employee.  
Applies to all economic sectors as long as the causes invoked are directly linked to the Coronavirus.
- ❖ Two partial unemployment schemes are made available to companies:
  - ✓ companies which are directly impacted: immediate eligibility for partial unemployment and accelerated procedure. Applies to companies that have had to or still have to completely or partially cease their activities following a government decision (cultural, social, festive, sporting and recreational activities as well as establishments belonging to the HORECA sector with the exception of the hotels which remain open). Similar situation for the building sector.

The concerned businesses will apply for reimbursement, which will be retroactive to March 16, 2020.  
Requests from these employers shall be addressed, on a monthly basis, directly to the ADEM and will be automatically accepted.

  - ✓ other companies: monthly request protocol for a partial unemployment scheme in the event of force majeure linked to the coronavirus.
- ❖ Extraordinary paid leaves for familial reasons are granted, until April 19, 2020, to employed parents who have to care for children under 13 years old. They can only be taken by people who have no other suitable option for childcare and cannot be combined with other measures allowing parents to stay at home. If one of the parents benefits from partial unemployment, the second parent cannot benefit from special leave for family reasons, especially if it is a critical job.

- ❖ In order to ensure that employers are reimbursed of the salaries continued to their employees in extraordinary leave for family reasons, the CCSS (*Centre Commun de la Sécurité Sociale*) will settle an advance on sickness cash benefits. This will enable employers to be reimbursed for a substantial part of the salaries due to the concerned parents earlier than May 2020 as is commonly the case.
- ❖ The CCSS has initiated a series of measures to support companies and self-employed professionals facing a financially precarious situation.
- ❖ The following measures applicable as from April 1, 2020 aim to support employers to better organize their cash flow in the coming weeks:
  - ✓ Suspension of the calculation of default interests for late payments;
  - ✓ Suspension of the initiation of proceedings for the forced collection of contributions;
  - ✓ Suspension of the enforcement of constraints by bailiff;
  - ✓ Suspension of fines to be pronounced against employers who are late in making declarations to the CCSS.
- ❖ All social security contributions remain due, but the employer can benefit from some flexibility when it comes to the management of payment of their social security contributions, without administrative sanctions.
- ❖ These measures will continue until the CCSS finds that they are no longer necessary.
- ❖ Maximum legal working hours shall be increased from 10 to 12 hours per day and from 48 to 60 hours per week regarding companies considered as essential.
- ❖ Employers who remain in activities during the crisis are invited by the government to use telework for their employees, where possible, and in accordance with the applicable laws. Concerning cross-border workers, whose teleworking days are limited for tax reasons, the various governments of the relevant cross-border countries (France, Belgium and Germany) have agreed together with the Grand-Duchy of Luxembourg that during the COVID 19 crisis, teleworking days should not be integrated as part of the ordinary legal threshold.

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#### Macedonia

- ❖ The measures will apply with regard to taxpayers conducting business activities in affected sectors: taxpayers conducting business activities in affected sectors (activities for preparation and service of food; tourist agencies, travel organizers (tour operators) and related activities; accommodation facilities; land transport and transport via pipelines; water transport and air transport.

In order the above exemption to apply, the taxpayer should not decrease the number of its employees for the period starting from the date the respective Decrees enter into force until the expiry of three months after the Decrees' effect has expired, except in cases of death, retirement or in the case of termination of the employment by the employee. No award for business success (profit participations, bonuses) or other type of annual awards are paid to employees and members of management and supervisory bodies, from the date the Decree entered into force until the day the exemption from advance instalments applies (June 15, 2020).

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#### Netherlands

Employers who are faced with an expected loss of at least a 20% of their turnover can apply to the Employment Administration Agency (UWV) for a compensation in wage costs for a period of 24 weeks. The compensation amounts to a maximum of 90% of the salary costs. The amount of compensation depends on the loss of turnover:

- ❖ if 100% of the turnover is lost, the allowance amounts to 90% of the salary costs of an employer;
- ❖ if 50% of the turnover is lost, the allowance amounts to 45% of the salary costs of an employer;
- ❖ if 25% of the turnover is lost, the allowance amounts to 22.5% of the salary cost of an employer salary; and
- ❖ if less than 20% of the turnover is lost, there will be no compensation.

The following conditions have to be met in order to benefit from the wage tax compensation:

- ❖ The compensation applies to turnover losses which are incurred as of March 1, 2020;
- ❖ The applicant expects the loss of turnover of at least 20% during a period varying from 2 weeks to a maximum of 24 weeks;

- ❖ The employer continues to pay 100% of the salary to the employee;
- ❖ The employer does not dismiss employees for budget reasons during the period the compensation is received.

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#### Poland

- ❖ **Remote work** (temporary home office): employees can be ordered to work from home for a specified period of time.
- ❖ Children at home (additional care allowance), employees may use an additional care allowance days due to the necessity to take care of a child up to the age of 8.
- ❖ Limited co-financing of salaries (wage subsidy from the Guaranteed Employee Benefit Fund) under work stoppage or reduced working time for the companies financially affected by COVID-19.
- ✓ If the economic downtime occurs, the employer will be able to reduce the wages payable to personnel by no more than 50%. In such a case the salary subsidy may amount up to 50% of the minimum salary.
- ✓ The employer will also be entitled to reduce the working time by maximum 20% (to no more than 0.5 FTE) if the turnover decreases. The reduced wage amount must not be lower than the minimum gross wages. The salary subsidy may amount to up to half the employees' remuneration, but not more than 40% of the average remuneration for work in the preceding quarter as announced by the President of the Central Statistical Office.
- ❖ Limited co-financing of salaries by the district job agencies (up to 90% of the minimum gross wage for the most severely affected entrepreneurs); the job agency has to call for proposals in order for entrepreneur to get the funding.
- ❖ One-time loans for micro-entrepreneurs in amount up to PLN 5.000 (ca. EUR 1.100); the loan debt shall be cancelled if the micro-entrepreneur has continued business activities for 3 months.
- ❖ Exemption from social security contributions for entrepreneurs employing no more than 9 employees, for three months.
- ❖ Exemption from social security contributions for entrepreneurs employing more than 9 employees but less than 50, for three months, in amount of half of these contributions.

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- ❖ Loosening the restrictions regarding trade ban on Sundays (employees will be allowed to accept, unload and prepare goods for sell).
- ❖ Right to shorten employees' daily and weekly interrupted rest periods.
- ❖ Temporary suspension of mandatory employees' medical examination.
- ❖ Right to extend daily working time up to 12 hours (by introducing balanced working time).
- ❖ Prolongation of visas, residence and work permits for foreigners.
- ❖ Postponement of obligation to introduce employee capital plans.
- ❖ Postponement of employer's tax duties regarding employees' PIT advance payments (applies only to March and April PIT advance payments).
- ❖ In addition, the Polish government implemented other forms of support (loans, subsidies, guarantees) as a part of various aid schemes.

**Planned:** Currently (as at April 8, 2020) the Parliament is proceeding on the further amendments to the Coronavirus Act (so-called Shield 2.0). In accordance with the projected act, the following solutions are to be adopted:

- ❖ Exemption from social security contributions for entrepreneurs employing more than 9 employees but less than 50, for three months, in amount of half of these contributions
- ❖ Changes in the one-time loans for micro-entrepreneurs; the loan debt shall be cancelled if the micro-entrepreneur has continued business activities for 3 months (regardless of employment reductions)

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#### Portugal

- ❖ Extraordinary business support measures:
  - ✓ Extraordinary support for the maintenance of an employment contract, with or without training, in the event of a temporary reduction in normal working time or suspension of the employment contract (one month, extendable up to six months). In case of suspension, the worker loses 1/3 of the remuneration, the social security proceeds to the payment of 1/3 and the employer of 1/3.

- ✓ Extraordinary Training Plan;
- ✓ Extraordinary financial incentive to support the normalization of the company's activity;
- ❖ Temporary exemption from the payment of social security contributions, borne by the employer.
- ❖ Application of social protection measures in sickness and parenthood
- ❖ Approved measures to support independent workers: financial support; deferral of payment of contributions.
- ❖ Alternative forms of work: provision of telework may be required by the worker or determined unilaterally by the employer, if the functions are compatible.

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#### Romania

- ❖ Indemnities due to the employees whose employment contracts were suspended as a result of the COVID-19 outbreak will be borne, at least in part, from the State unemployment insurance budget. The indemnity borne by the Romanian State during the state of emergency (technical unemployment) is of 75% of the base salary, without however exceeding 75% of the average gross salary established in Romania.

According to GEO 30/2020, as amended, employers seem to have an option, but not the obligation, to supplement the indemnity capped as mentioned above, so as to cover the difference – if any – to the minimum 75% of the base salary corresponding to the job position, insofar as the employers' budget permits it.

Employers who temporary interrupt or reduce their activity due to the effects of the coronavirus epidemic, shall benefit from State support in paying the indemnity within the limits described above throughout the state of emergency instituted by the Decree no. 195/2020 regarding the establishment of a state of emergency in the territory of Romania (i.e. March 16, 2020 – April 16, 2020). However, the President stated that he will extend the state of emergency until May 16, 2020.

An employee who has several employment contracts shall benefit from this indemnity only if all full-time employment contracts are suspended. In this case, the employee shall benefit from the indemnity related to the individual employment contract with the most advantageous salary rights.

- ❖ The validity of collective labor agreements is prolonged and labor inspections are suspended. Employees may circulate for job related purposes based on certificates issued by employers.

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- ❖ All employees who have children under 12 years of age which are affected by the close-down of schools are entitled to paid days off. The indemnity borne by the Romanian State is of 75% of the base salary, without however exceeding 75% of the average gross salary established in Romania. Furthermore, employers may only require the settlement of the net allowance, actually received by the parent. Taxes, social and work contribution shall be borne by the employer.
- ❖ In case of temporary reduction of activity for more than 30 business days, the employer may reduce the work program from 5 to 4 working days, with the equivalent decrease of salary. The measure can be implemented as an unilateral decision with the prior consultation of the representative union at the level of the unit or the employees' representatives, as the case may be.
- ❖ If employee's work activity is compatible with telework regime, then the company may dispose the employee to work from home during this period, by issuing an internal decision and individual notifications to the employees affected by the measure.
- ❖ Additional options:
  - a. The employer may grant paid working days, other than the days for the annual leave.
  - b. Unpaid leave - at the employee's request (i.e. must file a request for unpaid business days).
  - c. The company with the employee's consent may agree that the latter shall take the remaining days of leave from 2019.
- ❖ Throughout the period when an employee is quarantined (i.e. institutionalized quarantine or home-isolation), the employee shall be entitled to a quarantine indemnity of 75% of the average gross salary of the last 6 months. The indemnity shall be paid by the employer, who shall fully recover the amounts from the state budget through the National Health Insurance Fund.
- ❖ The company may conclude, with the employee's agreement, an addendum to each individual employment contract to:
  - a. reduce the work program for less than 4 days/week (i.e. hence, by negotiation, and if the employees agree to this, the company could decrease the salaries with more than 20%);
  - b. agree, due to the measures taken in the context of the state of emergency, to exempt the employee from the obligation to present himself at the workplace and to perform the activity specific to the position and role held within the company. The employer shall pay a monthly allowance instead of the salary, in the amount agreed with the employee.

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## Serbia

At the Second Session during the state of emergency held on May 6, 2020, the National Assembly of the Republic of Serbia adopted:

- ❖ Decision on cessation of the state of emergency ("Official Gazette of RS", No. 65/2020; the "**Decision**")
- ❖ Law on the applicability of decrees passed by the Government with the co-signature of the President of the Republic during the state of emergency and confirmed by the National Assembly ("Official Gazette of the RS", No. 65/2020; the "**Law**")

Both the Decision and the Law came into force on the date of adoption i.e. May 6, 2020.

The Decision terminated the state of emergency on the territory of the Republic of Serbia, while the Law determined which decrees adopted by the Government during the State of Emergency and Confirmed by the National Assembly cease to apply as of the date of cessation of state of emergency, and which decrees continue to apply until the coming into force of the relevant laws

From the moment of passing the Decision on declaring a state of emergency ("Official Gazette of RS", No. 29/2020), under which state of emergency in the Republic of Serbia was declared on 15 March 2020, the competent state authorities issued a series of orders, decrees, conclusions and other acts that regulated certain issues during this period.

With the adoption of the Decision the following acts from the scope of competence of the Ministry of Labor, Employment, Veterans and Social Affairs, have ceased to be valid as of the date of termination of the state of emergency (May 6, 2020):

- ❖ Decree on organizing the work of employers during a state of emergency;
- ❖ Decree on organizing the work of social protection institutions for accommodation of beneficiaries and social protection organizations for providing home accommodation services during a state of emergency;
- ❖ Conclusion by which the Government gives consent for the adoption of a decision on paid leave for more than 45 working days under the abbreviated procedure;
- ❖ Decision on the validity of a work permit issued to a foreigner during the state of emergency.

## COVID – 19

### Key EMPLOYMENT LAW support policies in Europe

The exception is the Government Conclusion 05 No. 53-3041 / 2020 on the use of annual leave during the state of emergency, which recommended employers in the territory of the Republic of Serbia, that employees who have the obligation to regularly perform work tasks in a state of emergency enable to use part of the annual leave for 2019, by 31 December 2020, which Conclusion can be applied until 31 December 2020.

The Ministry of Labor, Employment, Veterans' Affairs and Social Affairs also appeals to employers to enable employees to continue with work from home work, if the nature of the employer's business activities and work the employees do allows so, until the establishment of public transport in full, as well as the continuation of the work of kindergartens and extended stay for children in schools.

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#### Slovakia

- ❖ Measures applicable during the extraordinary situation and two months after their recall:
- ❖ The employer has the right to order the work from home (under standard circumstances possible only with the consent of the employee)
- ❖ The employee has the right to stay and work from home in case the type of work allows it and there are no operational reasons of the employer against it (under standard circumstances not possible).
- ❖ Simplification of the holiday order by the employer (shortening the mandatory notification periods of the employer to the employee from 14 to 7 days.)
- ❖ Strengthening of the protection against the termination of the employment relationships (notice moratorium for the period of quarantine and the period when employees are taking care of their minor children due to closed schools.)
- ❖ Decreasing the obligation of the employer to pay the average salary of the employee during the mandatory closure of the operation from 100% to 80% of the average salary.
- ❖ The sick pay payment obligations is transferred to the State.
- ❖ For parents taking care of minor children due to their sickness but also due to closed schools, the nursing pay is provided during the whole period of the need. All days are payed in the same amount (under normal circumstances, the first 3 days are payed half amount);
- ❖ Extension of beneficiaries of nursing pay.

- ❖ Prolongation by one additional month of the period of the State unemployment support payment in cases of the unemployed due to the COVID-19 crisis;
- ❖ Postponements of the maturity dates for the fulfillment of reporting obligations of the employers or employment agencies
- ❖ Financial and administrative support for the employers, employees and trade-license entrepreneurs adversely affected by the COVID-19 crisis.
- ❖ The state covers 80% of the salary of the employees with maximum of EUR 1,100 in case the employer was obliged to close the operation.
- ❖ The State compensates the decrease of revenues with amount from EUR 180 – EUR 540;
- ❖ The state should cover 80% of salaries of the employees to those employers who were affected by the COVID-19 crisis in case they keep the supported employment positions also during the interruption or restriction of its operation activity until the lift of the declared extraordinary situation;
- ❖ The state will support natural persons who were affected by the COVID-19 crisis and do not have any other income from business or trade license because they were restricted in their operation or decided to suspend their trade license and natural persons employed under alternative employment contract in 2020 with a flat rate contribution of EUR 105 for March 2020 and EUR 210 for April 2020.
- ❖ Postponement of the payments of healthcare and social security contributions, paid by the employer in favor of the employees until the July 31, 2020 (applicable only on the employers affected by the COVID-19 crisis).

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## COVID – 19

### Key EMPLOYMENT LAW support policies in Europe

#### Slovenia

- ❖ The employers who, due to the virus epidemic, cannot provide work for their employees, and will thus have to place them on temporary waiting for work, the government shall reimburse these payments to the employers. The employees who cannot work are entitled to receive wage compensation in the amount of 80% of their salary. The employers who are entitled to aid (reimbursement) are employers, whose income will according to their estimation in the first half of the year 2020 decrease for more than 20% in comparison with the same period in the year 2019 and whose income in second half of the year 2020 will not reach more than 50% increase in comparison with the same period in year 2019. Situation, in which aforementioned condition is not met at a time of submitting annual report for 2020, employer will be obliged to subsequently return all received aid. These employers are exempt from all social contributions for employees who are temporary waiting for work, from March 13, 2020 to May 31, 2020.
- ❖ The employees who work are entitled to monthly allowance of EUR 200, due to the virus epidemic, for March, April and May. The employers of employees who work are exempt from social contribution for Pension and Invalidity Insurance from March 13, 2020 to May 31, 2020.

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#### Spain

- ❖ Promotion of remote working to anticipate and avoid the suspension or reduction of the activity.
- ❖ Specific regulations for implementing temporary restructuring measures related to COVID-19, or “ERTE COVID-19” (consisting on the temporary suspension of employment contracts or reduction of working hours), and in particular:
  - ✓ Expedite procedure for implementing “ERTE COVID-19” based on force majeure or based on economic, productive, organizational or technical grounds.
  - ✓ Social security contribution benefits for employers in case of ERTE COVID-19 based on force majeure.
  - ✓ Unemployment pension benefits for employees included in ERTE COVID-19 (based on any ground).
  - ✓ Extension of the length of temporary employment contracts in case they are included in ERTE COVID-19 (based on any grounds).
  - ✓ These benefits will be subject to the employers’ engagement not to reduce the work force for the following 6 months after implementing an ERTE COVID-19.

- ❖ Prohibition to terminate employment contracts based on COVID-19 economic/productive/organizational consequences.
- ❖ Employees’ individual right to adapt their working conditions in case of family care needs.
- ❖ Additional unemployment benefits to temporary contracts terminated, to independent contractors and to domestic employees.
- ❖ COVID-19 related quarantine considered as temporary disability in order to access to public pensions.
- ❖ Mandatory and recoverable –till December 31, 2020- paid time-off for all employees not considered as essential as of March 30, 2020 through April 9, 2020, with the general prohibition of commuting to the work place –except, in general, essential services and remote work if possible.

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#### Switzerland

- ❖ Indemnity to the employers of 80% of the loss of earnings due to reduction of working time (for reductions >85% the employer receives the indemnity for more than 4 months).  
Extension of the indemnity to fixed-term employees, interns and temporary employees.  
The indemnity is paid from the 1st day of working time reduction.
- ❖ The loss of earnings is calculated through a summary procedure (previously: individually) and the indemnity is paid as a lump-sum amount.
- ❖ Indemnities for lost earnings to the following persons:
  - ✓ Parents with children <12 who cannot work because their children’s care by third parties is not guaranteed anymore;
  - ✓ Persons who must suspend their gainful activity because they have been quarantined;
  - ✓ Self-employed persons who sustain earning losses due to the shutdown of their activity or the prohibition to organize events decided by the Government.
- ❖ The company cannot impose days off during the crisis; however may agree with its employees to schedule overtime compensation during the shutdown period.
- ❖ The measures towards unemployed persons are temporarily loosened in order to contain the economic consequences due to the Covid-19 spread.

## COVID – 19

### Key EMPLOYMENT LAW support policies in Europe

- ❖ The employer has to undertake all the necessary measures to protect its workers' health; if the application of these measures is partially or totally not possible, it is forbidden to continue the activity.
- ❖ The compensation offices in charge of social security suspend every credit recovery proceeding from March 19, 2020 to April 19, 2020. They also stop calculating delay interests for the next six months in case of payment in installments, as well as sending payment reminders for open social contributions' invoices until the end of June 2020.
- ❖ The Migration offices all over Switzerland have to suspend the current requests for work/residence permits. *Exceptions:* highly specialized workers of the health industry and persons coming to Switzerland for public interest official meetings.
- ❖ Cantons are also entitled to introduce own measures.

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#### UK

- ❖ The Government will pay up to 80% of an employee's salary (based on February earnings) up to a cap of GBP 2,500 a month (including pension and NIC), for those who are placed on "furlough" (i.e. leave of absence) rather than being dismissed.
- ❖ Furlough leave amounts to a change in status for the employee and as such remains subject to existing employment law and the employment contract; if therefore there is a right in the contract to lay off then it is something that can be imposed by the employer but absent that, the consent of the employee to be on furlough leave will be required. In practice, employees who face the alternative of dismissal, are likely to agree it. If they refuse it however, the employer would still have to go through a fair redundancy selection process using objective criteria etc and consultation before it could fairly dismiss for redundancy. *'Refusing to agree furlough leave'* would not amount to a fair reason for redundancy selection.
- ❖ It can only apply to those who are sent home without work and it cannot be claimed for those employees who continue to work.
- ❖ Any employer, sole trader, partnership, LLP or limited company can claim the benefit.
- ❖ There is no obligation for the employer to make up the balance of the 20% (or balance of salary if the employee earns over the median salary which is covered by this scheme) but if that is the case, the employee must be told that when the employer is setting out the furlough leave 'offer', so that the

- employee is clear as to what is being agreed. Explicit agreement to the furlough leave on clear terms should be recorded in writing to avoid any claim for unlawful deduction of wages in the future.
- ❖ Once there is agreement, the employees are effectively kept on the books on furlough leave and the employer claims the relevant amount back from the Government through the online portal established for that purpose.
- ❖ It applies to employees on the payroll as at March 1, 2020 and payments are due at the end of April, backdated to March 1, 2020.

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#### Ukraine

- ❖ A work at home (distant work) was recommended by the Ukrainian government as of March 17, 2020 and the law of Ukraine valid as of March 17, 2020 authorised employers to assign to employees performance of their work determined by employment agreements at home during a specific period. A concept of distant (home) work was introduced into the Labour Code of Ukraine on April 2, 2020. A distant (home) work is now determined as a form of organisation of work whereunder such work is performed by an employee at place of his/her residence or other places at his/her discretion, including with use of information-communication technologies, but in any event outside of an employer's premises. While under the general rule a distant work shall be agreed between an employer and an employee in a written form by way of entering into a written employment agreement, for the quarantine period an employer shall be authorised to establish a distant work by its internal order only.
- ❖ Along with the introduction of a distant (home) work concept, a flexible working hours regime was introduced - being a form of organisation of work whereunder a regime of work may differ from the one set forth by internal rules of conduct but provided that the weekly/yearly statutory established limits of working hours are complied with. While under the newly established general rule a flexible working hours regime shall be introduced by a mutual agreement between an employer and an employee, for the quarantine period an employer shall be authorised to establish a flexible working hours regime by its internal order only. This measure may be related to the authorisation given to employers by another law to change their business hours in order to comply with the quarantine regime.
- ❖ An unpaid vacation during a quarantine period may exceed the statutory limit of 15 days during a calendar year. Employers have been also authorised to grant vacation (both paid and unpaid) to employees subject to their consent.

## COVID – 19

## Key EMPLOYMENT LAW support policies in Europe

- ❖ New type of paid sick leave was introduced on March 18, 2020 - for the period of hospital stays or self-isolation under medical surveillance. Such sick leave shall be paid in the amount equal to 50% of an average monthly salary of an employee notwithstanding a length of his/her qualifying period.
- ❖ Shutdown (a suspension of operation caused by absence of organisational or technical conditions, required for operation, force majeure or other circumstances) shall be paid as two thirds of a salary. The law of Ukraine valid as of April 2, 2020 specifically precised that shutdown caused by the quarantine shall be paid according to this rule.
- ❖ Partial unemployment is defined as a forced temporary reduction of a statutory length of working hours due to the suspension/reduction of production caused by economic, technological, structural reasons. As of April 2, implementation of quarantine measures is listed among the conditions of suspension/reduction of production which entitles employees to the partial unemployment compensation, that shall be paid by an employer out of funds of the state fund for social insurance against unemployment. A special partial unemployment compensation is now established only for those cases of suspension / reduction of small and medium size businesses which are caused exclusively by implementation of Covid-19 prevention measures. A partial unemployment compensation shall be paid for each reduced working hour in the amount of 2/3 of average salary of an employee, but no more than the statutory minimum living wage.

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