



NEWSFLASH

COVID-19: Indemnity for „technical unemployment” to be borne by the State budget

Dear Ladies and Gentlemen,

In the context of the present pandemic caused by the COVID-19 virus, STALFORT Legal. Tax. Audit. informs about current issues on a regular basis.

Our recent articles on COVID-19 (and more) can be found here:

- COVID 19. What should employers take into account? [LINK](#)
- Newsflash: Special paid leave for child care during temporary school closure. [LINK](#)
- COVID 19. Force Majeure and hardship in times of pandemics. [LINK](#)

The State takes over the „technical unemployment“ indemnity – with limitations

In cases of temporary interruption or reduction of the activity, employers can suspend employment contracts (so called “technical unemployment” – *somaj tehnic*), paying an indemnity of minimum 75% of the base salary.

On Saturday, 21.03.2020, the Romanian Government has published Emergency Ordinance (“EO”) no. 30/2020, stipulating that the State bears such indemnity during the state of emergency according to the President’s Decree no. 195.

Payments can be made to employers who (i) interrupt their activity due to official order and possess a “state of emergency certificate”, or (ii) reduce their activity due to the epidemic, have a decrease in revenue of at least 25% and declare themselves incapable to pay all salaries. In this case, the State support will cover maximum 75% of the active employees.

The EO provides a maximum amount of 75% of the medium salary used for the social security budget, i.e. 4.071,75 RON. Unfortunately, it does not clarify if this is capping the employee’s indemnity or the contribution of state. A clarification has been requested and is awaited soon.

Requests will be filed electronically with the competent employment agency. Applications must be filed during a month for the month before.

Further employment-related measures are hopefully to come soon.

Sincerely,
STALFORT Legal. Tax. Audit.

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