



NEWSFLASH

Short-time work is finally regulated!

(supplemental)

Dear Ladies and Gentlemen,

As announced last week, on 10.08.2020 Romania has joined the circle of European states implementing short-time work during the pandemic. The Emergency Ordinance 132/2020 (the "EO") is the result of an initiative launched as early as at the beginning of March, in which our law firm was actively involved.

Supplemental to the general principles, conditions and limitations applicable to the short-time work legal frame, presented in our previous Newsflash, we have prepared an overview of the new rules with regard to special categories of employees/ employment agreements.

Is the short-time work legal frame applicable for apprentices (Ro. *ucenici*)?

The EO provides expressly that the legal frame defined for short-time work applies in case of apprentices, provided however that the employer must ensure the access of the apprentice to theoretical and practice training for acquiring the abilities corresponding to the respective workplace, as specified by the law regarding apprenticeship.

Is the short-time work legal frame applicable for unqualified occasional daywork, day laborer (Ro. *zilier*)?

The unqualified occasional daywork is regulated in Romania by the law no. 52/ 2011; if such activity has been interrupted or reduced due to the effects of the SARS-CoV-2 virus, the state budget shall reimburse 35% of the daywork allowance for a period of 3 months until 31.12.2020 the latest. The actual 3 months period shall be determined by the beneficiary of works (i.e. "the employer").

Is the short-time work legal frame applicable for fixed-term employment agreements?

As a general rule, employment agreements in Romania are concluded for an unlimited period of time. However, in cases expressly provided by the law, the employment agreement can be concluded for a fixed term.

In case of employment agreements concluded for maximum 3 months, the state budget shall reimburse, for a period of maximum 3 months until 31.12.2020 the latest, 41.5% of the salary. However, the base to which the above-mentioned percentage applies is capped by the medium gross salary for 2020, as provided by the law regarding the social securities state budget for 2020 (i.e. RON 5,429).

The reimbursement procedure shall be regulated by Government's decision.

Special provisions for free-lancers, liberal professions and small businesses

The EO also sets applicable provisions for persons who do not have an employment agreement, such as free-lancers/ liberal professions (Ro. *persoane fizice autorizate – PFA, intreprinderi individuale – II, intreprinderi familiale – IF*) and employees with employment conventions based on the special legal regime of “cooperation”.

The above-mentioned categories are entitled to a monthly allowance of 41,5% of the medium gross salary for 2020, as provided by the law regarding the social securities state budget for 2020 (41.5% x RON 5,429, hence RON 2,253), whereas the duration, the categories of professionals and the payment procedure shall be determined by Government’s decision.

It is important to note that, for 2020, only the professionals that requested and benefited from the allowance provided by the EO no. 30/ 2020, as approved by the Law no. 59/ 2020, can benefit from this additional measure.

Further financial support for work from home

Lastly, the EO provides a further financial support for employers with employees working from home (Ro. *telesalariati*). The employer is entitled to receive a one-time allowance of RON 2,500 RON for each such employee for the purpose of acquiring goods and technological services necessary for the performance of the work from home. Details shall be set within a special order of the Labor Minister.

Sincerely,
STALFORT Legal. Tax. Audit.

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