

# TAX HOT TOPICS

12 August 2020

**Emergency Ordinance no 132/2020 regarding certain support measures for employees and employers in context of the epidemiological situation caused by the spread of the coronavirus SARS-CoV-2, as well as for stimulating employment**

- ❖ **Emergency Ordinance no. 132/2020 regarding certain support measures for employees and employers in context of the epidemiological situation caused by the spread of the coronavirus SARS-CoV-2, as well as for stimulating employment was published in the Official Gazette no. 720 of 10 August 2020, which introduces amendements in respect to the following important aspects:**

*Measures with impact at the level of employees*

- ❖ In case of temporary decrease of activity, following the introduction of the state of emergency/state of alert, the employers have the possibility to reduce the number of working hours of their employees by no more than 50% of the working hours agreed as per the individual employment contract;
- ❖ Following the decrease in the number of working hours, the employees benefit from a compensation of 75% of the difference between the gross salary agreed as per the individual employment contract and the gross salary related to the actual hours worked agreed following the reduction of the working schedule, in addition to the salary rights, computed taking into account the time effectively worked;
- ❖ The compensation is born by the employer and payable at the payment date of the salary for the respective month, and will be further reimbursed from the unemployment insurance budget after the fulfilment of the relevant declarative and payment obligations;
- ❖ The compensation represents income derived from salaries and is subject to income tax and social security contributions (including payment of work contribution);
- ❖ The support measures mentioned above may be applied by employers who cumulatively meet the following conditions:

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- ❖ the measure affects at least 10% of the employees of that working unit;
- ❖ the reduction of the activity is justified by a decrease of at least 10% in the turnover registered in the month prior to the application of the measures provided above or, no earlier than the month before the month prior to the application of such measures, compared to the similar month of the previous year.
- ❖ Until 31 December 2020, but not for more than 3 months, in case of employees who have concluded individual employment contracts for a limited period of time of up to 3 months, under certain conditions, employers may assure the settlement of part of their salary representing 41.5 % of the salary corresponding to actual hours worked, in case of an working period of 8 hours/day, but no more than 41.5% of the average gross salary;
- ❖ For the months when the reduction in the working hours is applied, under the conditions provided above, the employer cannot initiate collective dismissals;
- ❖ Employment of staff who perform identical or similar activities to those carried out by employees for which the working schedule has been reduced, as well as subcontracting of activities similar to those carried out by employees for which the working schedule has been reduced, during the period for which they benefit from the support of measures mentioned above, is forbidden;
- ❖ Actions including those of requesting employees to come to work or perform any other type of work, including that of remote work or work from home, for the benefit of the employer or the benefit of one or more employees, outside the agreed working schedule, in context of the reduction in the working hours according to the measures mentioned above, is deemed contravention and the employer is maybe sanctioned with a fine of RON 20.000 per person, without exceeding the cumulative value of RON 200.000;
- ❖ The procedure related to the settlement of the amounts, as well as the period for the application of the support measures will be published by means of a Government Decision.

### *Measures with impact on other categories of beneficiaries*

- ❖ Professionals, as well as people who have concluded individual labor conventions, may benefit, upon request, based on an affidavit, from a monthly compensation of 41.5% of the average gross salary;

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- ❖ The compensation is subject to income tax and social security contribution and health insurance contribution. The tax obligations should be reported per the Sole Tax Return and are borne by individuals benefiting from such measures, with certain exceptions;
- ❖ The procedure related to the settlement of the amounts, as well as the period for the application of the measures will be established by means of a Government Decision. As an exception, for 2020, the compensation is granted to professionals, as well as the persons who have concluded individual labor conventions that have previously benefited from the compensation related to technical unemployment.

### *Measures regarding the development of the remote work*

- ❖ Employers can benefit from a financial support of RON 2.500 for the employees who had worked from home/ had carried out remote work during the state of emergency period for at least 15 working days (the amount is granted from the unemployment insurance budget, through the National Agency for Employment, within the limits of the funds allocated for this purpose);
- ❖ The financial support is granted for the purpose of acquiring technological goods and services necessary for carrying out the activity by remote means. The conditions and categories of goods to be granted in this respect will be published by means of an Order of the Minister of Labor and Social Protection;
- ❖ Such amount is granted in the order of the submission of the applications, until 31 December 2020;
- ❖ The employer has the obligation to submit with the National Agency for Employment, within a 30 days period from the receipt of the amounts, justifying documents corresponding to categories of goods purchased as provided by Order of the Minister of Labor and Social Protection;
- ❖ The provisions of this ordinance do not apply to public institutions, employers who are subject to bankruptcy, dissolution, liquidation procedures or who have suspended their activities or employers who are registered in jurisdictions non-cooperative for tax purposes.

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*For additional details regarding the above, you can contact any member of the Taxhouse team or you can send us an e-mail at [office@taxhouse.ro](mailto:office@taxhouse.ro).*