

## **Summary of the main provisions of the GEO 32/2020 amending and supplementing GEO 30/2020 on the amendment and supplementing of certain normative acts**

### **I. Regarding the technical unemployment allowance granted to employees**

1. During the state of emergency established by Decree no. 195/2020 on the establishment of the state of emergency in Romania, for the period of temporary suspension of the individual employment contract at the employer's initiative, according to art. 52 (1) (c) of Law no. 53/2003 - Labor Code, as a consequence of the effects of the SARS-CoV-2 coronavirus, the allowances received by employees will be borne by the unemployment insurance budget and will be at least 75% of the basic salary for the respective job, but no more than 75% of the average gross wage laid down in the Law of the State Insurance Budget no. 6/2020 regarding the state social insurance budget for 2020.

**During the decreed state of emergency, the beneficiaries of these provisions are employees of employers who temporarily reduce or discontinue their activity, in whole or in part, as a result of the effects of the Coronavirus epidemic, in accordance with an affidavit of the employer.**

#### Conclusion:

- a. during the state of emergency decreed, employers who discontinue their activity in whole or in part based on the decisions issued by the appropriate public authorities in accordance with the law, (the previous a) category) no longer require the certificate for emergency situations for the settlement of the technical unemployment allowance;
- b. the limit of 75% of employees with individual employment contracts, active at the date of entry into force of GEO 30/2020, who can benefit from the technical unemployment allowance (the previous b) category) has been eliminated;
- c. the "financial payment ability" notion was dropped, but the affidavit remains valid;
- d. the beneficiaries of the technical unemployment allowance are ONLY employees of companies that reduce/discontinue their activity due to the effects of the Coronavirus epidemic, ONLY during the state of emergency (16 March - end of the state of emergency).**
- e. the initial provision of GEO 30/2020, according to which **the payment and**

**reporting deadline of tax obligations is the 25<sup>th</sup> of every month including the month following the one in which the payment from the unemployment insurance budget is made,** remains in force.

2. The GEO 30/2020 article according to which employers who reduce their activity should receive the payment of the allowance based on an affidavit stating that the employer has recorded a decrease of at least 25% in the collections of the month previous to the submission of the affidavit compared to the average collections for the months of January – February 2020 and that the employer lacks the financial capacity to pay all employees, **has been repealed.**

3. New regulations for employees with several individual employment contracts are introduced:

a. If an employee has concluded several individual employment contracts, of which **at least one full time contract is active** during the establishment of the state of emergency, he will **NOT** benefit from the technical unemployment allowance.

b. If an employee has concluded several individual employment contracts and **all of them are suspended** as a result of the establishment of the state of emergency the employee will benefit from the technical unemployment allowance for the individual employment contract with **the most advantageous wage rights.**

**4. The possibility for the employer to grant additional amounts to the technical unemployment allowance granted by the state** is regulated

If the employer's budget for the payment of personnel expenses allows it, the technical unemployment allowance (maximum 75% of the national average gross wage) **can be** supplemented by the employer with amounts representing the **difference up to minimum 75% of the basic wage** corresponding to the position occupied, in accordance with the provisions of art. 53 (1) of Law no. 53/2003.

**5. The contributory period for leaves and social insurance allowances** is regulated

The period in which an employee whose individual employment contract is suspended

and their employer are not due to pay work insurance contributions represents a **contributory period with no contribution** to the social health insurance system for leaves and social insurances allowances.

**6. New regulations are introduced regarding the submission of documentation and the settlement of the amounts representing the technical unemployment allowance**

a. In order for employers to be granted the necessary amounts for the payment of the technical unemployment allowance, **an application** signed and dated by the legal representative, **an affidavit** and **the list of beneficiaries of this allowance**, assumed by the legal representative of the employer, shall be submitted by e-mail to the county/ Bucharest employment agency, according to the model approved by order of the Minister of Labor and Social Protection which will be published later in the Official Journal.

**The previous model application forms/ lists of beneficiaries as stipulated in GEO 30/2020 are no longer valid.**

Updates introduced by GEO 32/2020:

- employers assume responsibility for the accuracy and veracity of the data included in the documents mentioned in paragraph 1;
- the payment of the allowance shall be made to the accounts opened by employers with commercial banks.

b. The payment of the technical unemployment allowances from the unemployment insurance budget shall be made no later than **15 days** from the submission of the documents (the previous provision stipulated 30 days).

c. The payment of the technical unemployment allowance shall be made to the employee **within a period of maximum 3 working days** after the employer received the respective amounts.

7. Special provisions

The 3 annexes of GEO 30/2020 (request to the County Employment Agency- AJOFM regarding the settlement of the technical unemployment allowance in the event of the

discontinuation of the activity following the decisions of the public authorities, respectively of the decrease in collections and the list of beneficiaries of the technical unemployment allowance) are repealed.

## **II. Provisions regarding the allowance for other professionals, sportsmen and natural persons who obtain copyright income**

1. During the state of emergency, as regulated by art. 3 (2) of Law no. 287/2009 regarding the Civil Code ("*all those who operate an enterprise*"), **other professionals** and persons who have concluded individual employment contracts under Law no. 1/2005 on the organization and functioning of the cooperation, who discontinue their activity as a result of the coronavirus effects, benefit from a monthly allowance of **75% of the average gross wage**, from the state budget, on the basis of an affidavit.

### Amendments to GEO 30/2020:

- ONLY professionals who discontinued their activity in whole or in part as a result of the decisions issued by the public authorities were entitled to this allowance.
- The initial allowance was equal to the national **minimum** gross basic salary guaranteed for payment.

2. During the state of emergency, for the period of temporary suspension of the sports contract at the initiative of the sports structure, as a result of the effects of the coronavirus, the persons mentioned in art. 671 (1) a)-c) of the Law of physical education and sport no. 69/2000 (**sportsmen, coaches, doctors, nurses, masseurs, physiotherapists, researchers**) receive an allowance of 75% of the cash rights related to the consideration of the sporting activity, but no more than 75% of the average gross wage.

### Update introduced by the GEO 32/2020:

In addition to this allowance, the sports structure and the above-mentioned persons (sportsmen, coaches, doctors, nurses, masseurs, physiotherapists and researchers) have the opportunity to negotiate and decide by mutual agreement the payment of other **compensatory allowances** granted by the sports structure to offset the decrease in the financial consideration.

3. During the state of emergency, natural persons who obtain income **exclusively** from **copyright** and related rights, who **discontinue their activity** as a result of the effects of the coronavirus benefit from a monthly allowance of 75% of the **average** gross wage, from the state budget through the county agencies for payments and social inspection, respectively the agency of the Bucharest municipality, based on the documents requested by the National Agency for Payments and Social Inspection.

4. The allowance provided for in paragraphs 1, 2 and 3 is subject to taxation and to the payment of social insurance and health insurance contributions, under the conditions set out in the Fiscal Code. By way of derogation from the Fiscal Code, the tax obligations regarding their calculation, declaration and payment are established by common order of the Minister of Labor and Social Protection and of the Minister of Public Finance.

**Important!** For employees with an individual employment contract, the employer shall apply for allowance based on the documents specific to technical unemployment. If the personnel are employed by other means provided by the law, they will benefit from the above-mentioned provisions.

#### Provisions regarding the settlement of the allowance

a. In order to benefit from the allowance, the persons mentioned in paragraphs 1 and 3 (other professionals and those who obtain copyright income) will submit a request accompanied by a copy of their identity card and an affidavit, by e-mail, to the territorial agency for payments and social inspection.

b. For the persons mentioned in paragraph 2 (sportsmen), to receive the necessary amounts for the payment of the allowance, the sports structures with which these persons have concluded sports contracts shall submit, by e-mail, a request dated and signed by the legal representative, accompanied by an affidavit and a list persons involved in the sporting activities which were suspended, to the territorial agencies in the area of their registered office. The payment of the allowance is made to the sports structure that shall make the payment to the beneficiaries of the sports contracts.

c. The Model application form and the model affidavit form for other professionals, sportsmen and natural persons who obtain copyright income are established by the common order of the Minister of Labor and Social Protection and the line Ministries, as

the case may be.

d. The application and settlement documents shall be sent to the territorial agencies by the 10<sup>th</sup> of the current month for the payment of the previous month's allowance and the payment of the allowance shall be made no later than 10 days from the submission of the documents for the period related to the state of emergency.