



NEWSFLASH

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

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 [\[https://stalfort.ro/en/news/\]](https://stalfort.ro/en/news/)

Last week we reported that the state takes over the „technical unemployment“ indemnity (Emergency Ordinance 30/2020). You may find our newsflash here [\[http://stalfort.ro/wp-content/uploads/2020/03/20200326_-NEWSFLASH_Indemnity_contract_suspension.pdf\]](http://stalfort.ro/wp-content/uploads/2020/03/20200326_-NEWSFLASH_Indemnity_contract_suspension.pdf).

In particular, we explained some restrictions and ambiguities, including

- the fact that employers, who did not interrupt their activity due to official order, may receive payment only for 75% of the active employees and only if they are incapable to pay all salaries;
- the lack of clarity on the maximum amount of 4.071,75 RON.

On March 30th, 2020 the Government **amended Emergency Ordinance 30/2020 again** by the Emergency Ordinance 32/2020. The following changes are relevant:

1. Certain preconditions no longer apply

- All employers who temporarily or partially reduce or interrupt their activity as a result of the SARS-COV-2 epidemic, receive compensation from the state in amount of the indemnity that they have to pay their employees for technical unemployment.

- The upper limit of a maximum of 75% of the active employees no longer applies; also the condition of inability to pay all salaries.
- The employer must provide an affidavit on the fulfilment of the preconditions and a list of employees; a certificate of emergency is no longer required. Templates for the necessary documents are still to be published.

2. Maximum Amount

- The maximum amount of RON 4,071.75 (75% of the medium salary used for the social security budget) remains unchanged.
- If the employer has a sufficient budget, he is entitled to increase the difference up to the compensation specified by the Labor Code.

3. Application, Payment

- Applications must be submitted electronically with attachments to the responsible employment agency.
- The payment periods between the state and employer and between employer and employee have been shortened.

Further employment-related measures are still urgently expected.

Feel free to contact us if you have any questions.

Sincerely,

Your STALFORT Legal. Tax. Audit. Team

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