

In this issue:

The publishing in the Official Gazette of the Emergency Ordinance for granting days off for parents in order to supervise children, in case of limitation or suspension of teaching activities that require the presence of children in schools and early childhood education units, following the spread of SARS-CoV-2 coronavirus.

The publishing in the Official Gazette of the Decision for the approval of the procedure for settlement and payment of the amounts granted based on the Government Emergency Ordinance no. 132/2020 on support measures for employees and employers in the context of the epidemiological situation caused by the spread of the SARS-CoV-2 coronavirus, as well as to stimulate employment growth.

These legislative news have been published in the Official Gazette no. 790 from August 28, and respectively no. 794 from August 31.

The publishing in the Official Gazette of the Emergency Ordinance for granting days off for parents in order to supervise children, in case of limitation or suspension of teaching activities that require the presence of children in schools and early childhood education units, following the spread of SARS-CoV-2 coronavirus.

The most important news concern the following:

- Days off are granted to one of the parents for the supervision of children, in case of limitation or suspension of teaching activities that involve the presence of children in schools and early childhood education units where they are enrolled, as a result of epidemiological investigation determined by spread of the SARS-CoV-2 coronavirus;
- The provisions apply to parents who have children up to 12 years of age or have children with disabilities up to 26 years of age, enrolled in a pre-school education or pre-school unit, and the other parent does not benefit from days off;
- The employer is obliged to grant days off if the employee requests so and the allowance for each day off amounts 75% of the base salary corresponding to a working day, but not more than the daily correspondent of 75% of the average gross salary used to substantiate the state social insurance budget;
- The allowance is reflected in gross amount and is subject to income tax and payment of pension contribution, health fund contribution, as well as work insurance contribution, for income from salaries and salary assimilated income. The income tax and the social charges due are paid by the employer;

For the reimbursement of the amounts granted to the employees, the employers will submit a request to the employment agencies, along with supporting documents. The request is submitted within a maximum of 30 days from the date of payment of the income tax and social charges and the reimbursement of the amounts will be performed within 15 calendar days from the date of the registration of the documents;

- The employer is subject to a fine ranging between RON 1,000-2,000 for each person for whom he refuses to grant days off, without exceeding the cumulated value of RON 20,000.

The publishing in the Official Gazette of the Decision for the approval of the procedure for settlement and payment of the amounts granted based on the Government Emergency Ordinance no. 132/2020 on support measures for employees and employers in the context of the epidemiological situation caused by the spread of the SARS-CoV-2 coronavirus, as well as to stimulate employment growth.

Among the provisions of this Procedure, we note the following:

- The allowance of 75% of the difference between the gross base salary provided in the individual employment contract and the gross base salary related to the hours actually worked as a result of the working time's reduction is settled upon the employers' request from the unemployment insurance budget. The allowance is settled for the month prior to the month in which the request was submitted and the settlement will be performed within maximum 10 days after the documents are submitted;
- In order to benefit from the allowance of 41.5% of the average gross salary, the professionals and persons who have concluded individual labour agreements based on Law no. 1/2005 will submit a request to the Agency for payments and social inspection. The payment of the allowance will be performed within maximum 10 days after the documents are submitted;
- For persons who perform unqualified activities on an occasional basis, the request and the list of beneficiaries are submitted directly by the services' beneficiaries for settlement and reimbursement. The payment of the allowance will be performed within maximum 10 days after the documents are submitted;
- For employees who conclude individual employment contracts for a fixed period of up to 3 months, the allowance consisting of part of the salary will be granted upon the employers'

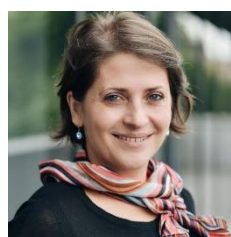
request, the documents being submitted in the current month for the previous one after the payment of the income tax and social charges due. The payment of the allowance will be performed within maximum 10 days after the documents are submitted;

- The templates for the justifying documents to be filed with the authorities will be established by Order of the Minister of Labor and Social Protection, within a maximum of 10 days after this Decision is published;
- For 2020, the settlement of the above-mentioned allowances of 75% for employees and respectively 41.5% for professionals shall apply until December 31, 2020;
- The actual Decision does not cover also the procedure for granting the financial aid of RON 2,500 for the employees who worked remotely, mentioned in the same Emergency Ordinance, as per art. 6, par. (1). For this financial aid, the draft Procedure available on the Ministry of Labor and Social Protection's website was not published in the Official Gazette.

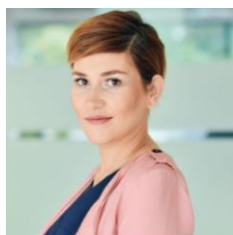
For further questions regarding the aspects mentioned in this alert, please contact us.



Florentina Munteanu
Legal Partner
Reff & Associates
fmunteanu@reff-associates.ro



Raluca Bontas
Partener
Deloitte Tax
rbontas@deloittece.com



Monica Tariuc
Senior Manager
Deloitte Tax
mtariuc@deloittece.com



Gabriela Ilie
Managing Associate
Reff & Associates
ailie@reff-associates.ro

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/ro/about to learn more about our global network of member firms.

Deloitte provides audit, consulting, legal, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 244,000 professionals make an impact that matters, please connect with us on Facebook or LinkedIn.

Reff & Associates SCA is a law firm member of Bucharest Bar, independent in accordance with the Bar rules and represents Deloitte Legal in Romania. Deloitte Legal means the legal practices of Deloitte Touche Tohmatsu Limited member firms or their affiliates that provide legal services. Visit the global Deloitte Legal website <http://www.deloitte.com/deloittelegal> to see which services Deloitte Legal offers in a particular country.

This alert is offered as guidance and must not be considered a consultancy service. Before taking any action based on this document, you should ask for professional fiscal/legal advisory.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional advisor. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2020. For information, contact Deloitte Romania