

SUMMARY OF LABOR MEASURES

DATE MARCH 20, 2020

ON THE FLEXIBILIZING MEASURES FOR THE PROCESSING OF RECORDS OF TEMPORARY EMPLOYMENT REGULATION (ERTE) IN RD 08/2020

Given the numerous doubts and questions we have received about the new regulation that speeds the processing of Temporary Regulation Files due to the Covid-19 health crisis and their economic consequences, collected in RDL 08/2020, from PICH BNFIX we have considered appropriate to carry out a brief summary of the most relevant aspects, without prejudice to the fact that we subsequently carry out a more exhaustive study of the subject.

FORCE MAJEURE' ERTE

Force majeure situations are understood for the purpose of suspending employment contracts:

- a) Those derived as a consequence of the closure or suspension of activities decreed in RDL 463/2020 for health reasons.
- b) Situations resulting from extraordinary circumstances when most of the **workforce is infected** with Covid-19 or is in a situation of preventive isolation, and the activity of the company cannot continue.
- c) Circumstances that imply **lack of supplies** that seriously obstruct the continuation of the ordinary development of the activity.
 - In this type of case, while the suspension of contracts lasts, and when the company has **less than 50 employees**, the General Treasury of Social Security **will exempt the company from the payment of the business contribution by Social Security**, as well as of the relative to the quotas for concepts of joint collection.
 - If you have **more than 50 employees**, the **exemption** from the obligation to contribute collected in the previous section will reach **75%** of the business contribution.
 - These measures will remain subject to **the commitment to maintain employment for a period of six months**.

PRODUCTIVE AND ECONOMIC REASONS' ERTE

These assumptions are a consequence of COVID-19, but not directly like the ones mentioned in the previous section, but indirectly, and are associated with an income decrease resulting from the consequences of the measures approved as a consequence of the COVID-19 health emergency.

In this situation, the following deadlines have been significantly reduced respect to the previous regulations. So, in these cases:

- A **procedure is established that reduces the report of the Labour Inspection to seven days**, the request of which will be optional by the Labour authority.
- In the absence of worker representation, prior to ERTE, the representative commission for the negotiation of the legally established consultation period will have to be constituted within the non-extendable period of 5 days.

We would like to take this opportunity to greet you carefully and wish you the best in this serious health situation.

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