

Emergency ordinance issued by the Romanian Government regarding the amendment and completion of some normative acts, as well as for establishing measures in the field of social protection in the context of the epidemiological situation determined by the spread of the SARS-CoV-2 coronavirus



The emergency ordinance no. 30/2020 regarding the amendment and completion of some normative acts, as well as for establishing measures in the field of social protection in the context of the epidemiological situation determined by the spread of the SARS-CoV-2 coronavirus (the „Emergency ordinance”) was published in the Romanian Official Gazette, Part I, no. 231 on the 21st of March 2020, and is effective from its publication.

The Emergency ordinance provides, among others, the much-anticipated measure regarding the governmental support for the payment of the technical unemployment allowance, the employers that will benefit from this measure, the conditions which must be fulfilled, as well as the procedure that employees need to undergo to benefit this support from the Romanian state.

The Emergency ordinance provides that, during the period of emergency established by Presidential Decree, for the period the employment contracts are suspended as a result of the SARS-CoV-2 coronavirus, the allowances received by the employees are set at 75% of the base salary corresponding to the job occupied and shall be borne from the unemployment insurance state budget. The amount of the allowance is limited to maximum 75% of the gross average wage provided by Law no. 6/2020.

The Emergency ordinance distinguishes between two categories of beneficiary companies:

- a) Companies which are forced to suspend their activity, in whole or in part, as a result of the decisions issued by the public authorities, during the state of emergency period (directly affected employers);
This category of companies must hold the certificate of emergencies issued by the Ministry of Economy, Energy, and Business Environment.
- b) Companies which reduce the activity because of the COVID-19 epidemic and do not have the financial capacity to pay all the salaries of their employees (indirectly affected employers);

For this category of employers, the payment of the allowance is made based on a self-declaration stating that the employer records a decrease in the revenues of the month prior to the submission of the declaration, with a percentage of at least 25% compared to the average of the incomes from January to February 2020, and that it does not have the financial capacity to pay all employees.

This category of employers can benefit from the payment of the allowance for a maximum of 75% of the employees who have individual labor contracts active at the date the Emergency ordinance entered into force.

Regarding the procedure that employers need to undergo to benefit from this support from the State, for both categories of employers, the Emergency Ordinance provides that the request is submitted by electronic post, at the county agencies for employment where the employer has its registered office.

The template of the application is that provided in the annexes to the Emergency ordinance and must be signed and dated by the legal representative of the employer. The application must be accompanied by the list of persons who will benefit from this allowance, according to the model set out in annex no. 3 to the Emergency Ordinance.

The documentation above-mentioned is submitted in the current month for the payment of the previous month's allowance. The payment is made within 30 days from the submission of documents.

The allowance is subject to taxation and payment of compulsory social contributions, according to the provisions of the Fiscal Code. The calculation, withholding and payment of income tax, state social insurance contribution and social health insurance contribution are made by the employer from the allowance received from the unemployment insurance budget.

The declaration and payment must be made by the employer by submitting the declaration provided for in art. 147 paragraph (1) of Law no. 227/2015 regarding the Fiscal Code until the 25th of the month following the month in which the payment is made from the unemployment insurance budget.

For this allowance, the Emergency ordinance states that no insurance contribution for work is due.