

Below we inform you of the social measures taken by the Government pursuant to Royal Decree-Law 18/2020, of 12 May, in defence of employment.

In line with the need to progressively reactivate the economy, these measures aim to provide an adequate response so that companies can take appropriate measures to move to a new normality, considering the protection of their workers.

**- Duration of force majeure ERTE, derived from COVID-19, until June 30th 2020.**

In force majeure, businesses or entities which are unable to reactivate their activity, or in force majeure in part, may, in both cases, continue to apply the suspension and reduction measures for the duration of this situation and, in principle, until 30 June 2020.

Undertakings or entities shall re-integrate workers to the extent necessary for the development of their activity, taking precedence in terms of reduced working hours, which will have a less economic impact on working persons.

Undertakings or entities shall notify the Labour Authority of the total waiver of the authorised ERTE within 15 days of the date of effect. The latter shall also inform the SEPE of any changes in data relating to the initial collective application for access to unemployment benefit; and those variations concerning the completion of the implementation of the measures, with respect to all or part of the persons concerned, either by number of persons or by percentage of the working day.

**- Procedure for suspension or reduction of working hours for objective, economic, technical, organisational and production reasons.**

Temporary employment regulation procedures based on objective, economic, technical, organisational and production causes; initiated after the entry into force of this Royal Decree and until 30 June 2020, article 23 of Royal Decree-Law 8/2020 concerning the procedure for suspension and reduction of working hours for such cases, relating to Covidien-19, shall apply to them.

Companies may process these files as long as they are affected by force majeure files. Once the file is initiated for objective, economic, technical, organisational and production reasons; its date of effect will be retroactive to the date of completion of the file by force majeure, in order to avoid unnecessary interruptions that cause harm to workers.

The ERTE in force at the date of enacting this Royal Decree-Law shall continue to be applicable in accordance with the deadlines laid down in the final notification of the undertaking and until the period referred to therein.

**- Measures for the protection of unemployment aid.**

Until June 30th, the measures provided for in Article 25(1) to (5) of RD 8/2020 shall apply, consisting of:

- The recognition of unemployment benefit to the workers concerned, or to those who have the status of members or partners of working societies or cooperatives, even if they do not reach the prescribed minimum contribution period;
- As well, the failure to compute this period of receipt of the benefit for the purposes of consumption of the established periods of collection.

In this case, until 31 December, the measures laid down in Article 25.6 of RD 8/2020 concerning the possibility for permanent workers to be discontinued shall apply; those who have been suspended as a result of the impact of COVID-19 for periods of activity; they may receive the benefit, with a maximum limit of 90 days, when they are again in a legal situation of unemployment.

**- Measures on contribution.**

The TGSS exempts the companies affected by force majeure files from payment of the May and June contributions, corresponding to both the corporate contribution and the co-collection contributions.

In the case of companies with more than 50 employees, the exemption from the company contribution will reach up to 75 %.

The exemption shall be applied in accordance with the following conditions and percentages:

- For workers who restart their activity from the date of the termination of the ERTE and the periods and percentages of working hours worked since their return to business, the exemption will reach 85 % (60 % for companies with more than 50 workers) of the corporate contribution earned in May 2020 and 70 % (45 % for companies with more than 50 workers) of the corporate contribution earned in June 2020.
- For workers in these companies who continue the activity suspended from the date of the waiver and the periods and percentages of working hours affected by the suspension, the exemption will reach 60 % (45 % for companies with more than 50 workers) of the corporate contribution earned in May 2020 and 45 % (30 % for companies with more than 50 workers) of the corporate contribution earned in June 2020.

Exemptions shall be applied at the request of the company, subject to communication on the situation of force majeure, as well as of the persons concerned and of the period of suspension or reduction of working hours.

**- Limits to the distribution of dividends.**

Commercial companies or other legal persons applying ERTE by force majeure shall not be able to divide dividends for the tax year in which these ERTes apply, except if they pay in advance the amount corresponding to the exemption applied to the social security contributions.

**- Rewording of the sixth DA of RD 8/2020, concerning the undertaking of undertakings, affected by a procedure for suspension of contracts and reduction of working hours due to reasons of force majeure, to maintain employment for a period of six months.**

This new wording details the undertaking's commitment to maintain employment for a period of six months from the date of the return to the activity, which is understood as the reinstatement to the effective work of the persons affected by the file, either when it is partially disaffected, or when only part of the workforce is disaffected.

This undertaking shall be deemed to have been breached if any person affected by these files is terminated or terminated.

It shall not be deemed to have been breached when the contract is terminated by the termination of the call of persons with fixed-term-discontinuous contracts, where the termination of the call of persons on a permanent-discontinuous contract, when it does not involve a dismissal but an interruption of the contract, is terminated by the termination of the contract, voluntary discharge, death, retirement or total permanent incapacity.

In the case of temporary contracts, the undertaking shall not be breached when the contract is terminated by the expiry of the agreed time or the performance of the work and service which is the subject of the contract, or where the contract cannot be performed.

Undertakings which do not comply with this undertaking shall reimburse the full amount of the contributions from which they have been exempted from the corresponding surcharges and interest on late payment.