International Lawyers Network

Unprecedented Aid

The following paper aims to succinctly address the question "What financial measures have been enacted in your jurisdictions to aid employers, and what are the impacts?"

This guide offers an overview of legal aspects of unprecedented aid in the requisite jurisdictions. It is meant as an overview in these marketplaces and does not offer specific legal advice. This information is not intended to create, and receipt of it does not constitute, an attorney-client relationship, or its equivalent in the requisite jurisdiction.

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Contents

Chile

In response to the sanitary and economic crisis produced by the Covid-19 Pandemic, the Chilean Government has introduced several measures to protect the employment and the employees' salaries.

The following is a summary of the employment-related measures:

1. Covid-19 Bonus and Emergency Familiar Income: These are pecuniary benefits intended for families representing the 60% most vulnerable population and have lost their sources of income.
2. Employment Protection Law ("Law"): The Law authorizes the use of the benefits of Unemployment Insurance in the following cases:
   a. Suspension of the Labor Relation: Originated by agreement of the parties if the activity of the employer has been affected by the Pandemia or, *ipso facto*, by the statement of an Authority, for example, in case of zones declared under quarantine.

      Under this scenario, the effects of the labor relation are suspended, therefore, the employee does not have to work, and the employer does not have to pay the salary. Instead, the employee has access to the Unemployment Insurance, which pays a percentage of the employee's remuneration. For the first month, this payment amounts 70% of the remuneration, decreasing in the following months up to 35%, with a minimum payment of approximately USD $280 per month.

      However, the Government has negotiated the second part of the Emergency Program, and the abovementioned minimum percentage will be modified within the next days to 55% of the last remuneration.

   b. Reduction of the Working Time: Under specific hypothesis, the parties may agree to reduce the time worked up to 50% of the original working hours and decrease the remuneration in the same percentage.

      In this scenario, the employee also has access to the benefits of the Unemployment Insurance, thus may receive a complement of 50% of the reduction of the salary. Therefore, the employee finally receives 75% of the original remuneration.

The Individual Account of the employees in the Unemployment Insurance is financed with the contributions of the own employee and the employer. Additionally, the Solidary Account, is financed by the contributions made by the State and in this case, the State will contribute with 2M USD into the Solidary Account, amount that will have to be reinstated within 10 years by the Unemployment Insurance Administrator.

Today, approximately 100.000 employers have adhered to the Law, and more than 610.000 employees have received its benefits.

In addition, the second part of the Emergency Program considers a modification of the Law and will extend the access to these benefits that employees have for the most vulnerable population that cannot telecommute and must take care of preschool children. This should be modified within the next days.

3. Self-employment protection: To date, there is a Bill of Law presented to the Congress on the protection measures for the self-employed. This draft considers an insurance that covers a percentage of the variation of the incomes that these persons may have.

Schwencke & Cia

Av. Los Conquistadores 1700
Piso 16-A
Santiago, Providencia – 7520282 Chile

Constanza Rios
crg@schwenckecia.com

Fernanda Laborde
flp@schwenckecia.com

www.schwenckecia.com

Tel: 562 2887 2200

Fax: 562 2887 2299

Colombia

Colombian Government has created different aids for employers, dependent and independent employees during the Covid-19 outbreak to reduce the effects of the pandemic in the formal employment.

- Decree 488 of 2020 established the possibility of employees to withdraw their severance aid if their salary has been reduced as a consequence of the Covid-19 outbreak, even though their employment has not been terminated.
- Decree 558 of 2020 established a reduction in the amount of social security contributions to the pensions system from 16% to 3% for the months of April and May 2020.
- Decree 639 of 2020 created the "*Programa de Apoyo al Empleo Formal – PAEF*" ("Formal Employment Support Program") by which the Government will assume 40% of the minimum legal monthly wage of the employees inscribed to the program by their employer for three months, if the employer's income has been reduced at least in 20%.
- Decree 803 of 2020 created the "Programa de Apoyo a la Prima – PAP" by which the Government will assume up to 50% of the service bonus for employees with a salary between COP $877.803 and COP $1.000.000 if the company's income has reduced at least 20%. Additionally, it established the possibility of postponing the date of payment of the service bonus until December 20, 2020, allowing employers to reduce the financial burden of this social benefit.
- Additional subsidies were created for unemployed people besides the unemployment aid created by Law 1636 of 2016 granted by Family Compensation Funds, such as the payment of social security contributions to the healthcare and pension systems, and a subsidy up to two minimum monthly legal wages divided into three equal payments for a maximum period of three months.
- Credits for companies with low interest rates and guaranteed up to 80% by the Colombian Government.

Gamboa García & Cardona

Carrera 9 No. 80-45
Piso 4
Bogotá, D.C. – Colombia

Iván Cardona Restrepo
icardona@gclegal.co

www.gclegal.co

Tel: +57 (1) 390 2217

Czech Republic

The outbreak and spread of the COVID-19 disease and related extraordinary measures adopted, not only by the Czech government, have hit the labour market hard, especially in those sectors most impacted by the lockdown and travel ban, but also in ones related to them. Many employees have found themselves facing insecurity with respect to their future employment.

Already in mid-March, the Czech government announced **its ANTIVIRUS Programme, as a Czech form of kurzarbeit, aimed at employers whose business activities have been impacted because of the spread of the new coronavirus and the related measures taken**. **The main goal has been the protection of employees against redundancies.** The programme became operational as of 6 April; it has already been extended twice and currently shall be running till the end of August.

Employers fulfilling the conditions of the programme are granted with a **contribution to reimburse, in whole or in part, salary compensation due to employees because of an obstacle on the part of employees or on the part of employers**, if it is proved that the obstacle to work is due to the COVID-19 crisis. The applications are filed online with the Employment Office on a monthly basis.

Two regimes have been available. **Regime A** is applicable in the case of quarantine, where the employee is receiving a compensation of salary in the amount of 60% of average reduced earnings; and in the case of shut-down of the establishment by the decision of the government, where the employee receives a compensation of salary in the amount of 100% of average earnings. **The contribution amounts to 80% of the paid compensation plus allowances**, max. CZK 39,000 per employee per month.

Regime B is applicable for obstacles at work on the side of the employer caused by ordered quarantine or care for children concerning a substantial part of employees, where the employee receives compensation of salary in the amount of 100% of average earnings; limitation of input accessibility (materials, products, services) necessary for activity, where the employee receives a compensation of salary in the amount of 80% of average earnings; limitation of demands of services, goods and other products of the employer (known as partial unemployment), where the employee receives compensation of salary in the amount of 60% of average earnings. **The contribution amounts to 60% of the paid compensation plus allowances**, max. CZK 29,000 per employee per month. For March and April, the state paid out cca. 9.73 billion CZK in total for both regimes.

In June, a brand-new regime, **Regime C** of the above Programme, has been enacted. Once the Act is signed by the President, **employers with a maximum of 50 employees would apply a three-month grace period for social security contributions**, if they have not dismissed more than 10% of employees and maintained at least 90% of salaries as they were in March 2020.

The state has also increased the **childcare allowance,** and slightly modified the conditions for applicants. Employers are obliged to allow employees caring for children up to 13 years of age and disabled persons living in a common household to take care leave if their children cannot attend school due to school quarantine or if the school or the establishment caring for disabled persons has been closed (for reasons of the epidemic) till June 30, 2020 at the latest. **The employees are paid through Social Security during the care leave with the specific allowance amounting to 80% of the average reduced earnings**.

There are also specific compensations paid out to self-employed persons and small family companies who have been affected by the crisis.

In addition to support for employers, entrepreneurs can apply for loans guaranteed by the state or use the measures from the tax liberation packages. Some of them will be eligible for the subventions related to payment of rent. There is also sector-oriented support available. The current state support and assistance is focused on reinvigorating the economy.

PETERKA & PARTNERS

Karlovo namesti 671/24
110 00 Prague 1
Czech Republic

Adela Krbcova
krbcova@peterkapartners.cz

www.peterkapartners.com

Tel: +420 225 396 300

England

Since it was announced on 20 March 2020, the UK government's Coronavirus Job Retention Scheme (CJRS) has seen various revisions and updates.

Phase one

Initially the CJRS made grants available to employers to cover up to 80% of an employee's wage costs (capped at £2,500 per month), together with the accompanying employer national insurance contributions and minimum employer pension contributions that would be payable on those sums. This applied from the introduction of the scheme until 31 July 2020 when the financial support will begin to taper off – discussed in more detail below.

However, the rules of the scheme during this first phase were rigid. In order for the employer to benefit from the support on offer, it was necessary to furlough employees – meaning that they could not perform any income generating work for the employer at all. In addition, employees had to be furloughed for a minimum period of three weeks.

Phase two

Details of phase two of the scheme were announced in late May and guidance setting out how it will work in practice was published in mid-June.

From 1 July employers are provided with more flexibility as the CJRS will allow for employees to perform some part-time work. For example, from 1 July, it is possible for employees to work for 50% of their "usual hours" and to be placed on furlough for the remaining 50%. Employees will be eligible to receive their normal pay (reflecting any temporary salary reductions that may apply) for the hours worked and the employer will be able to claim under the CJRS for the 50% of hours not worked. The support available is calculated on a pro rata basis – using the example given in this paragraph the employer would be able to claim for up to 40% of the employee's monthly wage costs, capped at £1,250 per month.

During the calendar month of July 2020, the CJRS will maintain the level of financial support available to employers covering up to 80% of furloughed employees pay up to a cap of £2,500 per month.

From 1 August 2020, the financial support offered by the UK government will reduce as follows:

- during the calendar month of August 2020, employers will not be able to reclaim the cost of employer national insurance contributions or employer minimum pension contributions from the scheme;
- during the calendar month of September 2020, employers will only be able to claim up to 70% of the employee's wage costs for furloughed hours;
- during the calendar month of October 2020, employers will only be able to reclaim up to 60% of the employee's wage costs for furloughed hours; and
- the CJRS will close on 31 October 2020.

Despite these reductions, employees will remain entitled to receive up to 80% of their pay (capped at £2,500 per month) and employer National Insurance contributions and employer pension contributions will remain payable throughout the scheme - meaning that employers must begin to fund the difference as the level of government support reduces from 1 August.

Fladgate LLP

16 Great Queen Street
London WC2B 5DG
England

Mike Tremeer
mtremeer@fladgate.com

Ingrid Hesselbo
ihesselbo@fladgate.com

www.fladgate.com

Tel: +44 (0) 20 3036 7364

Fax: +44 (0) 20 3036 7864

Germany

The current COVID-19 pandemic continues to have a dramatic negative impact on the job market in Germany. This shows the data regarding the job market for May 2020. The unemployment rate rose to 6.1%, in total this is about 2.8 million unemployed persons. That is 169,000 more unemployed in May than in the previous month. At the same time, 7.3 million employees received short-time work allowances. This number is unprecedented. Even during the global financial crisis in 2009 it was much lower, at that time 1.14 million employees were sent in short-time work.

These figures show that financially the most important allowance is the unemployment benefit. This support amounts to 60% of the latest net salary with a cap of EUR 6,900 monthly gross salary (67% when the employee owes to at least one child financial support). Basically, the unemployment payments are financed through the monthly social security contributions of the current employees and their employers. By operation of law the employers have to withhold 2.4% of the monthly gross salary of all their employees (cap: EUR 6,900 gross) which is transferred to the Federal Employment Agency. Unemployment benefits are paid for six to 24 months depending on the age of the unemployed persons and the duration of their employment. Due to the COVID-19 pandemic, the lawmakers lengthened the benefit duration. For all unemployed persons whose entitlement period expires until year-end, unemployment benefit is automatically extended by three months.

As the statistics show, short time work allowance is a very important tool to help employers and employees to get through the current crisis. This benefit amounts of 60%/67% of the latest net salary, which is not to be paid by the employer due to reduced working time. In other words, if the employees do not work at all (so-called "short time work zero") they continue to receive 60%/67% of their latest net salary (net salary abstractly calculated and with a cap of EUR 6,900 monthly gross salary). This entitlement is limited for the maximum of 12 months. Due to the COVID-19 pandemic, some modifications were made regarding the short-time work allowance. These are the most important: On one hand, the parliament lowered the threshold for receiving short-time work benefits: it is only required that 10% of the employees of an operation – instead of 1/3 in the past - are affected by a cut of work by at least 10%. On the other hand, the amount of short-time work allowance was increased depending on the duration of short-time work; after three months of reduced work the short-time work allowances increase to 70%/77% of the latest net salary; after more three months it increases up to 80%/87%. Furthermore, the employers are currently free from paying any social security contributions to the extent of short-time work. All these modifications are limited until the end of 2020 but it will not come as a surprise if they are prolonged.

When employees stay at home because they have to take care of their young children (younger than 12 years) due to the closure of schools and kindergarten in the course of the COVID-19 pandemic their salary payment stops. To compensate this loss they are entitled for financial support by the state amounting to 67% of their current salary (with a cap of EUR 2,016). Each parent receives this financial support for the maximum of 10 weeks (20 weeks for lone parents).

There will be other financial benefits. For example, the federal government has already decided on a one-off child bonus of EUR 300 for each child. Other already existing services have been adjusted due to the Corona pandemic. For example, families with a low income (proven for the past six months) could already receive a monthly child allowance of up to EUR 185. For a limited period from 1 April to 30 September 2020, short-term reductions in remuneration for this benefit are also taken into account.

While recent years have been characterized by strict austerity policies in public spending, the state has made a complete change of direction in recent months. Some criticize that it spends money as if there were no tomorrow.

MATTKE – RECHTSANWÄLTE

Bockenheimer Landstrasse 51 – 53
Frankfurt, D-60325
Germany

Armin Lange
a.mattke@mattke.biz

www.mattke.biz

Tel: +49 69 714496-0

Fax: +49 69 714496-40

Hungary

The rules of the available state aid to those employers/employees that are affected by the state of emergency caused by COVID19 are applicable from 29 April 2020, and the state aid can be claimed until August 31 the latest. There are several requirements that have to be met in order to qualify for the state aid, both on the employer's and the employee's side. The main requirements for the employer are that it employs the affected employee in reduced working time (at least in 25% but not more than 85% of his original worktime) to avoid redundancy.

Further requirements are that

(i) it has to be a national economic interest to keep the employee. There is no official guideline to this condition, however, according to the communication of the government almost every Hungarian employer fulfils this condition due to the current crisis;

(ii) the employer operates at least for six months as of applying for the state aid, it is not bankrupt, being wound up and there is no ongoing procedure for its termination;

(iii) it does not receive other wage aid financed from European Union resources in relation to the relevant employee;

(iv) it proves the existence of organized labour relations (i.e. complies with the prohibition of child labour etc);

(v) the employee does not receive any other aid in connection with part time employment;

(vi) the employment relationship exists at least from 11 March 2020 and is not under termination;

(vii) the employee does not have due payment obligations towards public employment bodies in connection with other type of subsidy.

The amount of the state aid is 70% of the net salary that would have been due to the employee for the time by which his working time has been decreased. It is paid directly to the employee for the period of three months and is exempt from all national duties and taxes. The maximum amount is HUF 214,130, that is appr. USD 694 / employee / month.

The employer has to make further undertakings if it applies for the state aid, for example, to provide a so-called "individual development" time to the employee, i.e. introduce and make available development opportunities to the employee to improve his/her skills in connection with his/her position and the activity of the employer. It is only mandatory when working hours are decreased by less than 50%.

Other undertakings of the employer include among others that (i) it will maintain the number of subsidised employees for at least a period equal to the duration of provision of the aid plus one month, (ii) it will not order extraordinary work for the subsidized employees, and (iii) it will cooperate with the government office and provides data on the main changes in the employment relationship.

There is also a separate R&D wage subsidy system, with similar conditions, applicable for employees engaged in R&D activity, in particular development of new knowledge, intellectual work, products, services, processes, methods, systems or the project-management of implementing the above. The amount of the subsidy is maximum HUF 318,920, that is appr. USD 1033 / employee / month.

Jalsovszky

MOM Park, Gellért Tower
H-1124 Budapest
Csörsz utca 41. Hungary

Katalin Perényi
kperenyi@jalsovszky.com

Ágnes Bejó
abejo@jalsovszky.com

www.jalsovszky.com/

Tel: +36 1 889 2800

Fax: +36 1 886 7899

The Philippines

Kapunan & Castillo Law Offices

Units 301 to 306, 32nd & Fifth Building
32nd Street corner 5th Avenue
Bonifacio Global City, Taguig 1634, Philippines

Sonya Margarita Benemerito-Castillo
smbcastillo@kapunanlaw.com

Lino Kapunan
lckapunan@kapunanlaw.com

www.kapunanlaw.com

Tel: (02) 8-846-6247 up to 51

Fax: (02) 8-846-5057

The rise of cases affected with COVID-19 pandemic has brought about the resilience of every Filipino, especially the low-income earners. They have experienced the worst during the lockdown that they surrendered even their basic necessities to the government. The government has been implementing different levels of restrictions due to the COVID-19 – Enhanced Community Quarantine ("ECQ"), Modified Enhanced Community Quarantine ("MECQ"), General Community Quarantine ("GCQ"), and Modified Enhanced Community Quarantine ("MGCQ") all throughout the Philippines depending on the intensity of cases in particular areas.

Throughout the duration of the lockdown from 15 March 2020 until present, the Philippine government has been focused on giving the people the helping hand they need to survive the pandemic due to lack of resources since establishments have either closed down or laid off workers.

Pursuant to the **Bayanihan To Heal As One Act**, a law which institutionalized the apparent need to respond to COVID-19 pandemic to the greatly affected families during the lockdown, the qualified citizens have received their monetary support from the government starting from the **Social Amelioration Program ("SAP"),** a cash assistance program implemented by different government agencies including Department of Social Welfare and Development (DSWD), Department of Labor and Employment (DOLE), Department of Trade and Industry (DTI), Department of Agriculture (DA), Department of Finance (DOF), Department of Budget and Management (DBM), and Department of the Interior and Local Government (DILG). These agencies collaborated in the execution of the said program. According to **Joint Memorandum Circular No. 1. Series 2020** signed by the aforementioned agencies, families were to receive at least Php5,000 up to Php8,000 depending upon the prevailing minimum wage in different areas of the country.

COVID-19 Adjustments Measures Program ("CAMP") is another cash assistance amounting to P5,000 given to employees from the formal sectors or workers in private companies or establishments. Further, **Small Business Wage Subsidy Program (SBWS 2020 Program),** a program for affected small businesses, giving them cash assistance amounting to P5,000-P8,000 for two months for their employees, depending on the prevailing minimum wage. Aside from this, the DOLE also **provided monetary support to workers who lost their respective jobs** brought about by the pandemic, subject to conditions set by the Department. Displaced workers were to receive the same aforestated amount, depending again on prevalent minimum wage.

The government also focused on the **repatriation of the Overseas Filipino Workers ("OFW")** who were greatly affected by the pandemic. They were either not allowed to go back to the countries they were working in or they were displaced since COVID-19 contributed much to the economy here and abroad, thus employment rate severely declined even in other countries. The government has been facilitating the repatriation of the OFW who are coming home in the Philippines and were set to be given financial support, including assistance in quarantine facilities, as part of standard procedures.

As this battle cannot be won without public health care workers, they, too, received a well-deserved **Special Risk Allowance ("SRA")**, on top of their hazard pay. The amount of SRA is pro-rated based on number of days they actually worked.

The Philippines

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Families not otherwise qualified in the foregoing could still qualify to a few more assistance given by the government such as, DSWD's Food and non-food items, or relief goods in-kind and Livelihood Assistance Grants (LAG), or financial assistance for qualified sustainable livelihood program (SLP); COVID-19 Pondo Para sa Pagbabago at Pag-Asenso Enterprise Rehabilitation Fund (P3-ERF) and Pondo sa Pagbabago at Pag-asenso (P3), a program introduced by DTI's SB Corporation (SBCorp) for micro, small and medium enterprises (MSMEs); and DA's Cash Assistance for Farmers Survival and Recovery (SURE) Assistance for marginalized, small farmers and fishers recovery package, among others.

Numerous number of assistance have been given to the public, not to mention, that competent Local Government Units ("LGU") have also played a huge role during this pandemic. LGUs have been very hands-on in delivering "*ayuda*", as what they call it in the Philippines, which composed of different grocery food that are staple in every Filipino table.

The foregoing financial aids somehow uplifted and sustained the Filipino people despite the pandemic. The government, in return, is being continually challenged to bring its best foot forward to fight the enemy-virus and at the same time, give back to people the assistance that they need. Through this pandemic, Filipinos once again have shown their resilience – a trait they are widely known for, and this is by far the unsurpassed test proving such.

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- See also **Financial Assistance Extended by the Philippine Government during the COVID-19 Pandemic** available at *https://www.ilntoday.com/files/2020/06/Philippines-Kapunan.pdf*

Romania

In the current context generated by the SARS-CoV-2 pandemic, the competent Romanian authorities issued a series of measures[1] in an attempt to diminish the economic effects brought about by this event, as follows:

- **Starting with 1 June 2020, private employers whose employees were on technical unemployment are granted, over the course of a period of 3 months, a deduction of 41.5% of their gross salary, but not exceeding 41.5% of the average gross salary** established by the current Romanian social security legislation (i.e., 41.5% of RON 5,429 resulting in **RON 2,253**).

  The deduction is granted only for those individual employment agreements that were suspended for a minimum period of 15 days during the state of emergency/alert period.

  Nevertheless, the condition for benefitting from such deduction is for employers to maintain the working relations until the 31 December 2020, with the exception of seasonal workers. Please note that this rule will not be applicable in case of mutual termination or resignation of the employee.

- **Employers** that hire full time and for an indefinite period, between the 1 June 2020 and the 31 December 2020, employees (registered as unemployed with the relevant authorities), who are over 50 years old and whose employment agreements ceased during the emergency/alert period for reasons that were not attributable to the employees, **will be granted monthly, for a period of 12 months, for each such employee, 50% of their salary, but not more than RON 2,500.**

  Equally, employers that hire full time and indefinitely, up until the 31 December 2020, employees who are **between 16 and 29 years old**, will receive, monthly, for a period of 12 months, for each such employee, 50% of their salary, but not more than RON 2,500 lei.

  For the incentives for both age groups, employers must maintain the working relations for at least 12 months starting from the last month they were granted the facility.

These facilities do not apply to public authorities and institutions or to employers who are in the process of bankruptcy or liquidation.

[1] Some of the most recent measures can be found in the **Emergency Ordinance no. 92/2020** regarding the establishment of active supporting measures for the employees and employers in the context given by the spread of the SARS-CoV-2 virus and the amendment of other normative acts (EO 92/2020).

PETERKA & PARTNERS

33 Aviatorilor Boulevard
2nd floor, 1st District
Bucharest, Romania-011853

Ioana Sebestin
sebestin@peterkapartners.ro

www.peterkapartners.com

Tel: +40 21 310 48 82

Scotland

The UK's Coronavirus Job Retention Scheme (or 'furlough scheme') was introduced in March 2020. Initially, the scheme provided for an employer to claim up to 80% of the salary for each employee who remains in employment but is carrying out no work. This 80% claim was subject to a gross monthly cap of £2,500 and was set to run for an initial period of three months. Over the coming months, further changes will be made to the scheme.

June 2020:

The scheme has now been extended to 31st October 2020 but will close to new entrants on 30th June 2020. From this point onwards, only employers already using the scheme will be able to claim for their employees, and only for employees who have already been furloughed. After 30th June, the scheme can only be used for employees who have been furloughed for a full three-week period prior to 30th June. Therefore, 10th June 2020 was the last date for employers to place new employees on furlough.

July 2020:

From 1st July, employers will be able to exercise a 'flexible furlough' approach, which allows furloughed employees to return to work on a part-time basis. This means that furloughed employees can return on any shift pattern or hourly schedule which is agreed between the employee and employer. Importantly, the employer must pay the employee their usual salary for the time they spend working. The employer can still claim 80% of wages for the hours where an employee remains furloughed.

August 2020:

From 1st August, employers must start paying employer National Insurance Contributions and pension rates for furloughed employees. However, the government will continue to pay 80% of wages for furloughed employees, subject to the £2,500 per month cap.

September 2020:

From 1st September, the government contribution will reduce to 70% (rather than 80%), with a new reduced cap of £2,187.50 per month (rather than £2,500). Employers will then be required to pay 10% of wages to 'top up' the employee's earnings to 80%. The employer will continue to pay National Insurance Contributions and pension rates.

October 2020:

From 1st October, the government contribution will reduce to 60% (down from 70% the previous month), with a new reduced cap of £1,875 per month (down from £2,187.50 the previous month). Employers will then be required to pay 20% of wages to 'top up' earnings to 80%. The employer will continue to pay National Insurance Contributions and pension rates.

The scheme is due to close completely in October, and it appears that employers will take full responsibility for employee pay from 1st November onwards. While further guidance from the Treasury on the above points is due to be issued on 12th June 2020, we anticipate that more direction will be issued to employers as the scheme comes to a close later this year.

Miller Samuel Hill Brown

RWF House
5 Renfield Street
Glasgow, G2 5EZ
Scotland

Marie Macdonald
mem@mshblegal.com

www.mshblegal.com

Tel: 0141 473 6745

Fax: 0141 221 3796

Thailand

During the period that COVID-19 became widespread, Thai Government **(Ministry of Finance)** announced the remedial measurement for only employees who are unemployed because the companies have had to shut down their businesses, or the employers could not pay salaries to their employees because there is no business generating income to the companies. The remedial measurement is that an employee who is unemployed because the company has had to close its business or cannot pay a salary to the employee because there is no work, no income, due to COVID-19, such an employee has to register via website: "**www.เราไม่ทิ้งกัน.com**", to receive payment from the government for 3 months at THB 5,000 per month (up to 3 months). This announcement was effective on 24 March 2020.

The same remedial measurement is also extended to persons who are registered as farmers, one family-farmer and register at **WWW.เยียวยาเกษตร.com** to receive the remedial payment from the **Ministry of Agriculture and Cooperative at THB 5,000 per month,** for 3 months, or receive a one-time payment of THB 15,000.

For employees who were already unemployed, not because of COVID-19, the **Social Security Fund, Ministry of Labor**, will pay them. These payment terms can be divided in three ways as follows:

1. The employee whose employment was terminated will be paid 50% of the daily wage, for the period not exceeding 18 days/time of the unemployment.
2. The employee who resigns from the company will be paid 30% of daily wage for the period not exceeding 90 days/time of the unemployment.
3. The employee who must end his or her employment because of the end of the contract period will be paid 30% of daily wage, for the period not exceeding 90 days/time of the unemployment.

The above remedial measurements cannot be applied to employees who are still employed and/or work at home because the employees can receive a salary from their employer even though the salary they are entitled to receive from their employers are reduced.

Dej-Udom & Associates

Charn Issara Tower
9th Floor
942/142-3 Rama IV Road
Bangrak District
Bangkok, 10500
Thailand

Punjaporn Kosolkitiwong
punjaporn@dejudom.com

www.dejudomlaw.com/

Tel: +66 2233-0055

Fax: +66 2236-6681

United States

In response to the COVID-19 global pandemic, the United States has taken unprecedented steps to minimize the financial impact on citizens, businesses, hospitals, and state and local governments by, among other things, enacting the Families First Coronavirus Response Act (the "FFCRA"), the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Federal Pandemic Unemployment Compensation and the Paycheck Protection Program. These are addressed in more detail below.

The Families First Coronavirus Response Act became law on March 18, 2020, and requires employers with fewer than 500 employees to provide workers with paid sick leave for specified reasons related to COVID-19, including for seeking treatment or diagnosis, quarantining as ordered by a physician and caring for another who satisfies certain criteria. The FFCRA also provides up to 12 weeks of paid leave if an eligible employee must miss work (and is unable to telework) in order to care for his or her "son or daughter" whose school or daycare is closed. Generally speaking, paid sick leave is available at full pay (up to $511 per day) for the employee's own qualifying reason or 2/3 pay up to $200 per day for absences due to caring for others, including children. Aggregate limits apply as well. The U.S. Government subsidizes these paid benefits by allowing employers to obtain a tax credits for the leave benefits it paid in this regard. This benefit entitlement sunsets on December 31, 2020.

Additionally, the CARES Act—a $2.2 trillion emergency economic relief package that provides assistance to those who have been adversely impacted by COVID-19 through loans, grants and the creation of various tax incentives – became law on March 27, 2020. Among other benefits, lower and middle-income Americans received direct payments of $1,200 for individuals and $2,400 for joint tax filers, plus enhanced child tax credits. The CARES Act also provided a $600 weekly subsidy to enhance benefits paid to those who are out of work and are receiving state unemployment compensation benefits, up through July 31, 2020.

As a further effort to assist employers and stabilize shrinking payrolls, the CARES Act implemented the "Paycheck Protection Program," which authorized low-interest loans of up to $10,000,000 to borrowers to fund eligible payroll costs, certain mortgage payments, rental payments, and utilities payments. PPP loans will be eligible for forgiveness for certain payroll and certain other operating costs as long as the borrowers maintain their payrolls. On June 3, 2020, the covered period for loan forgiveness was extended to December 31, 2020.

Due to the rapidly evolving nature of COVID-19, additional rules, regulations and guidance on the aforementioned financial aid is anticipated.

Lewis Rice

600 Washington Avenue
Suite 2500
St. Louis, Missouri 63101
United States

Neal Perryman
nperryman@lewisrice.com

www.lewisrice.com

Tel: 314.444.7661

Fax: 314.612.7661