

# UPDATE LABOUR LAW COVID-19 AS OF 30 MARCH 2020

## NEW LABOUR LAW MEASURES

### **I. BAN ON CERTAIN TYPES OF DISMISSALS (ART. 2 DECREE 9/2020)**

The reasons which, according to articles 22 and 23 of Royal Decree 08/2020 of 17 March, may justify the procedure for short-time work and suspension of employment contracts (ERTE), be they force majeure or economic, technical, organizational or production reasons, cannot justify dismissal.

However, dismissals for disciplinary or other objective reasons (i.e. motives independent of the crisis) remain possible. The aim is for companies not to dismiss their employees, but to make use of ERTE procedures. A dismissal for reasons related to the crisis will be treated as unjustified (although not "void"), which implies a higher compensation for the employee (33 days of salary per year worked).

### **II. TEMPORARY EMPLOYMENT CONTRACTS (ART. 5 RDL 9/2020)**

The terms of temporary employment contracts (including training contracts) effectively suspended by an ERTE shall be suspended. This is intended to guarantee workers the originally agreed contract duration without any loss due to the crisis.

### **III. CESSATION OF ALL NON ESENCIAL ACTIVITIES WITH CONTINUED PAY (RDL 10/2020)**

In addition, the Government has ordered by that all non-essential activities that cannot be carried out in home office have to be suspended.

The declared aim is to ensure that as many workers as possible stay at home. The first Royal Decree-Law 8/2020 of 17 March had in this respect still prioritized the home office and flexible working hours.

Essential activities are in particular the production of food, sanitary products etc. A detailed list is annexed to the decree. Additionally, it has been clarified that home office is not affected by the restrictions and thus remains possible.

The cessation of all non-essential work will be effective from 30 March to 9 April 2020 and workers who do not have to show up for work during this period will continue to receive full pay. They must make up the lost hours by the end of the year.