

UPDATE COVID-19 30 MARCH 2020



EDITORIAL

Dear reader,

The corona pandemic crisis is a unique challenge for the working world. After the Spanish government reacted two weeks ago with a decisive response in Royal Legislative Decree 8/2020 of 17 March and the situation subsequently deteriorated dramatically, it has now followed suit and adopted in Royal Legislative Decree 09/2020 of 27 March and 10/2020 of 29 March further, much more far-reaching Labour law measures to deal with the health crisis. The main points are briefly presented below.

Thanks to the precautions taken over the last weeks, and especially since our entire team can work via home office, we at Lozano Schindhelm remain at your disposal in all our areas of activity. As we already expressed in our statement of March 16th, we are not able to arrange personal appointments except in emergencies until further notice. We therefore ask you to contact us by e-mail or to arrange a meeting by telephone or video conference.

In order to be able to continue to provide the best possible support to our clients in areas which are classified as "essential" in this respect, such as chemistry or food production, we also maintain a present emergency service in our main offices.

We are proud to be able to make thereby our small contribution to the fight against the health crisis. At Lozano Schindhelm we will continue to do everything in our hands to overcome the crisis and contribute to the well-being of our clients, cooperation partners and employees.

Thank you very much for your trust and support in these difficult times. We greatly appreciate both and will do our best to repay it.

We wish you good health and courage.

Your team of Lozano Schindhelm

This document is provided to you for informational purposes only and does not replace detailed advice in your specific case by one of our experts, therefore we do not assume any responsibility for its contents.



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.

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