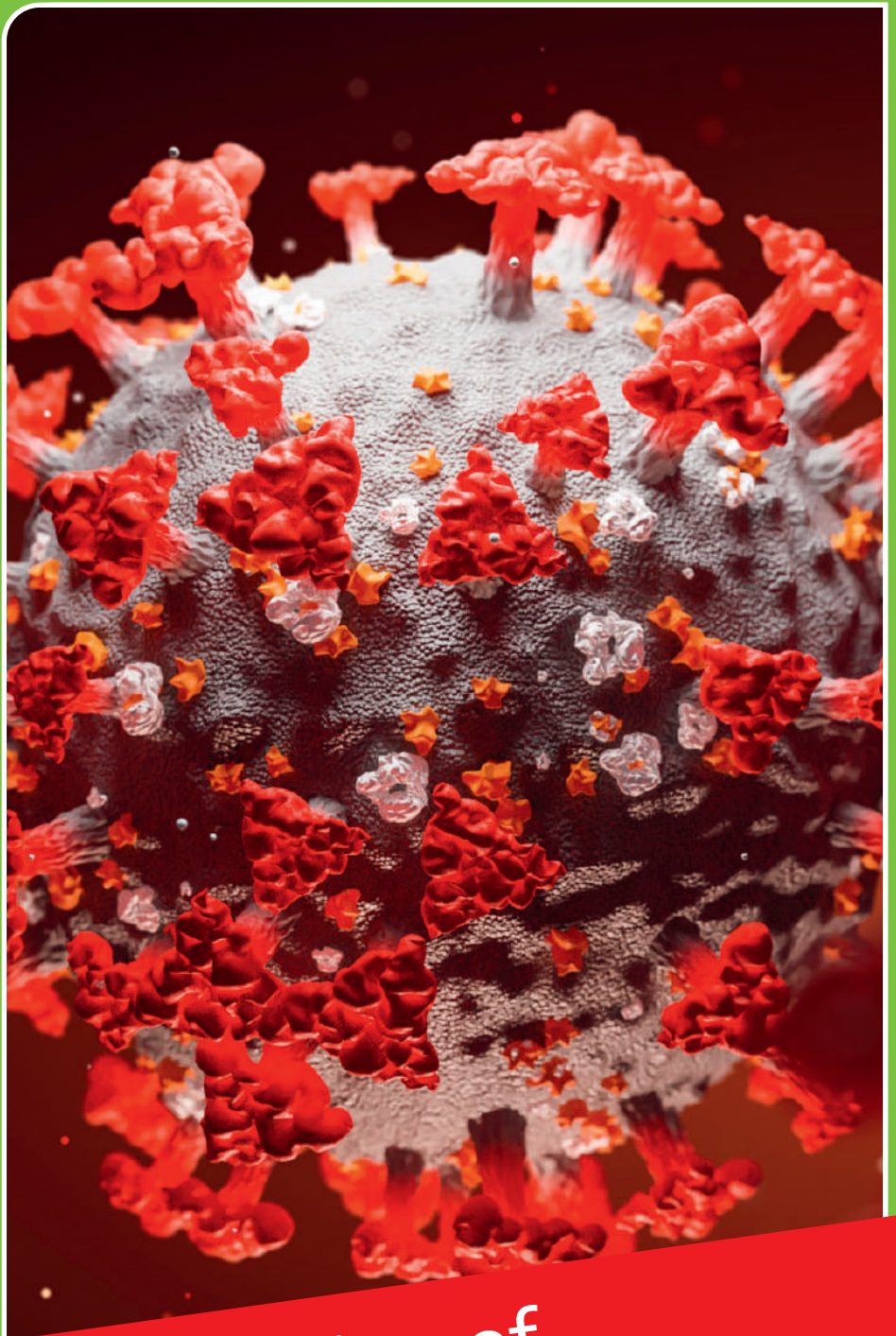


Labour &
Employment
Law
NEWS

Impact of
COVID-19
on Labour
& Employment
Law in Different
Jurisdictions

Newsletter
Special Edition
Spring 2020

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+ Reduction of
Employment Costs
+ Legal Updates
+ Supporting Measures
+ Government Actions

Editorial

Dear members,

The COVID-19 coronavirus is having a significant impact on everyone's lives and economic situations. In many jurisdictions, it has led not only to nationwide work-from-home but also to a reduction in workforce – including both terminations and temporary layoffs. Regulations change rapidly and our clients are in a constant need for advice and support. In order to address these needs, we have put together this special edition of our newsletter for GGI members, setting out how each jurisdiction is dealing with the COVID-19 effects on labour and employment law.

I hope that you will be able to obtain an insight into how each country is currently managing this situation. Please contact the respective authors



if you have any specific questions with regards to their particular jurisdiction.

Kind regards,

Jeffrey L. R. Kenens
Global Chairperson of the
GGI Labour & Employment Law
Practice Group

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The GGI Labour & Employment Practice Group has collected news from different jurisdictions – following in alphabetical order by country.



AUSTRALIA

By Nicola Martin and Kate Staude

In response to COVID-19, we are seeing the following main trends in employment law:

- Employers rolling out new and extended technologies to allow employees to work from home.
- Employees agreeing to reduce their hours or take salary reductions.
- Employers directing employees to use their accrued leave entitlements.
- Employers standing down employees under the Fair Work Act on unpaid leave, where there is a stoppage of work for which the employer cannot reasonably be held responsible.
- A wage subsidy scheme, aimed at keeping Employees in employment,



Nicola Martin



Kate Staude

called the 'JobKeepers' allowance.

- Variations to Modern Awards (industrial instruments) to give Employers greater flexibility on when Employees can work their

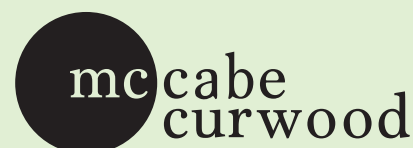
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'ordinary hours' and directing Employees to use up their leave entitlements on little notice.

- Redundancies are already starting to happen.



BELGIUM

By **Xavier Van der Mersch**

On 20 March 2020, the decision was taken by the federal government to

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consider all temporary unemployment resulting from the coronavirus as temporary unemployment due to force majeure. Thus, these employees will be able to avail of increased unemployment benefit.

The Belgian Government has furthermore simplified the procedure to apply for temporary unemployment benefits for force majeure.

The company applying for temporary unemployment must not be shut down completely and can still have certain employees working.

This simplified procedure is applicable to all workers, active in the private,



**Xavier
Van der Mersch**

public or non-profit sector, except civil servants and students.

Furthermore, the government has taken special measures to financially support the shops and stores that have been forced to suspend their activities during the confinement, as well as the self-employed that no longer have revenue due to the crisis.



CANADA

By **Marty Rabinovitch**

The following measures are available to Canadian employers to reduce personnel costs:

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1) **Temporary Layoffs** – the relevant factors are the definitions of “layoff” in the applicable Canadian jurisdiction and in some provinces, whether the employment contract includes lay-off provisions.

2) **Work-Sharing Programmes** – employers could consider agreements with employees, in which the employees agree to reduced hours, share the duties of specific positions and can remain employed. If the programme is approved by Service Canada, the employees would be entitled to an Employment Insurance “top-up”.

3) The government has pledged



Marty Rabinovitch

a 75% wage subsidy for certain businesses, for up to 3 months.

4) Businesses are permitted to defer all GST and HST payments until June 2020.

5) Government guaranteed loans will be available to small and medium sized companies.



COVID 19 Shutdown – Supporting the Economy through Short-time Work in Germany

By **Prof Dr Renate Dendorfer-Ditges**

As an answer to the economic consequences of the corona crisis,

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the German legislator has modified the regulations for short-time work benefits (Kurzarbeitergeld) in a speed never seen before.

Short-time work triggers partial or full suspension of the employee's obligation to work and the employer's duty to pay remuneration.

Due to the pandemic, all employees, including temporary agency workers, are entitled to compensation for short-time work. The number of employees affected by loss of working hours was reduced from a third to ten percent of the staff per operation.

The employment agency fully reimburses the social security contributions. Further, employees do



Prof Dr Renate Dendorfer-Ditges

not have to build minus hours. All further requirements for introducing short-time work are still in place, i.e. the arrangement of short-time requires co-determination, prior notification is mandatory and economically reasonable counter-measures are necessary, e.g. to reduce vacation time and overtime.

Changes in Labour Law Regulations in Hungary due to the COVID-19 Situation

By **Dr Attila Kovács**

The Hungarian Government has issued a Decree which affects the prevailing

labour law regulations as follows:

Until 30 days subsequent to the period of the national emergency:

- Working schedules may be altered also in case there are less than 96 hours before the start of the given shift.
- The employer may now unilaterally order home-working and teleworking.
- The employer may take the necessary and justified measures to check the employee's state of health.
- Provisions of collective agreements that deviate from those described above may not be applied during the



Dr Attila Kovács

time period covered by the Decree.

- The employee and the employer may deviate from the provisions of the Act I of 2012 on the Labour Code by an individual agreement.

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ATTORNEYS AT LAW

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ITALY

By Paola Parma Sforza

Among the more restrictive measures aimed at containing COVID-19 in Italy

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is the closing from 26 March of all business activities, either commercial, industrial or services, not deemed to be essential. While the activities allowed to continue are listed in an attachment to the Decree of the President of the Council of Ministers (DPCM), it is left up to the entrepreneur to evaluate which of its operations might be considered functional to an essential one, therefore becoming permitted as well. Each entrepreneur must file a detailed notice with the Prefetto; continuation might be denied if the information provided is not sufficient or if the functionality evaluation thereof is not shared by the authority.

A further limitation is expected.



**Paola
Parma Sforza**

In any case, employers must fulfill specific health measures to protect the employees' health.

Criminal charges apply to failure.

[Read full article here!](#)



THE NETHERLANDS

Corona crisis: Dutch temporary emergency bridging measure

By **Jeffrey L. R. Kenens**
and **Nick Domburg**

The coronavirus COVID-19 and the measures taken to restrict the spreading of the virus in the Netherlands have had a huge impact on the Dutch economy. The Dutch Government is taking measures to help entrepreneurs affected by the crisis. One of the measures is the Temporary Emergency Bridging Measure for Sustained Employment 'NOW'. The Dutch Government compensates a maximum of 90% of paid wages for a period of three months, in case of a decrease in turnover of at least 20% as from 1 March 2020 onwards. Upon application, the company commits itself in advance to the obligation not to apply for dismissal on the grounds of business economics for its employees during the period for which the allowance is received.



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[Read full article here!](#)



United Kingdom

United Kingdom's Response to COVID-19 to Support Employees

By Harmajinder Hayre
and Alan Rajah

Just like most countries around the world, the United Kingdom is facing a temporary economic crisis due to the COVID-19 pandemic crisis. The UK Government has introduced measures to assist businesses to deal with the potential mass redundancies that could have a severe impact on the fabric of society.

The proposals are intended to avoid redundancies and protect jobs in the UK. The UK tax department, HMRC, will be setting up a new online portal so that all UK employers, regardless of size, will be eligible for assistance where an employee has been designated as a 'furloughed worker.'

HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of GBP 2,500 per month. The current plan will be in place for a 3-month period, at which point, it will be reviewed.



Harmajinder Hayre



Alan Rajah

[Read full article here!](#)

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USA

New Law Requires Many Employers to Provide Job-Protected Leave and Paid Benefits for Absences Related To COVID-19

By **Natalie Sanders**
and **Elizabeth Troutman**

On March 18, 2020, President Trump signed the **Families First Coronavirus Response Act** into law. This law aims to require employers to provide job-protected leave and paid benefits for absences related to COVID-19. It consists of two main provisions:

The **Emergency Family and Medical Leave Expansion Act** provides job-protected leave for employees who are unable to work or telework because they have to care for a child whose school or daycare has closed due to the COVID-19 emergency.

The **Emergency Paid Sick Leave Act** states that an employee may take emergency paid sick leave if the employee is unable to work or telework because of certain circumstances caused by COVID-19. Benefits depend upon the circumstances of the employee's leave.



Natalie Sanders



Elizabeth Troutman

For more information about the provisions of the new law, please see our full article [↗](#) here and additional guidance [↗](#) here.

[↗](#) **Read full article here!**

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Employer Issues in the US During the COVID-19 Pandemic

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By Kelly Schoening Holden

Many of the 50 states in the US have taken measures to slow the spread of COVID-19, including shutting down non-essential businesses such as restaurants, bars, clothing stores. This includes closing of dental and optometry offices as well as a ban on elective surgeries. Due to mandatory closures, employers are having to layoff, terminate or furlough staff during the mandated isolation. This has resulted in over 3 million US workers applying for unemployment benefits in the past two weeks alone – the highest in history. The Government has also issued sweeping legislation to assist workers and companies



**Kelly
Schoening Holden**

including the CARES Act and Families First Coronavirus Response Act making businesses scramble to obtain federal relief to keep businesses operational.

[Read full article here!](#)



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