

# BRIEFING NOTE <sup>1</sup> Royal Decree-Law 18/2020 of 12 May on social measures in defense of employment

The Official State Bulletin (BOE) of 13 May 2020 has published **Royal Decree Law 18/2020 of 12 May on social measures in defense of employment ("RD Law 18/2020")**, which came into force on the same day as its publication.

RD Law 18/2020 includes the commitments reached in the Social Agreement signed between the Government and the main Social Interlocutors (i.e. Unions and main employers' associations) and aims to adapt the exceptional labor measures against COVID-19 approved during the state of alarm to the current scenario of de-escalation and to contribute to the progressive resumption of economic activity. In essence, the new regulations approved allow the extension of the extraordinary measures of flexibility of the files of regulation of employment (ERTE) by force majeure derived from the COVID 19 and establishes mechanisms for the total or partial waiving of the ERTEs currently in force by decoupling them from the state of alert with new social security contributions exemption schemes and the extension of unemployment protection and employment safeguard mechanisms with the combined aim of (i) encouraging the recovery of business activity and (ii) maintaining certain measures to protect employment and workers affected by the ERTEs by ensuring that the recommendations of the Health Authorities are complied with in this phase of returning to the so-called "new normality".

As a preliminary, we must point out that RD-Law 18/2020 is raising interpretative doubts, which are expected to be dispelled by the Directorate General of Labor in the coming days. Likewise, as with all legislation, it must be analyzed in the light of article 9.3 of the Constitution, which establishes the principles of non-retroactivity <sup>2</sup>of unfavorable provisions and legal certainty<sup>3</sup>.

Due to its relevance, this new Royal Decree-Law must be observed in the context of each company, within the framework of its business project in the recovery phase of its activity, after an analysis of its impact and legal consistency.

Below, we detail the main news of interest:

- Developments regarding TRE due to force majeure arising from COVID-19 (Article 22 of RD-Law 8/2020)
- RD-Law 18/2020 applies to those ERTEs due to force majeure derived from COVID-19 in force as of 13 May 2020.
- The duration of this type of ERTE is dissociated from that of the alarm state, recovering the force majeure assumptions that already appeared in art. 22 of RD-Law 8/2020 and extending the validity of the force majeure until 30 June, while the alarm state is only maintained until 24 May, for the time being.

<sup>&</sup>lt;sup>1</sup> It does not constitute a source of advice or a means of establishing a professional or other relationship between client and lawyer.

 $<sup>^2\,</sup>$  STC 319/1993: "Non-retroactivity means (...) that the Act shall apply to the future and not to the past".

<sup>&</sup>lt;sup>3</sup> STC 46/1990: "The legislator must seek clarity and not regulatory confusion and must ensure that legal operators and citizens know what they are dealing with (...)".



- The concept of partial force majeure is introduced. Thus, as of 13 May 2020 there are two (2) categories of ERTE by force majeure derived from COVID-19:
- Total force majeure ERTE. Those companies that have a temporary employment regulation file based on article 22 of RD-Law 8/2020, and are affected by the grounds referred to in said regulation that prevent the resumption of their activity, will continue in a situation of total force majeure derived from COVID-19, while these continue and in no case beyond June 30, 2020. Therefore, in general terms, those companies that, due to the effect of the restrictions on their activity (suspension or cancellation of activities) derived from COVID-19 and which still persist, will be in a situation of total force majeure, will continue to be unable to recover their activity.
- Partial force majeure ERTE. Those companies and entities that have a temporary employment regulation file authorized under article 22 of RD-Law 8/2020 will be in a situation of partial force majeure derived from COVID-19, from the moment in which the cause of force majeure for which the suspensions or reductions in working hours were applied, allows the partial recovery of their activity, until 30 June 2020. These companies or entities must proceed to reincorporate the persons affected by temporary employment regulation measures, "to the extent necessary for the development of their activity<sup>4</sup>", giving priority to adjustments in terms of reduction of the working day.
- Maximum duration. Under no circumstances may the ERTE of force majeure (total or partial) derived from the COVID-19 be extended beyond 30 June 2020<sup>5</sup>, although the new regulations already provide for the possibility that this date may be extended by agreement of the Council of Ministers for certain sectors both with regard to the validity of the ERTES and with regard to the system of exemption from contributions and unemployment protection.
- Information duties. The following duties of public information are established:
  - **Final waiver.** The companies that recover the totality of their activity and reincorporate in a definitive way, at full time, the totality of the staff affected by temporary employment regulation measures, must communicate to the Labor Authority the definitive<sup>6</sup> resignation to the ERTE, according to the official communication authorized for this purpose by the competent labor authority.

<sup>4</sup> RD-Law 18/2020 does not specify or specify the proportion that is considered necessary, thus remaining within the realm of management power and business organization. However, the power of the administration to review TRE's posteriori due to force majeure arising from COVID-19 should be considered.

<sup>&</sup>lt;sup>5</sup> The Council of Ministers may agree to extend the ERTE due to force majeure and the extraordinary measures regarding unemployment and exemption from contributions, beyond 30 June, in view of the restrictions on activity linked to health reasons that remain on that date (Additional Provision 1st RD-Law 18/2020).

<sup>&</sup>lt;sup>6</sup> The waiver is regulated by articles 84.1 and 94 of Law 39/2015, on Common Administrative Procedure, as a form of termination of the procedure ("The procedure shall be terminated by the resolution, the withdrawal, the waiver of the right on which the application is based, when such waiver is not prohibited by the legal system (...)". Unlike withdrawal, the right that is waived can no longer be exercised in the future.



Therefore, despite the doubts generated by the wording of Articles 1.3 and 4.2 of RD-Law 18/2020, it is only appropriate to communicate the definitive resignation in those companies that, from 13 May 2020, terminate the ERTE by force majeure with respect to all the workers affected and on a definitive basis. In other words, once the waiver has been notified and its date of effect, the administrative authorization - whether express or through positive silence - which enabled the ERTE to be applied, becomes ineffective. In this case, the communication to the Labor<sup>7</sup> Authority waiving the ERTE of force majeure must be made within 15 days following the date of effect of the waiver of the measure.

The Public State Employment Service (SEPE) should also be notified of the termination of the ERTE and the corresponding changes should be made to the General Treasury of Social Security (TGSS).

Total force majeure ERTE. The company that continues from 13 May 2020 in a situation of total force majeure ERTE must make a responsible declaration (responsible declaration of situation of total force majeure ERTE), which must be processed, with regard to each contribution account code, through the Electronic Data Transmission System in the area of Social Security (RED System)<sup>8</sup>, before the calculation of the corresponding contribution settlement is requested<sup>9</sup>. It is not necessary to inform the Labor Authority<sup>10</sup>.

In addition, the company must communicate any changes in its employment situation to the workers affected, in compliance with the provisions of Article 47 of the Workers' Statute (ET) and related regulations.

Partial force majeure ERTE. The company that recovers part of its activity, passing, as
of 13 May 2020, to an ERTE of partial force majeure, must inform the TGSS and the SEPE
of this situation. Specifically:

### Companies should communicate the TGSS:

- The situation of partial force majeure, with respect to each contribution account code, by means of a responsible declaration (responsible declaration of ERTE's situation of partial force majeure, with the date of effects of this situation), which must be presented before the calculation of the corresponding quota settlement is requested, through the RED System, as well as;
- The identification of the workers affected, and the period of suspension or reduction of the working day corresponding<sup>11</sup> to each one of them.

Until 13 May 2020, the withdrawal (termination) of the ERTE due to force majeure did not expressly entail the obligation to communicate the resignation to the Labor Authority.

<sup>&</sup>lt;sup>8</sup> Together with the identification of the workers affected, and the period of suspension or reduction of the working day corresponding to each of the aforementioned persons.

<sup>&</sup>lt;sup>9</sup> Newsletter RED 11/2020, published on 14 May.

<sup>&</sup>lt;sup>10</sup> As stated on the website of the Directorate General of Labour or in Instruction 11/2020, of the General Secretariat of the Department of Labour of the Generalitat de Catalunya.

<sup>&</sup>lt;sup>11</sup> Newsletter RED 11/2020, published on 14 May



### It should be communicated to the SEPE:

- Variations in the data contained in the initial collective application for access to unemployment benefits, through the <u>Certific@2</u>.
- Permanent withdrawals from the ERTE or the change from a situation of suspension
  of contracts to one of reduction of working hours must be communicated through
  the BAJAS ERTE model. The registration in the situation of reduction of working
  hours must be communicated through the form of collective management of
  benefits.

During the validity of the ERTE due to partial force majeure, any variation or modulation in the measures applied under the ERTE may be reported, either total disaffection, periods of activity/inactivity or modification of the initial measure (change from a situation of suspension to reduction of working hours or vice versa, reduction of the percentage of reduction, with the possibility of combining suspension and reduction measures), as reported in the Practical Guide published by the SEPE on 15 May 2020.

Furthermore, the company must communicate the modifications to the workers affected by them, in compliance with the provisions of Article 47 of the Workers' Statute and related regulations.

Can the company decide whether or not to restart its activity, remaining in a situation of "total force majeure ERTE"? Is the transit to the "partial force majeure ERTE" imperative from the moment in which, with the lifting of the restrictions, it is allowed to restart its activity?

Although the labor standard is formulated in an **imperative** sense ("They shall be in a situation of partial force majeure arising from COVID-19 [...] from the time when the causes reflected in that precept allow for the partial recovery of their activity, until 30 June 2020. These companies and entities must proceed to reincorporate the workers affected by temporary employment regulation measures, to the extent necessary for the development of their activity, giving priority to adjustments in terms of reduction of the working day"), the rules dictated within the Plan for the transition towards a new normality ("De-escalation Plan") are expressed in an **optional sense** ("the reopening may proceed").

There are divergent interpretations on this point, so it is expected that in the near future the Directorate General for Labour will issue Interpretative Criteria to clarify this issue.

This aspect must be analyzed with the utmost legal rigor, taking into account the possibility of subsequent review by the Labor Inspectorate, in accordance with Additional Provision 2 of RD-Law 9/2020 (Penalty regime and reimbursement of undue benefits).

Depending on the concurrent circumstances and the interpretation issued by the Directorate General of Labor, the suitability of moving towards an ERTE for economic, technical, organizational or productive reasons (ETOP) may be assessed in those companies that wish to continue with a situation of total ERTE, although this type of ERTE does not entail exemption from Social Security contributions. This transit would also be applicable in those companies in which the causes that served as a basis for justifying the ERTE no longer exist due to force majeure, but still require temporary employment regulation measures.



- 1. New developments regarding exemptions from social security contributions in the ERTE due to force majeure arising from COVID-19.
- **Exemptions from the payment of employer's social security contributions to ERTE due to total or partial force majeure.** As from the entry into force of RD-Law 18/2020, the exemptions in May<sup>12</sup> and June 2020 are applied in the established percentages, both with respect to the workers who continue to be affected by the ERTE, and with respect to those who are disaffected by the resumption of the activity, either totally or partially (that is, even if the suspension of the contract is changed to a reduction of the working day, or when the initial percentage of reduction of the working day is reduced).

In the ERTE of partial force majeure, with respect to the workers affected by the temporary employment regulation measure, the percentage of the exoneration is lower than that applicable until 12 May 2020, although the exoneration is extended to workers who become totally or partially disaffected (at a higher percentage than that applicable from 13 May with respect to workers who continue to be affected).

According to the RED 11/2020 News Bulletin, with respect to those workers who had been totally disaffected from the force majeure ERTE prior to the entry into force of RD-Law 18/2020 (May 13), the new exoneration regime would not apply.

New exoneration percentages according to the type of ERTE (total or partial force majeure). Exemptions have different scope depending on the situation of the company (total or partial force majeure) and the number of workers, or similar<sup>13</sup>, as of 29 February 2020.

## Summary table<sup>14</sup> of exemptions from RD-Law 18/2020<sup>15</sup>

Total Force Majeure	Staff	Period	
		May <sup>16</sup>	June
In a situation of total or partial inactivity, depending on whether the initial measure requested was a suspension of contract or a reduction in working hours (affected by the ERTE)	Less than 50	100%	100%
	50 or more	75%	75%

Partial Force Majeure	Staff	Period	
		May <sup>17</sup>	June
In total or partial inactivity (affected by the ERTE)	Less than 50	60%	45%
	50 or more	45%	30%

<sup>12</sup> From 13 May 2020

The reference to those assimilated to workers is introduced, which should be understood as those included in the General Security System as being assimilated to employed workers, in accordance with the provisions of Article 136.2.c) and e) of the General Social Security Act). In general terms, this refers to company directors.

The new exemptions apply from 13 May 2020. More illustrative diagrams can be found on the Social Security website: https://revista.seg-social.es/2020/05/12/la-seguridad-social-incentivara-el-retorno-de-los-empleados-en-erte-a-traves-de-exenciones-en-las-cotizaciones-sociales/

Percentage of exemption from payment of employer's social security contributions and items of joint collection accrued in May and June, depending on the number of employees or similar persons registered with social security on 29 February 2020.

<sup>&</sup>lt;sup>16</sup> Since May 13, 2020.

<sup>&</sup>lt;sup>17</sup> Since May 13, 2020.



In a situation of total or partial activity (disaffected or affected by the ERTE)	Less than 50	85%	70%	
	50 or more	60%	45%	

Application of social security exemptions at the request of the company. Unlike the previous system, in which exemptions were applied ex officio by the TGSS, the May and June exemptions will be applied at the request of the company, after communication of the situation of total or partial force majeure, made by means of a responsible declaration, for each contribution account code.

The Company statement must be presented, before the calculation of the corresponding contribution is requested, through the Electronic Social Security Data Transmission System (RED System<sup>18</sup>), in the terms set out in section 1 of this Note.

Once the declaration of partial force majeure has been presented, it will be **irreversible** (that is, it will not be possible to return to the situation of total force majeure).

Obviously, during the period of application of the measure, the company can switch from total force majeure to partial force majeure, complying with the reporting obligations to the TGSS and the SEPE.

What about the exemptions for the period from May 1 to May 12? Exemptions for the month of May prior to the entry into force of RD-Law 18/2020 are regulated by art. 24.1 of Royal Decree-Law 8/2020 - in its version in force until 12 May 2020. We understand that they should not be affected by the modifications introduced by RD-Law 18/2020.

- How should the procedures be carried out before the TGSS? In the RED 11/2020 News Bulletin, of 14 May, the necessary instructions and procedures are detailed (<a href="http://www.seg-social.es/wps/wcm/connect/wss/71f898ba-1f34-4ba0-b9f0-9f0258a9bf8a/BNR+11-2020.pdf?MOD=AJPERES&amp;CVID=">http://www.seg-social.es/wps/wcm/connect/wss/71f898ba-1f34-4ba0-b9f0-9f0258a9bf8a/BNR+11-2020.pdf?MOD=AJPERES&amp;CVID=</a>).
- How are exemptions applied when the contract of a suspended worker is activated, moving him/her to a situation of temporary reduction of the working day? In accordance with article 4.2 of RD-Law 18/2020, and as can be seen in the RED 11/2020 News Bulletin of 14 May, a different percentage of exemption will be applied with respect to the working day and the non-worked day (the percentage of exemption for the non-worked day being lower).
- And if the company has work centers in several regions, being those regions therefore in different Phases of the "Plan for De-climbing"? While some areas will enter Phase 2 (La Gomera, El Hierro, La Graciosa and Formentera) on May 18, 2020 (Order SND/414/2020 of May 16, published in the extraordinary BOE no. 138), other areas remain in Phase 1 and some are still in Phase 0 (Autonomous Community of Madrid or Barcelona and its metropolitan area, for example).

However, it appears from RD-Law 18/2020 that partial force majeure is established at company level, in relation to all the work centers affected by the temporary employment

Bulletin RED 11/2020 of 14 May details the formal procedures for the application of the exemptions.



regulation file (the reasons for this type of file based on the state of alarm were raised at company level) and not, on an ad hoc basis, by each work center<sup>19</sup>.

In other words, the recovery of workers in one of the centers would mean that, from that moment on, the exemptions relating to the ERTE of partial force majeure would apply to all the workers affected by the ERTE (which are lower for workers who remain inactive). In any case, it is expected that the Directorate-General for Employment will clarify this issue in the near future.

2. New wording of the "Safeguard of employment" (sixth additional provision of RD-Law 8/2020 as amended by RD-Law 18/2020 of 13 May).

It specifies the commitment to maintain employment, in its subjective and objective areas, related measures and consequences of non-compliance.

The new regulation of the employment safeguard clause - which in its initial configuration of RD-Law 8/2020 was drafted in generic terms and without specifying the consequences of non-compliance - will undoubtedly generate conflict in its application and enforcement.

- Which companies does it apply to? To those that have applied an ERTE due to force majeure with direct cause in the COVID-19 (article 22 of RD-Law 8/2020). Therefore, it does not apply to TRE for economic, technical, organizational or production reasons ("ETOP") related to COVID-19 (article 23 of RD-Law 8/2020).
- What is commitment? Maintaining the employment of workers affected by an ERTE due to force majeure.
- When is it considered unfulfilled? It is understood to be unfulfilled if the dismissal or termination of the contracts of any of them occurs. That is, failure to comply with an employee is considered a total failure to comply with the commitment.

The cases that are not considered as a breach of the commitment to maintain employment constitute a closed list. Therefore, the rest of the cases of extinction<sup>20</sup> or dismissal (including therefore the objective individual or collective dismissal) of workers affected by the ERTE of force majeure, will constitute a breach of the commitment. Of particular interest is the final paragraph of section 2 of Additional Provision 2, which includes the case in which "the purpose of the contract cannot be immediately fulfilled", intended, in principle, for situations in which the purpose of the contract can no longer be fulfilled and which is in line with the idea of separating the possible termination of temporary contracts from the obligation to suspend them as provided by law when such a situation of impossibility occurs.

The Directorate General for Labor has informally stated that: "The move to partial FM is made by file. If that company has only one ERTE for all its centers, if it has processed it in this way, the cases of the 22nd will be linked to that file. In that case, if it disaffects 1 person, it goes to partial FM for all the centers.

Including withdrawal during the trial period or termination by mutual agreement between the parties. It should also be remembered that, as established by the European Court of Justice and national case law (for example, for the purposes of calculating the threshold for collective dismissal or with regard to the extinctions that can be computed in the matter of the contribution to the Public Treasury of the 16th additional provision of Law 27/2011), they are comparable to "extinction on the initiative of the employer by virtue of other reasons not inherent to the person of the worker" in cases other than those provided for in Article 49.1.c) of the Workers' Statute, the compensated extinction provided for in articles 40, 41 and 50 of the Workers' Statute.



 Duration of the commitment. During the period of six (6) months from the date of resumption of the activity, understanding as such the effective return to work of persons affected by the file, even if this is partial or only affects part of the staff.

Although the purpose of the rule is clear (the reincorporation of all the workers affected by an ERTE due to force majeure once it ends), the literal wording of the rule leaves room for interpretation with respect to extinctions that occurred during the validity of the ERTE. .

**When is activity considered to have resumed?** The dies a quo (initial date) of the 6-month period generates interpretative doubts.

According to the literal wording of RD-Law 18/2020, it could be interpreted that the term begins with the reincorporation of the first worker (in general terms, on the date of effects recorded in the responsible declaration made by the company to the TGSS of passing to the situation of partial force majeure), even when this is materialized in the form of a temporary reduction of the working day (that is, the suspension measure is modified to reactivate it partially), or when the ERTE of total force majeure ends.

Similarly, the deadline should not be understood to have begun when there is a temporary disengagement that does not involve the resumption of activity (for example, maintenance work or a one-off task prior to the resumption of activity).

**Modulation of the commitment to maintain employment.** The following forecasts are added which will modulate the above-mentioned commitment:

- This commitment to maintaining employment will be assessed in the light of the specific characteristics of the various sectors and the applicable labor regulations, considering, in particular, the specificities of those companies with a high variability or seasonality of employment.
- The commitment to maintain employment in those companies in which there is a risk of insolvency proceedings under the terms of Article 5.2 of Law 22/2003, of 9 July, on Insolvency, will not be applicable<sup>21</sup>.
- Consequences of non-compliance: Companies which do not comply with this undertaking must reimburse the full amount of the exempted contributions, with the corresponding surcharge and interest for late payment, in accordance with the provisions of the Social Security regulations, following action by the Labor and Social Security Inspectorate to establish non-compliance and determine the amounts to be reimbursed<sup>22</sup>. Therefore, it is not automatic, but requires prior Inspection action.

<sup>&</sup>quot;In the absence of proof to the contrary, the debtor is presumed to have known that it is in a state of insolvency when any of the facts likely to support an application by any other party entitled to do so have occurred". According to Article 2.3 of Royal Legislative Decree 1/2020 of 5 May, which approves the revised text of the Insolvency Law (entry into force on 1/9/2020), "a debtor is in a state of imminent insolvency if it is foreseen that it will not be able to fulfil its obligations regularly and punctually". According to the Provincial Court of Barcelona (Order 13/2020 of 23 January), "the concept of insolvency is linked to the impossibility of orderly compliance with the obligations that are due, that is to say, the debtor cannot meet the common debts that have fallen due (...)".

The reimbursement of unemployment benefits is not appropriate, even though it covers all the exempted contributions, which could contradict the principle of proportionality.



### 3. Limits related to dividend distribution and tax transparency.

RD-Law 18/2020 introduces two clauses referring to the distribution of dividends and tax transparency, of which we highlight:

- **Fiscal transparency.** Companies and entities that have their tax domicile in countries or territories classified as tax heavens<sup>23</sup> in accordance with the regulations in force will not be eligible for the ERTE due to force majeure arising from the COVID-19.
- **Dividend distribution**<sup>24</sup>. The commercial companies or other legal entities that make use of the ERTES of force majeure derived from the COVID-19 and that use the public resources destined to the same, will not be able to distribute dividends corresponding to the fiscal year in which the ERTE is applied, except if they previously return the amount corresponding to the exoneration applied to the Social Security contributions. This limitation, therefore, does not affect the distribution of dividends against reserves from previous years.

Both measures are applicable as of the entry into force of RD-Law 18/2020, that is, for companies that remain in a situation of total or partial force majeure as of 13 May 2020 and take advantage of exemptions from social security contributions.

- 4. Possible extension of the TERs due to force majeure arising from COVID-19 and the extraordinary measures for unemployment protection and contributions.
- The Council of Ministers may agree to establish an extension of the ERTE due to force majeure arising from COVID-19, in view of the restrictions on activity linked to health reasons that remain after 30 June 2020<sup>25</sup>.
- In turn, it may extend the exemptions on contributions, or extend them to the ERTE for objective reasons (ETOP), as well as extend the unemployment protection measures provided for in Article 25.1 of RD-Law 8/2020, for the time and percentages to be determined.
- 5. Temporary extension of extraordinary measures in the field of unemployment protection.
- The unemployment protection measures provided for in Article 25 (paragraphs 1 to 5) of RD-Law 8/2020 for workers affected by an ERTE due to force majeure arising from COVID-19 or for ETOP causes related to COVID-19 (replacement of benefits and access without a waiting period), are maintained until 30 June 2020 (with the possible extension by agreement of the Council of Ministers).

<sup>&</sup>lt;sup>23</sup> The latest update by ECOFIN of the list of non-cooperative countries or territories in tax matters is dated 18 February 2020

This limitation shall not apply in companies which, on 29 February 2020, had fewer than 50 employees, or persons assimilated to them, registered with the social security authorities.

<sup>&</sup>lt;sup>25</sup> On 16 May 2020, the President of the Government announced that the Government would request a fifth extension of the state of emergency (https://www.lamoncloa.gob.es/presidente/actividades/Paginas/2020/16052020\_quintaprorroga.aspx).



The special unemployment protection regime for discontinuous permanent workers and those performing permanent and periodic work that is repeated on certain dates is maintained until 31 December 2020 (Article 25(6) of RD-Law 8/2020))

## 6. ERTE due to ETOP causes reported from deconfinement.

- For temporary employment regulation procedures based on economic, technical, organizational or production<sup>26</sup> causes initiated between May 13, 2020 and June 30, 2020, Article 23 of RD-Law 8/2020 (shortened procedure, priority of the Unions as interlocutors in companies without legal representatives of the workers and optional report of the Labor Inspectorate) will be applicable, with the specialties detailed below.
- The possibility of processing these files during the validity of an ERTE due to force majeure is expressly established.
- It is provided that the **effects** of the ERTE due to ETOP causes shall be retroactive to the date of termination of the ERTE due to force majeure that preceded it, without interruption.

**And what about the ETOPs in force?** ETOPs related to COVID-19 in force on 13 May 2020 will continue to be applicable under the terms provided in the company's final communication and until the term referred to therein.

- 7. Interruption of the calculation of the maximum duration of temporary contracts, for workers affected by an ERTE of suspension of contracts (due to force majeure or ETOP causes)<sup>27</sup>.
- It is extended until June 30th. It should be remembered that the suspension (parentheses) of temporary contracts including training, relief and interim contracts of workers affected by an ERTE due to force majeure or ETOP derived from COVID-19, means the interruption of the calculation, both of the duration and of the reference periods, equivalent to the suspended period. This provision should be interpreted in accordance with the criteria of the Directorate General for Labour of 7 and 11 April 2020 and in conjunction with what we have indicated in section 3 above with respect to the safeguarding of employment.

# 8. Extraordinary measures for the protection of employment.

- The badly named because it does not exist "prohibition of dismissal" is extended until June 30th. We must remember that force majeure and the ETOP causes linked to COVID-19 in which the ERTE are protected cannot be understood as justifying the termination of the employment contract or the dismissal.
- This measure is of general application and is therefore not limited to companies that have implemented or are implementing an ERTE.

<sup>&</sup>lt;sup>26</sup> Although the regulation does not specify this, it is understood that these are ETOP cases related to COVID-19 (art. 23 of RD-Law 8/2020).

<sup>&</sup>lt;sup>27</sup> Article 5 of RD-Law 9/2020 of 27 March.



### 9. Tripartite Labor Monitoring Commission.

- A Commission for the Monitoring of the Deconfinement Process was created, made up of the Ministry of Labor and Social Economy, the Ministry of Inclusion, Social Security and Migration, and the employers' associations CEOE and CEPYME, together with the trade unions CCOO and UGT.
- This Commission, which will meet regularly, will have, among its main functions, the follow-up of the measures that, in the labor field, are being adopted during the phase of attenuated exceptionality, as well as the proposal and debate of those measures that are proposed.
- The Commission must be consulted prior to the adoption of measures relating to the extension of temporary regulation of employment of force majeure and extraordinary measures relating to unemployment protection and contributions.

Augusta Abogados, May 2020