

Tax & Legal Alert

ROMANIA 24 July 2009

Amendments to social protection measures for employees and employers in the event of temporary interruption or reduction of activity

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Law no. 268/2009 (the "Law") approving Government Emergency Ordinance no.28/2009 regarding social security measures has been published (the "Ordinance")

The Law clarifies the Ordinance:

- The Ordinance provided for a three-month period of temporary activity interruptions during which employers and employees are exempt from paying social security contributions, and employee allowances are not considered salary income and are tax free. The Law specifies that the temporary activity interruption period may not exceed 90 days in 2009, thus clarifying the exact extent of the relief period. The law also specifies that for employees this suspension period represents a subscription stage without paying the contribution.
- The relief measures mentioned above apply to individual employment contract suspensions when employer activity is totally or partially interrupted, including when it is temporary reduced, in particular for economic, technological, structural or other similar reasons.
- These relief measures apply only to the period after the entry into force of this Ordinance.
- The allowance suspension period is included in the 24-month period preceding the filing of the unemployment registration application and the required minimum contribution period to the unemployment insurance system.

- The period for which unemployed people can claim unemployment benefit is extended by three months for those whose benefits were under suspension when the Ordinance entered into force.

[Source: Official Gazette no. 482 dated 13 July 2009]

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