

# Measures for social and economic support during the state of emergency

10 April 2020

## ***In brief***

On 10 April 2020, National Commission of Exceptional Situations approved Decision no.16 through which have been adopted support measures for individuals and businesses during the state of emergency, in the context of the COVID-19 spread and its effects on Moldova's economy.

## ***In detail***

### ***Social measures during the state of emergency period***

#### ***Unemployment allowance***

Individuals who have obtained the right to unemployment allowance during the state of emergency and individuals already benefitting from it will receive a monthly unemployment allowance of MDL 2,775. The allowance amount will be granted during the state of emergency period.

#### ***Social allowance***

Effective from April 2020, the minimum monthly guaranteed income is MDL 1,300. This includes the month when the state of emergency is lifted. The rights to social allowance benefits expiring during the state of emergency will be extended until the lifting of the state of emergency.

The minimum monthly guaranteed allowance per child has been raised to 75% of the minimum monthly guaranteed income.

### ***Business support measures during the state of emergency***

#### ***Benefits for holders of patents and for specific activities***

Existing entrepreneurial patents are suspended throughout the state of emergency, with the possibility of subsequent extension of their term by a period equal to the suspension.

Individuals who carry on independent activities, /patent holders and individuals who carry on professional activities in the field of justice (with some exceptions) are entitled to refunds of the mandatory social security contributions paid as fixed amounts, related to the period of suspension as ruled under Decisions of the National extraordinary health commission for public health and/or instructions of the Commission for exceptional situations ("Emergency Decisions").

#### ***Setting up the subsidy mechanism***

Companies and non-commercial organisations, residents of the Republic of

Moldova, which have suspended their economic activity in full or in part, can apply for subsidies to the State Tax Service:

- accounting for 100% of the payroll taxes paid (the income tax withheld from salary, social security contributions and health insurance contributions due by the employee and employer), related to the technological unemployment allowance or/and employee compensation for temporary work discontinuance work standstill, if the suspension of the activity was ruled under Emergency Decisions;
- accounting for 60% of the payroll taxes paid, related to the technological unemployment allowance or/and compensations paid to employees during technological unemployment and/or temporary work discontinuance, if the suspension of activity occurred in situations other than those set forth in the Emergency Decisions.

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The subsidy is granted to employees on temporary work discontinuance and/or technological unemployment, who were hired by 1 March 2020. The subsidy amount is calculated per day of temporary work discontinuance or technological unemployment per employee and will not exceed the payroll taxes due by employer and employee related to February 2020' salaries calculated per working day.

***Extension of reporting and payment deadline for local taxes***

Companies required under Emergency Decisions to suspend in part or in full their activity will submit the tax returns and pay the related local taxes for the first quarter of 2020 by 25 July.

*[Source: Decision of the National Commission of Exceptional Situations no. 16 dated 10 April 2020, published on the official web site of the Government]*

***The takeaway***

Commission for exceptional situations' decision are aimed at providing economic and social support measures, in the context of the COVID-19 spread.

These provisions have entered in to force on 10 April 2020.

## ***Let's talk***

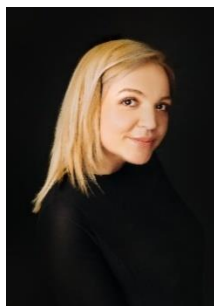
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