

Ius Laboris Webinar

Coronavirus:

Managing International Companies in Challenging Times

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SPEAKERS



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RESTRICTIVE MEASURES: OVERVIEW

- ITALY:** Lockdown since 11 March 2020, to last until 13 April 2020. Strict lockdown started from 25 March 2020, including all non-essential activities, but this will probably be extended (though no date suggested yet). Emergency period lasts until 31 July 2020.
- FRANCE:** Lockdown since 17 March 2020, to last until 15 April 2020, but will probably be extended (no date suggested yet). Emergency period lasts until 25 May 2020.
- BELGIUM:** ‘Lockdown-lite’ since 18 March 2020, to last until 19 April 2020, but will probably be extended until 3 May 2020.
- GERMANY:** ‘Lockdown-lite’ since 22 March 2020, to last until 20 April 2020, but will probably be extended. Scope varies from state to state.

ITALY – CURRENT LOCKDOWN RESTRICTIONS

PROHIBITED ACTIVITIES

- All schools, universities, museums and gyms are closed. All sporting, cultural and recreational events are cancelled.
- Industrial activities that are not essential.
- Retail sector, bars and restaurants are closed with some listed exceptions.
- Travel inside and outside the country is prohibited.
- All movement of individuals outside their homes is prohibited with three exceptions: proven travel for work, health reasons and emergencies.
- Working from home is the rule.
- Meetings and other group activities are not allowed.

PERMITTED ACTIVITIES

- Essential industrial activities in listed sectors: food, health activities, transport, telecoms, etc., are permitted.
- Essential retail as listed: i.e. food shops, delivery and take-away services, pharmacies, petrol stations, banks, telecommunications shops, IT shops and opticians, etc.
- Individual physical activity is allowed only near home and not in groups.

ITALY – EMPLOYERS' OBLIGATIONS AND WORKFORCE MANAGEMENT

HEALTH AND SAFETY MEASURES

- You are permitted to check your employees' body temperature and stop them from entering if they have a temperature of 37,5°
- You should make sure the premises are cleaned and disinfected
- You should put in place social distancing and protective equipment (mask, gloves, etc.)
- You should provide information about your procedures and instructions
- You should work with the unions on health supervision

MANAGEMENT OF THE WORKFORCE

- **Redundancy dismissal ban for 60 days** (up to 17 May 2020)
- Simplified smart working
- Self-imposed reduction of executive salaries
- Organisational changes (shift working, layout, meetings, travel policies, etc.)
- You have the option to impose paid leave or rest days

ITALY – GOVERNMENT SUPPORT SCHEMES

TYPE OF SUPPORT SCHEME

- Emergency COVID-19 Wage Guarantee Fund (CIGO and FIS) (industry sector plus others)
- Emergency COVID-19 Wage Guarantee Fund (CIGD) for commercial sector (even small companies)
- Emergency COVID-19 funds will substitute the currently active ordinary scheme for 9 weeks

Note: available to all employees hired after 23 February 2020

HOW MUCH TO THE EMPLOYEE?

80% of non-worked hours may be granted for a maximum of 9 weeks, but capped at EUR 939 and 1,200 gross.

Special leave

- Extraordinary leave
- Babysitting vouchers
- Bonus of EUR 100 for those still working in factories or similar (not from home).



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FRANCE – CURRENT LOCKDOWN RESTRICTIONS

PROHIBITED ACTIVITIES

- All schools and universities closed
- No establishments can receive customers until 15 April 2020 (including restaurants and shops) with very limited exceptions: food shops, delivery and take-away services, pharmacies, petrol stations, banks, telecommunication shops, repair shops, etc.
- All sporting, cultural and recreational events are cancelled
- All movement of individuals outside their homes is prohibited with very few exceptions, including travel to and from home, along with business trips that cannot be postponed (teleworking is the rule), with appropriate documentation

PERMITTED ACTIVITIES

- Short distance travel, up to 1 hour per day and a maximum distance of 1 km from the home, related to the individual's physical activity or walking (excluding collective sports and proximity with others)
- Companies can continue to work but teleworking is the rule
- If teleworking is not possible, hygiene and social distancing measures (minimum 1 metre) must be observed in all circumstances

FRANCE – EMPLOYERS' OBLIGATIONS AND WORKFORCE MANAGEMENT

HEALTH AND SAFETY MEASURES

General safety obligations: employers must take all preventive measures to secure employees' health and safety (e.g. equipment adapted to risk, changes to the way work is organised, etc.)

Mandatory measures:

- Ban on all travel that can be deferred
- Social distancing (minimum 1 metre)
- Compliance with hygiene rules: regular cleaning, supply of soap or hydroalcoholic gel, instructions, etc.

Cooperation with the Social & Economic Committee (also in charge of H&S) and occupational doctors

MANAGEMENT OF THE WORKFORCE

- Teleworking is mandatory unless impossible
- Work needs to be adapted to comply with social distancing
- You have the option to impose paid vacation (subject to legal and CBA provisions) or rest days
- Rules concerning Social & Economic Committees have been simplified (e.g. meetings by videoconference or conference call)
- No dismissal ban, but collective dismissals are strongly discouraged by the Ministry of Labour (risk for the validity of the process)
- Many labour law rules and deadlines have been temporarily adapted (e.g. working time limits, social elections, disciplinary procedures, payment of profit shares)

FRANCE - GOVERNMENT SUPPORT SCHEMES

TYPE OF SUPPORT SCHEME

Adaptation of temporary unemployment ('partial activity'):

- Simplified online procedures (approval within 48 hours)
- Higher state funding (100% of maintained pay with cap)
- Longer period (up to 12 months and 1,600 hours per employee)
- Extension to certain categories of employees (top executives, managers who work based on days per year, sales reps, domestic workers, etc.)

Postponement of payment of social security contributions and income tax for up to 3 months

Solidarity fund for small companies and independent workers

Possibility to pay extra-bonuses of up to EUR 2,000, exempt from social security contributions and tax

EUR 300 billion of state-guaranteed loans

HOW MUCH TO THE EMPLOYEE?

Employer: 70% of the gross hourly rate of pay (minimum EUR 8.03 per hour), i.e. between 80 and 84% of net salary, but some CBAs provide for enhanced obligations (e.g. IT sector)

State reimbursement: 70% of the gross hourly rate of pay capped at 4.5 times minimum wage (EUR 36.13 per hour)

Favourable social security treatment:

- Employer: no social security contributions
- Employee: 6.7% (instead of 20%)



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BELGIUM – LOCKDOWN-LITE

PROHIBITED ACTIVITIES

- All schools closed
- Restaurants and shops are closed except for food stores, pharmacies, petrol stations and newsagents (which have to close at 22:00)
- All sporting, cultural and recreational events are cancelled
- Companies performing non-essential activities (e.g. because they are unable to organise teleworking and/or social distancing, including, e.g. the construction industry)

PERMITTED ACTIVITIES

- Companies can continue to work but, where possible, should telework
- If teleworking is not possible, the social distancing rules must be adhered to
- Companies performing essential activities should continue but make maximum effort to organise telework and/or social distancing
- There is a limited list of essential activities (e.g. healthcare, the food industry and banking)
- Take away restaurants are permitted
- Outdoor activities are permitted (e.g. running, walking or cycling) with family and/or one friend

BELGIUM – EMPLOYERS' OBLIGATIONS AND WORKFORCE MANAGEMENT

HEALTH AND SAFETY MEASURES

Duty of care: on employers to take all necessary preventative measures to secure employees' health and safety in consultation with the company doctor and the committee for prevention and protection at work

Basic advice: social distancing (1.5 metres), keeping the workplace clean and ventilated, providing of soap and instructions for washing hands, etc.

Ban on all non-essential travel

Medical testing: issues under Belgian employment law and privacy law

MANAGEMENT OF THE WORKFORCE

Teleworking is mandatory

If not possible: social distancing

Companies with closed or reduced activities can apply for temporary unemployment for *force majeure*: the procedure has been extended and simplified

No dismissal ban in Belgium

BELGIUM - GOVERNMENT SUPPORT SCHEMES

TYPE OF SUPPORT SCHEME

- Temporary unemployment for force majeure due to COVID-19: simplified procedures during lockdown lite
- Supplements to unemployment allowances are exempt from social security contributions (by industry branch or company)
- 'Bridging' right for self-employed freelancers and managers
- Postponement of social security and tax payments
- Regional support measures

HOW MUCH TO THE EMPLOYEE?

70% of salary (capped at EUR 2,754.76 gross)

+ extra EUR 5.63 per day in unemployment

Minimum: **EUR 1,165.93 net**

Maximum: **EUR 1,519.79 net**

Many employers supplement these figures

Regional support measures



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GERMANY – LOCKDOWN-LITE

PROHIBITED ACTIVITIES

- All public institutions, schools and universities are closed
- Restaurants and shops are closed except for food shops and take-aways, pharmacies and other medically-necessary services and petrol stations
- All sporting, cultural and recreational events are cancelled
- Movement in public places and meetings with people not living in their own household are strictly regulated

PERMITTED ACTIVITIES

- Companies can continue to work but hygiene measures must be complied with and effective protective measures implemented (especially social distancing)
- If teleworking is not possible, the rules of social distancing (1.5 to 2 metres) must be adhered to
- There is a limited list of necessary services and essential activities (e.g. healthcare, the food industry and banking), which may remain open to customers
- Travel to and from work, emergency care, attendance at necessary appointments and individual sports and exercise in the open air remain possible (maximum 2 people or one's family or own household in public)
- Scope varies from state to state

GERMANY – EMPLOYERS' OBLIGATIONS AND WORKFORCE MANAGEMENT

HEALTH AND SAFETY MEASURES

- **Hygiene and work safety regulations** must be complied with and effective protective measures implemented (i.e. cleaning, disinfection and limitations on travel)
- No general obligation on employers to report COVID-19 infection (except for medical staff and community facilities)

MANAGEMENT OF THE WORKFORCE

- **Teleworking is preferred**
- If not possible: **social distancing**
- Companies with closed or reduced activities can implement **short-time work** and apply for a **short-time allowance**: the requirements for this have been lowered and the scope and procedure extended and simplified
- No dismissal ban in Germany (but there is an interdependency with short-time work)

GERMANY – GOVERNMENT SUPPORT SCHEMES

TYPE OF SUPPORT SCHEME

- **Short-Time Work (Kurzarbeit):** Companies can apply for short-time work benefits when 10 percent of employees are affected by loss of work.
- Simplified procedures for receiving **unemployment benefits** for the next 6 months
- **Government supported grants** for self-employed freelancers and small businesses of up to 10 employees
- **Government supported loans** and a **protective shield** for companies of all sizes

HOW MUCH TO THE EMPLOYEE?

- The Short-Time pay amounts to 60% of cancelled net remuneration, or 67% when there is at least one dependent child. Companies will also be reimbursed for social contributions
- Applications can be made online or via phone
- For companies with up to 5 employees, there is a grant of up to EUR 9,000; or up to 10 employees, up to EUR 15,000 (no need to repay the grant)
- Federal government is planning EUR 600 billion for guarantees and, if necessary, to take a stake in the companies

WHAT OF THE FUTURE?

ITALY – WHAT OF THE FUTURE?

SUPPORT, REDUCING IMPACT AND REORGANISATION

- Government financial support for specific sectors: tourism, culture, construction, etc.
- Government financial support for all companies
- Reducing the impact of potential future layoffs (e.g. temporary salaries for all are under discussion)
- Data privacy for health and safety data managed by the employer
- Data privacy for health and safety tracked by apps and the effect of these on the workplace (questions re who can access the data)
- Reorganisation of the workplace layout, shifts, structure and offices, to minimise contact and maintain social distancing
- Welfare measures for future employees: insurance, check-ups, etc.

FRANCE – WHAT OF THE FUTURE?

LOCKDOWN ADJUSTMENTS AND HOW LOCKDOWN CAN END

- Adaptation of health & safety measures:
 - wearing of masks outside the home may be imposed (still under discussion, given current shortage)
 - work continuation during lockdown is a sensitive issue for many labour unions
- An 'End of lockdown Strategy' is under construction:
 - date and features remain uncertain
 - many scenarios are being considered: gradual reopening by region, age, medical background, etc.
- Increasing use of tests: target of 50,000 tests per day at the end of April
- Prudent approach to digital tracking, due to privacy issues
- Wave of insolvencies and restructurings to be expected

BELGIUM – WHAT OF THE FUTURE?

FOCUSING ON THE EXIT STRATEGY


- The 'Data against Coronavirus Task Force' was created by the Ministry of Public Health and the Ministry of Digitalisation. It aims to:
 - increase test capacity: target = 10,000 tests a day
 - analyse spread of the virus using telecoms data and enable targeted measures
 - analyse tests: using a contact tracing app (COVID Alert) or blood tests, subject to privacy and data protection issues (strict position of our DPA)
- The government is considering introducing more flexibility and a bonus scheme to motivate the working population
- Social elections are postponed until the end of 2020: the trade unions are 'frustrated'
- Wave of restructurings to be expected


GERMANY – WHAT OF THE FUTURE?


FOCUSING ON THE END OF LOCKDOWN

- An 'End of lockdown Strategy' is under consideration:
 - date and features remain uncertain
 - many scenarios are being considered: gradual reopening by region, age, medical background, etc.
 - selected economic sectors (retail) with limited customer contact, restaurants and schools/universities are being considered for re-opening in selected regions from 20 April 2020 if infection rate decreases
- Obligation to wear masks in buses, trains, factories and buildings is currently being considered
- Increasing use of tests to identify infected individuals and their contacts also to be identified and quarantined
- Approach to digital tracking of individuals is to use apps on a voluntary basis, due to privacy issues
- Adaptation of health & safety measures
- Wave of insolvencies and restructurings expected

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