

Social measures in defense of employment

1. Measures applicable to ERTes due to COVID-19 during de-confinement.

- Those companies and entities that are on “ERTE” **due to force majeure** derived by the COVID-19, and are affected by the causes that prevent the reactivation of their activity, while these last, can continue on a **force majeure ERTE** until **June 30, 2020**, as a maximum limit.
- Companies and entities that have an authorized **partial force majeure** “ERTE” based on the causes provided for in the said RD, can maintain that situation of **partial force majeure** derived from COVID-19, until **June 30, 2020**.

2. Extraordinary contribution measures

- The Social Security exempts, regarding contributions accrued for the months of May and June 2020 to companies and entities in a situation of total force majeure of the payment of the Social Security contributions, provided that, on February 29th 2020, they had less than 50 employees registered with the Social Security. If they had 50 or more the contribution exemption will **reach the 75%**.
- Companies and entities in a situation of partial force majeure are exempted from paying Social Security contributions in the percentages and conditions indicated below:
 - o **Exemption of 85% of the Social Security contributions accrued in May 2020 and 70% in June 2020** in the case of less than 50 employees registered with Social Security on February 29th 2020.
If it had 50 or more employees, exemption from **60% of the accrued contributions in May 2020 and 45% of the contributions in June 2020**.
 - o Employees who continue with the suspension of their activities: **exemption of 60% of the contributions in May 2020 and 45% of the contributions in June 2020**, in case of less than 50 employees registered with Social Security on February 29th 2020. If the company had 50 or more employees registered, the exemption will reach **45% in May 2020 and 30% in June 2020**.
- Requests for exemption from contributions must be made by the company.



3. Procedures for suspension and reduction of working hours due to ETOP reasons from de-confinement.

- Article 23 of Royal Decree-Law 8/2020 of March 17 applies to “ERTEs” based on ETOP causes initiated after the entry into force of this Royal Decree-Law and **until 30 June 2020**.
- The processing of these files may begin while an “ERTE” is in force due to force majeure. When the “ERTE” derived from ETOP causes starts after the end of the one based on force majeure, the date of effects of **that one goes back to that termination date**.

4. Limits related to dividend distribution and tax transparency.

- Companies and entities that have their tax domicile in countries or territories classified as tax havens in accordance with current regulations may not take advantage of the “ERTEs” regulated in this law.
- Companies or other legal entities that take advantage of “ERTEs” and that use the public resources allocated to them, may not proceed to the distribution of dividends corresponding to the fiscal year in which these “ERTEs” are applied, unless they **pay in advance** the amount corresponding to the exemption applied to Social Security contributions.
- The year in which the company does not distribute dividends in accordance with the provisions of the previous paragraph will not be taken into account, for the purposes of exercising the right of separation of the shareholders (article 348 bis of the Capital Companies Law). It does not apply to those entities that, as of February 29, 2020, had less than 50 employees registered with Social Security.

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