

PROVISIONAL MEASURE 936/2020

EMERGENCY EMPLOYMENT AND INCOME MAINTENANCE PROGRAM

Provisional Measure 936/2020, published in the Federal Official Gazette of 04/1/2020, instituted the Emergency Employment and Income Maintenance Program with supplementary labor measures to face the state of public calamity recognized by Legislative Decree 06/2020. Its objectives are to:

- preserve employment and income (in any case, the minimum wage must be respected);
- ensure the continuity of work and business activities; and
- reduce the social impact resulting from the consequences of the Covid-19 pandemic.

PROPORTIONAL REDUCTION OF WORKING HOURS AND SALARIES

HOURLY SALARY	<ul style="list-style-type: none"> The value of the hourly salary must be maintained
MAXIMUM PERIOD	<ul style="list-style-type: none"> Up to 90 days, during the state of public calamity
PROVISIONAL GUARANTEE IN EMPLOYMENT	<ul style="list-style-type: none"> During the period of working hours reduction and, after the re-establishment of normal working hours, for a period equivalent to that of the reduction
REDUCTION OF <u>25%</u> OF THE WORKING HOURS	<ul style="list-style-type: none"> Negotiation by individual agreement (regardless of salary amount), collective bargaining agreement (ACT) or collective labor agreement (CCT) Value of the Benefit: 25% of the unemployment benefit to which the employee would be entitled Dismissal without cause during the provisional guarantee period: the employer must bear 50% of the salary to which the employee would be entitled during the period of the employment guarantee
REDUCTION OF <u>50%</u> OF THE WORKING HOURS	<ul style="list-style-type: none"> Individual agreement only in the following cases: (i) employees with a monthly salary of up to R\$ 3,135.00; and (ii) employees with a monthly salary greater than R\$ 12,202.12 and who have a higher education degree. Collective negotiation. Value of the Benefit: 50% of the unemployment benefit to which the employee would be entitled Dismissal without cause during the provisional guarantee period: the employer must bear 75% of the salary to which the employee would be entitled during the period of the employment guarantee

PROPORTIONAL REDUCTION OF WORKING HOURS AND SALARIES

REDUCTION OF 70% OF THE WORKING HOURS	<ul style="list-style-type: none">• Individual agreement only in the following cases: (i) employees with a monthly salary of up to R\$ 3,135.00; and (ii) employees with a monthly salary greater than R\$ 12,202.12 and who have a higher education degree.• Collective negotiation• Value of the Benefit: 70% of the unemployment benefit to which the employee would be entitled• Dismissal without cause during the provisional guarantee period: the employer must bear 100% of the salary to which the employee would be entitled during the period of the employment guarantee
COLLECTIVE AGREEMENTS	<ul style="list-style-type: none">• The collective bargaining or labor agreements may establish percentages different from 25%, 50% and 70%. In these cases, the benefit must comply with the following rules:<ul style="list-style-type: none">(a) Reduction of working hours below 25%: does not entitle to the emergency benefit(b) Reduction of working hours greater than 25% and lower than 50%: emergency benefit in the amount of 25% of unemployment benefit to which the employee would be entitled(c) Reduction of working hours greater than 50% and lower than 70%: emergency benefit in the amount of 50% of unemployment benefit to which the employee would be entitled(d) Reduction of working hours greater than 70%: emergency benefit in the amount of 70% of unemployment benefit to which the employee would be entitled

TEMPORARY SUSPENSION OF THE EMPLOYMENT CONTRACT

<p>PROHIBITION AGAINST CONTINUING THE PROVISION OF SERVICES</p>	<ul style="list-style-type: none"> The employee cannot continue to work for the employer, even partially, through teleworking or remote work. Penalties against employers that fail to comply with the rule: (i) immediate payment of the remuneration and social charges for the agreed period of suspension of the employment contract; (ii) fines provided for in the labor legislation; and (iii) sanctions provided for in ACT or CCT
<p>MAXIMUM PERIOD</p>	<ul style="list-style-type: none"> Up to 60 days during the state of public calamity, which can be divided into up to two (2) periods of 30 days
<p>EMPLOYMENT GUARANTEE</p>	<ul style="list-style-type: none"> During the period of working hours reduction and, after the re-establishment of normal working hours, for a period equivalent to that of the reduction
<p>BENEFITS</p>	<ul style="list-style-type: none"> Must be maintained by the employer during the period of suspension of the employment contract
<p>PAYMENT TO THE RGPS</p>	<ul style="list-style-type: none"> The employee may contribute to the General Social Security System (RGPS) as an optional insured
<p>SUSPENSION OF THE EMPLOYMENT CONTRACT BY COMPANIES WITH GROSS REVENUE OF UP TO R\$ 4,8 MILLION IN 2019</p>	<ul style="list-style-type: none"> Individual agreement only in the following cases: (i) employees with a monthly salary of up to R\$ 3,135.00; and (ii) employees with a monthly salary greater than R\$ 12,202.12 and who have a higher education degree. Collective negotiation. Value of the Benefit: 100% of the unemployment benefit to which the employee would be entitled Monthly compensatory aid paid by employer: not mandatory Dismissal without cause during the provisional guarantee period: the employer must bear 100% of the salary to which the employee would be entitled during the period of the employment guarantee
<p>SUSPENSION OF THE EMPLOYMENT CONTRACT BY COMPANIES WITH GROSS REVENUE HIGHER THAN R\$ 4,8 MILLION IN 2019</p>	<ul style="list-style-type: none"> Individual agreement only in the following cases: (i) employees with a monthly salary of up to R\$ 3,135.00; and (ii) employees with a monthly salary greater than R\$ 12,202.12 and who have a higher education degree. Collective negotiation. Value of the Benefit: 70% of the unemployment benefit to which the employee would be entitled Monthly compensatory aid paid by employer: 30% of the employee's salary Dismissal without cause during the provisional guarantee period: the employer must bear 100% of the salary to which the employee would be entitled during the period of the employment guarantee



PAYMENT OF THE EMERGENCY EMPLOYMENT AND INCOME PRESERVATION BENEFIT

<p>BENEFICIARIES</p>	<ul style="list-style-type: none"> • Employee whose working hours and wages were reduced or whose employment contract was <u>temporarily suspended</u> • The employee who (i) holds a public office or job, a temporary commission regarded as free appointment and discharge, or an elected official; (ii) receives the benefit of continued provision of RGOS or of the Alternative Social Security Schemes, with the exception of the pension for death or accident aid; (iii) receives unemployment benefit, in any of its forms; and (iv) receives a professional qualification scholarship, is not entitled to the benefit.
<p>PAYMENT OF THE EMERGENCY BENEFIT</p>	<ul style="list-style-type: none"> • The benefit will be paid for with Federal resources and will be based on the monthly unemployment benefit amount to which the employee would be entitled • Monthly payment from the beginning of the reduction of the working hours and salary or temporary suspension of the employment contract (and while the reduction of the working hours or the suspension of the employment contract lasts) • Within ten days from the date of conclusion of the agreement, the employer must inform the Ministry of Economy, so that the first installment of the benefit is paid in 30 days to the employee • If the employer fails to communicate to the Ministry of Economy within 10 days, it will be responsible for paying the previous and full remuneration, with all charges.
<p>IMPACTS ON THE FUTURE UNEMPLOYMENT BENEFIT</p>	<ul style="list-style-type: none"> • Receiving the benefit does not affect the amount of unemployment benefit to which the employee may be entitled in the future

COMMON RULES FOR TEMPORARY SUSPENSION OF THE WORK CONTRACT AND PROPORTIONAL REDUCTION OF WORKING HOURS AND SALARY

<p>Communication to the Ministry of Economy</p>	<ul style="list-style-type: none"> The way in which information and communications are transmitted by the employer will still be regulated by an act of the Ministry of Economy
<p>MONTHLY COMPENSATORY AID PAID BY EMPLOYER</p>	<ul style="list-style-type: none"> Can be combined with the Emergency Benefit, must have an amount defined in the individual agreement or collective bargaining, has an indemnity nature, and is not included in the calculation basis of income tax, social security contribution and contributions destined to third parties, and FGTS.
<p>RENEGOTIATION OF ACT OR CCT EXECUTED BEFORE MP 936/2020</p>	<ul style="list-style-type: none"> They can be renegotiated within ten (10) days as of 01/01/2020.
<p>REDUCTION OF WORKING HOURS OR SUSPENSION OF CONTRACT BY INDIVIDUAL AGREEMENT</p>	<ul style="list-style-type: none"> The proposal must be sent to the employee at least two (2) calendar days in advance, and the employer must inform the employees' union within 10 calendar days, counting from the date of conclusion of the agreement.
<p>RESTORATION OF THE WORKING HOURS AND EMPLOYMENT CONTRACT</p>	<ul style="list-style-type: none"> The working hours and employment contract will be restored within two (2) days from: <ol style="list-style-type: none"> the end of the state of public calamity; the end of the agreed period; or the date on which the employer communicates the end of the period agreed

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