



NATIONAL APEX CHAMBER

Relief Measures provided by pandemic COVID-19 countries related to relaxations on salaries and wages payments to support Industry

The growing severity of the impact of pandemic COVID-19 is increasing each day. The outbreak of the disease has caused uncertainties and vulnerabilities in the global economic arena. Thus, the Government and policymakers across the world are taking proactive measures for mitigating the impact of pandemic COVID-19 through various effective measures to support their industry.

Governments and various international organizations have taken a slew of measures to contain the impact of pandemic COVID-19 and to protect people and businesses from its ill effects and boost demand in the economy. During the past few weeks, a number of economies have announced relief measures related to salaries and wages to support economy and industry from adverse consequences of the pandemic COVID-19 which are as follows:

S.No.	Countries	Measures taken by pandemic impacted countries related to salary & wage relaxations
1	United States	<ul style="list-style-type: none"> • In case a person is working for a business with less than 500 employees, then he/she is eligible for paid sick or family leave due to pandemic COVID-19, starting April 1 2020 and through December 31, 2020. • Up to two weeks of paid sick leave in case worker or his family member is quarantined or has symptoms of COVID-19 and Up to an extra 10 weeks of paid family and medical leave if his/her child's school or daycare provider is closed or unavailable. • Eligible workers who are sick with the virus, quarantined, taking care of someone affected or caring for a child whose school has closed, will continue to be paid. • Employees will receive pay directly from their employees rather than from Government run program. • Though every dollar of required paid leave will be offset by tax credit for eligible employees, the act protects small businesses by offering an exemption in the rate event that paid leave requirements would jeopardize their business.
2	United Kingdom	<ul style="list-style-type: none"> • The British government would pay grants covering up to 80% of the salary of workers if companies kept them on their payroll, rather than lay them off as the economy



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		<p>crashes.</p> <ul style="list-style-type: none"> UK workers of any employer who are placed on the Coronavirus Retention Scheme can keep their job with the Government paying up to 80% of a worker’s wages up to a total of £2,500 per worker each month.
3	Canada	<ul style="list-style-type: none"> The Canada Emergency Wage Subsidy would apply at a rate of 75 per cent of the first \$58,700 normally earned by employees – representing a benefit of up to \$847 per week. The program would be in place for a 12-week period, from March 15 to June 6, 2020. Eligible employers who suffer a drop in gross revenues of at least 30 per cent in March, April or May, when compared to the same month in 2019, would be able to access the subsidy. For Canadians without paid sick leave (or similar workplace accommodation) who are sick, quarantined, or forced to stay home to care for children, the Government is waiving the one week waiting period for those individuals in imposed quarantine that claim Employment Insurance (EI) sickness benefits. For Canadians, who lose their jobs or faced reduced hours as a result of pandemic COVID’s impact, the Government is introducing an Emergency Support Benefit to provide up to USD 5 billion in support to workers who are not eligible for EI and who facing unemployment.
4	Australia	<ul style="list-style-type: none"> The Australian government has earmarked \$130 billion towards wage subsidies over the next six months in an extraordinary bid to stave off further job losses as the economy faces a sharp downturn during the coronavirus pandemic. The Government has provided two separate USD 750 payments to social security, veteran and other income support recipients and eligible card holders. These payments will help to support confidence and domestic demand in the economy. Employees will receive a payment equal to 100 per cent of their wages salary and wages withheld (up from 50 per cent) with the maximum payment being increased from USD 25,000 to USD 50,000. In addition, the minimum payment is being increased from USD 2000 to USD 10,000.



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5	Italy	<ul style="list-style-type: none"> • Employers, including companies with fewer than 5 employees, who suspend or reduce their business following an emergency, can resort to layoffs earnings notwithstanding the new reason “COVID-19” for the maximum duration of 9 weeks. • Compensation of € 600 is recognized, on a monthly, non-taxable basis, for self-employed workers and VAT numbers. The compensation will help professionals not registered with orders, artisans, traders, direct farmers, settlers and sharecroppers, seasonal workers from the tourism and spa establishments, workers from the entertainment sector, agricultural workers, etc. • Workers with a gross annual income of up to € 40,000 who perform their services in the workplace in the month of March (not in smart working) are awarded a bonus of € 100, non-taxable (in proportion to the days worked).
6	Spain	<ul style="list-style-type: none"> • The Government has announced that all self-employed workers who lose their business due to the crisis will receive special help. • Protection of companies and independent contractors, highlighting the moratorium of up to six months on the payment of obligations and the deferment of quotas to be paid in April at a reduced rate of 0.5%.
7	Japan	<ul style="list-style-type: none"> • The Government will significantly expand special measures on the Employment Adjustment Subsidies so as to protect employment and secure the stability of the people’s lives.
8	China	<ul style="list-style-type: none"> • Firms in Hubei province, the epicenter of the outbreak will not have to pay pensions, jobless and work-injury insurance until June 2020. • Small firms in majority of provinces will be exempted from paying pensions, jobless insurance and work injury insurance until June 2020, while payments by large firms will be reduced by half until April 2020. • Employment of rural migrant workers will be enhanced by creating more job opportunities at the laborers' hometowns or places nearby and approving a group of new projects providing a large number of posts.
9	India	<ul style="list-style-type: none"> • Government of India will pay EPF contribution of both employer and employee (12 percent each) for the next



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		<p>three months so that nobody suffers due to loss of continuity in the EPFO contribution. This is for those establishments that have upto 100 employee and 90 percent of whom earn under Rs. 15,000 monthly wage. This will benefit about 80 Lakh employees and incentivize about 4 Lakh establishments to continue their employees on their Payrolls despite disruption. Government of India to spend around Rs. 5,000 crore for this purpose.</p>
10	Bangladesh	<ul style="list-style-type: none"> Stimulus packages to the tune of Taka 72,750 crore (USD 8,573 million) to counter the adverse effects of coronavirus on the country's economy. This includes Taka 5,000 crore (emergency) incentive package for paying salaries and allowances of export-oriented industry workers and employees.
11	Vietnam	<ul style="list-style-type: none"> If an employee is sick and obtains a valid medical certificate evidencing same, the Employer can file this medical certificate with the Social Insurance (SI) and the SI will pay sick leave entitlements to the employee. Such entitlement is equal to the lower of 75% of the employee's regular salary or 75% of the SI cap. With respect to quantity, the SI will pay up to: (i) 30 days/ year for those who have contributed to the SI fund for less than 15 years; (ii) 40 days/ year for those who have contributed to the SI fund for more than 15 and less than 30 years; and (iii) 60 days/ year for those who have contributed to the SI fund for more than 30 years.
12	Indonesia	<ul style="list-style-type: none"> Workers in the manufacturing industry will not have to pay income taxes for six months The Indonesian government issued its second emergency stimulus package worth US\$8 billion. The package provides a range of fiscal and non-fiscal incentives in addition to a special stimulus for small and medium-sized (SMEs) businesses. The fiscal incentives are primarily for the manufacturing sector and include a reduction in corporate and personal income tax Non-fiscal incentives aim to ease import and export activities.
13	Thailand	<ul style="list-style-type: none"> If the Employer has to wholly or partially suspend the business, the employer may, under section 75 of the Labour Protection Act, elect to pay 75% of the



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		<p>employee’s normal wages during the suspension, subject to meeting certain criteria.</p> <ul style="list-style-type: none"> • If an Employer wishes to reduce an employee’s salary by more than the 25% stipulated in section 75, they can only do so with the consent of the employee, as such a reduction would be considered a change in the conditions of employment. This is another option that is not related to section 75 but is based on a mutual agreement between employer and employee.
14	Malaysia	<ul style="list-style-type: none"> • The Employee Provident Fund (EPF) is a compulsory saving and retirement plan for private-sector workers in Malaysia. Employees usually contribute between 11 percent to seven percent from their monthly salary. This has now been reduced to four percent, potentially to increase cash in the hands of households by some 10 billion ringgit (US\$2.2 billion)

Source: PHD Research Bureau compiled from various sources