

How has COVID-19 affected employees and workplaces?

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Although the full impact of the COVID-19 pandemic on the job market is still unknown, it is possible to identify some of the main effects on employers, employees and workplaces. This article highlights government measures taken to date to help employers avoid terminations (eg, by suspending employment contracts or reducing working hours or salaries) and enable remote working and considers the pandemic's impact on workplaces and social security contributions.

Measures to avoid terminations

As a way of mitigating COVID-19's impact on employment rates and employee income, the government launched the Emergency Programme for the Maintenance of Employment and Income. The goal was to avoid the termination of employment agreements, providing alternatives to companies to retain employment agreements while guaranteeing part of employee income.

The main alternatives were:

- suspending employment contracts; or
- reducing working hours and, consequently, employee salaries.

Both options would protect the relevant employees' employment status during the suspension or reduction and for the same period afterwards.

In the event of the suspension of contracts, for companies with revenue exceeding R4.8 million in 2019, employees are entitled to receive a monthly indemnity allowance equal to 30% of their salary. Companies with a 2019 revenue below this amount need not pay the monthly indemnity allowance.

Companies may opt to grant the monthly indemnity allowance, either in the suspension of contracts or the reduction of working hours and salaries, as it is an indemnification amount exempt from any social security charges (both paid by the company and employees), income tax and impact on labour rights.

Employees, including those who have had their employment contract suspended, were also guaranteed to maintain any benefits usually received (eg, meal and food vouchers), with the exception of travel expenses given the fact that there is no commuting.

Self-employed workers received R600 paid directly by the government.

In March 2020 Provisional Measure 927 was enacted but has since lost its effect as it has not been converted into law. The provisional measure established alternatives to terminations for employers – especially those whose employees could not work during the pandemic – including the ability to:

- grant annual leave in advance;
- advance holidays;
- grant collective vacation; and
- offset working hours.

Measures to enable remote working

In response to the pandemic, the government relaxed the requirements provided by labour legislation regarding

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remote working, such as:

- reducing the deadline to notify employees of the beginning of remote working to 48 hours; and
- extending the deadline to formalise such agreements to 30 days.

In addition, remote working could now extend to interns and apprentices.

Although reimbursing part of employee costs during remote working is market practice, employers are not obliged to provide financial assistance to employees who work remotely, but provides only that the conditions must be expressly agreed between the parties.

Impact on workplaces

Workplaces have also been substantially affected by the COVID-19 pandemic.

Employers have had to implement changes to workplaces to ensure that social distancing is maintained, including by:

- adapting workstations;
- limiting the number of people in meeting rooms; and
- reinforcing cleaning measures.

In addition, companies must:

- provide guidelines and create protocols (eg, posters) with instructions for employees;
- have signs marking the mandatory distances;
- check employees' temperature before allowing them to enter the workplace;
- separate employees who are suspected to have COVID-19 or have had contact with someone who has been confirmed to have COVID-19.

Social security contributions

A law to exempt companies from the social security contribution on top of the payroll until December 2021 was recently approved. This measure applies to 17 different activities, including call centre, IT, transport and construction activities.

This measure allows companies to choose the payment of a percentage (between 1% and 4.5%) on their gross revenue instead of paying a 20% contribution on top of their payroll to social security. This reduction of social security costs is another attempt to maintain employment by reducing companies' costs with regard to their employees and preserve employee income, while ensuring business continuity and reducing the social impact of the COVID-19 pandemic.

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