

## NEWSLETTER AUGUST 2009

### Anti-crisis package

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Since **August 22, 2009**, the Act on mitigation of the impact of the economic crisis on employees and employers, dated July 1, 2009, has been in force. This regulation aims at counteracting redundancy during the economic slowdown. These issues are especially directed to entrepreneurs within the meaning of the Act on freedom of the economic activity, while some provisions concern only those entrepreneurs who noted a decrease in the turnover, understood as decrease in sales, by no less than 25%, during three consecutive months following July 1, 2008, as compared to the same three months between July 1, 2007, and June 30, 2008, i.e. the so-called “entrepreneurs encountering temporary difficulties”.

The Act sets forth the rules of :

1. extending the settlement period of working time, setting forth an individual working time schedule of an employee, decreasing the working time, and limiting the possibilities of employment by virtue of a fixed-term employment contract;
2. awarding, payment, and reimbursement of benefits from the Guaranteed Employment Benefits Fund;
3. awarding, payment, and reimbursement of funds allocated to co-financing of trainings and post-graduate studies for employees, as well as to payment of grants financed by the Employment Fund.

The Act provides for the following:

1. **Economic stoppage.** According to the wording of new provisions, an economic stoppage happens when the employees do not work. In fact, they do not do their work, however are able to work again at any moment. Such stoppage may not exceed 6 months. Any employee to be covered by economic stoppage is to give his/her written consent. This provision concerns entrepreneurs undergoing temporary financial difficulties.
2. **Extension of the accounting period.** From now on, it is possible to extend the accounting period up to 12 months, provided general rules of security and hygiene in work are met during that time. Different months may have different number of working hours. Periods of longer work shall be counterbalanced by periods of shorter work or by no work at all. This regulation concerns all entrepreneurs.
3. **Individual working time schedules for particular employees.** According to the Act, these are different hours of starting and finishing work on consecutive days, which means that when an employee starts working again over the same day it shall not be deemed as over-time. Yet it cannot infringe the employees right to rest such as set forth in the Labor Code. This issue is introduced in the collective labor agreement or in an agreement with the trade unions, or with the employees' representatives in case there are no trade unions within the enterprise. In particular cases set forth in the Act, it is also possible that the employee requests that individual working hours schedule be set forth for him/her. This regulation applies to all entrepreneurs.
4. **Decrease in the working time.** This provision allows to decrease the working time such as set forth in the employment agreement for up to six months and no more than down to half the time, with simultaneous, proportional cut-down of the remuneration. This regulation concerns entrepreneurs undergoing temporary financial difficulties.

5. **Fixed-term employment agreements.** The rule such as formulated in the Labor Code has been suspended; from now on (for the period of validity of the Act) the employers are free to offer employees consecutive fixed-term employment contracts for up to 24 months in total. This regulation applies to all entrepreneurs.
6. **Rights of the person entitled to the Guaranteed Employment Benefits Fund.** Upon written request, any employer encountering temporary financial difficulties may get benefits from the Guaranteed Employment Benefits Fund such as set forth in the legal Act: partly payment of salaries for the period of economic stoppage, partly compensation of decrease in the working time, benefits allocated for payment of social contributions, change of terms of reimbursement of a loan granted by the Guaranteed Employment Benefits Fund. Granted benefits are to be taken into account for calculation of social insurance contributions.
7. **Training fund.** An entrepreneur encountering temporary financial difficulties, who has previously created a training fund, can make a request to the appropriate *starosta* (head of the *powiat* authorities) as regards co-financing of trainings and post-graduate studies for employees through Employment Fund. Detailed terms of granting such funds are set forth in the legal Act.

Should you have any further question, please do not hesitate to contact us at:

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**The above information is intended to signal important amendments of the law.**

**They are neither intended to be advice nor legal opinion.**

**However, the practical application of these provisions requires the professional advice from legal adviser.**