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# COVID-19 and Labour Law: Uruguay

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### Abstract

This report briefly presents the main regulatory measures adopted in Uruguay in the context of the coronavirus pandemic. The main measures are categorized in three packages, considering the regulation of the national health emergency, the reinforcement measures, and the necessary adaptations and improvements implemented recently.

**Keywords:** Covid-19; Labour Law; Income support; Remote work; Unemployment.

### 1. Brief Introduction

We are not in a position to determine with certainty when the coronavirus pandemic will be dominated once and for all.

Therefore, all countries are focused on discussing different sanitary measures that must be adopted in real time, finding opposing scientific positions (such as whether it is necessary to adopt mandatory or voluntary isolation, if exposure to the virus is required as a measure to boost people's immunity, whether to wear the protection masks or not, etc.).

On the other hand, the necessary measures to avoid stagnation in the economy have also been analyzed (if incentivize the work of people or discourage them, if it is necessary to adopt credit facility measures, if providing universal basic income, or whether to provide a minimum targeted income to certain sectors of society, etc.).

Likewise, the view from the world of work has focused the study especially evaluating social security systems, challenging its historical insufficiency, and proposing measures to alleviate the labour crisis caused by the coronavirus (such as sickness benefits, unemployment benefits or their flexibility, remote work, etc.).

Regulatory intervention in Uruguay in the context of the COVID-19 pandemic has been dynamic (like the rest of the countries worldwide), seeking to respond to the needs of the population and taking into account the changing evolution of the health status.

Thus, over time, it is possible to detect three packages of measures with varied contents, although chronologically responding to different purposes.

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## 2. First package of measures: national health emergency

In the framework of the recommendation of the World Health Organization to “*keep firm vigilance to find, isolate, test and treat all cases in order to cut the transmission chains*”, a first package of measures had been adopted in Uruguay aimed for defining national health policy, imposing mandatory and preventive measures, as well as non-mandatory educational or of personal liability.

Precisely, the starting point was the declaration of the national health emergency. Along with this definition, it was considered convenient to suspend indefinitely all public shows; close preventively and provisionally the thermal tourist centers; as well as imposing the isolation for a period of 14 days for certain categories of people<sup>1</sup>. In order to effectively comply with these obligations, it was also needed to compel people to report immediately to the health care provider if they present COVID-19 symptoms, and in case of breach of the isolation or the mentioned report obligation, whoever has detailed knowledge of this circumstance, is obliged to report it to the health authority to initiate the corresponding criminal procedure.

On the other hand, educational measures aimed at generating a commitment and personal responsibility of the population, were limited to the exhortation of the suspension of events involving crowding and for extreme measures of cleaning and disinfection in public and private places.

## 3. Second package of measures: reinforcement

In order to reinforce the set of original measures, Uruguay expanded the mandatory measures by prohibiting, in the first place, the disembarkation of passengers and crew from ships and cruise ships that arrive from “high risk areas”, as well as symptomatic people; secondly, the arrival of people from Argentina (except for nationals and residents in Uruguay, the transport of goods, merchandise, correspondence, and humanitarian and health aid); and thirdly, flights from Europe until April 20<sup>th</sup> (except for the transport of goods, merchandise, correspondence and humanitarian and health aid).

Furthermore, it shall be mentioned the mandatory measures adopted in relation to work. Specifically, employers must manage preventive and protective procedures related to COVID-19, providing informational material to workers as well as hygiene material in the workplace, ensuring the adequate cleaning of workplaces and equipment, have available gel alcohol dispensers, and adopt measures to respect a distance of 1.5 meters between people.

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<sup>1</sup> Mandatory isolation is applicable to: a) those who contracted COVID-19; b) those who have fever, and one or more respiratory symptoms (cough, sore throat or respiratory distress) and also, in the last 15 days, have stayed temporarily or permanently in “high risk areas”; c) those who have been in direct contact with confirmed cases of COVID-19; d) people who enter the country after having transited or remained in “high risk areas”.

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Consistent with the determination that it is not appropriate to implement excessive limitations to the individual's liberty, Uruguay also expanded the non-mandatory measures of an educational nature. In this sense, an exhortation was ordered not to travel abroad, under personal responsibility that in case of doing so it will not be possible to access the sickness benefit. Similarly, employers have been urged to implement and promote, when possible, remote work in the homes of workers. In case of being able to implement this work regime, it is necessary that the decision is communicated to the Labour Inspectorate and that adequate implements are provided to carry out the work.

Since the needs of the population have deepened over the short time after the health crisis began, other types of eminently social protection measures had been also introduced.

Thus, access to sickness benefits had been made more flexible, allowing those who must comply with the mandatory isolation to be entitled to it, even when they are not infected.

Likewise, a special unemployment subsidy has been created temporarily for workers with monthly remuneration, mainly those who work in the commerce sector and travel agencies, in cases where a partial suspension of work is verified due to a reduction in days or hours of work. As a characteristic of this subsidy, it has been chosen to introduce some forms of flexibility, since those who have exhausted the time coverage by the general unemployment regime have also been entitled to access for it. From an economic point of view, the subsidy is equal to 25% of the average remuneration for the last 6 months, calculated proportionally to the period covered by the subsidy. Likewise, the minimum insured income is equal to 75% of that average, including what the employer pays for the worked time.

#### **4. Third package of measures: adaption and improvement**

Due to the dynamism and evolution of the state of health, it has been necessary to introduce a third package of measures, aimed at adapting those previously adopted and perfecting them, either by a modification or adopting new ones.

In this contextual framework, it has been understood prudent to modify the special unemployment subsidy, to extend it and cover all activities, not only commerce and travel agencies, as well as temporarily extend the granting of said benefit until May 31<sup>st</sup>.

On the other hand, it should be noted that the characteristic of our general annual leave regime is that it is generated in one year (depending on the working time) and can only be used on the following year. For this reason, another innovative measure has been the possibility of using in advance the annual leave (the one generated in 2020), as long as there is an agreement between worker and employer (motivated by the health emergency), as well as requiring the prior notification of such decision to the Labour Inspectorate, and that the minimum period of 10 days is effectively used.

It has also been admitted the possibility that people over 65 years of age isolate themselves in their homes and that they can access the sickness allowance for within 30 days (except for those who can perform their tasks remotely at home).

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Finally, another measure that concerns work and is closely linked to the economy has been the provision of a mechanism to finance State expenses related to the coronavirus. To this end, a COVID-19 Solidarity Fund has been created, made up of various income received by the State, one of which is a new tax created for this purpose. This tax is paid monthly (from April to May with a possible temporary extension), taxing the remuneration of personal services rendered to the State in relation to dependency whose nominal salary is higher than USD 2.600 approximately, in varying percentages (from 5% to the 20%), depending to four pay bands. Basically, the taxable persons are the public officials and independent workers who provide services for the State; as well as the President and Vice President of the Republic, Legislators, Ministers, Undersecretaries, Intendants, and positions of trust (at the maximum rate of 20%); former Presidents, and other people who receive subsidies for having held public and trust positions; retirees, pensioners, military and police retirees (although concerning a tax with a different name). Those who are expressly excluded are the health staff.

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