



## LABOR AND SOCIAL SECURITY

N/A

**Protocol of Action in Cases of Detection of Persons with Coronavirus Symptoms (COVID-19)**: the Paraguayan labor authority (*Ministerio de Trabajo, Empleo y Seguridad Social* or “MTESS”) established this protocol which is transcribed below:

- a. Upon detection of a worker's symptoms, the employer will immediately give notice to the National Police System 911.
- b. The patient must also be sheltered at home.
- c. Permission shall be granted for the worker for the term of 5 days, or for the time set forth by the MSPyBS for the purpose of carrying out the corresponding analyses.
- d. Once the worker has the medical diagnosis, he will inform the employer within a maximum period of 72 hours about the results of the analysis by any digital means; under no circumstances may it do so on a personal basis, to avoid attending workplaces or other locations with access to the public.
- e. If the results of the tests carried out is positive, the employer should ensure that there are no other workers, with which the affected staff may have had contact, who may have the same symptoms, in order to take preventive measures.
- f. Once the positive diagnosis is communicated, the worker will be able to digitally request the subsidy from the Paraguayan social security (*Instituto de Prevision Social* or “IPS”), or another social security body to which he contributes, avoiding personal presence before any institution. Rest period will start from the day after the disease started and will last until the disease is cured and the beneficiary continues to be treated by the IPS, as provided for in article 30 of the IPS bylaws.
- g. The employer shall in all cases notify the Ministry of Labor, Employment and Social Security of the rest granted.
- h. In the event that the worker does not have social security coverage, the employer shall bear the health costs and those that would correspond to the subsidy for the duration of the worker's rest, without prejudice to the application of the fine by the MTESS for each worker outside the social security system.
- i. During sick leave, the employer may not dismiss the worker, unless the worker is unjustifiably absent from the workplace for three consecutive days or four times in a month. In the event of unjustified dismissal, the employer shall pay the relevant compensation.
- j. Employers that do not comply with the obligations set forth here shall be fined according to the Labor Code. Fines may amount from 10 to 30 minimum daily wages.

March 16 **MTESS Resolution No. 471/2020**: entrusting shops, industries and other entities with employees, to the temporary apply home office contracts for workers whose presence is not required for the performance of their work.

March 17 **MTESS Resolution No. 499/2020**: states that, exceptionally and temporarily during the national health emergency, it would not be an obstacle to grant vacations if the worker fails to communicate the employer with the required prior notice of 15 days. It also urges employers to



grant paid vacations to their workers, in a way that it coincides with the duration of the health emergency.

**MTESS Resolution No. 500/20**: the MTESS has regulated the provisions of articles 71 and 72 of the Labor Code, on the suspension of employment contracts.

The Resolution establishes the following guidelines and orientations that will serve as a regulatory framework for the processing of employment contracts suspension requests:

1. Whatever the cause for the suspension request, the employer must notify the employees or their representatives in writing within a period of not less than 5 calendar days of the start date of the suspension as well as its end date.
2. Within the same period, the employer must communicate in writing to the MTESS the start and end date of the suspension, as well as the causes that motivated it, and must submit the following documentation:
  - Company name and tax certificate.
  - Address, telephone, fax and email.
  - Identification and accreditation of who subscribes the request as legal representative.
  - List of the employees affected by the suspension with indication of name and surname, identity document, seniority, function and place of provision of services. Along with a copy of the identity document of each one.
  - Notifications sent to affected employees or their representatives justifying their receipt.
  - List of employees insured before the social security institute.
  - Private agreement signed with employees (if any).
3. The request for suspension in accordance with the causes set forth in the last paragraph of art. 71 - (a) lack or insufficiency of raw materials or driving force to carry out the tasks; (c) lack of means of payment and the impossibility of obtaining them; (d) excess production in a given industry, relative to economic conditions; (e) impossibility of continuing the work because the exploitation is not profitable; (f) fortuitous event or force majeure; and, (j) annual cessation of work, of the Labor Code must be accompanied, in addition to those mentioned above, the following documents:
  - Authenticated copy of the balance sheet for the last 3 years.
  - Affidavit of VAT for the last 12 months.
  - Inventory book of stock of merchandise from the last 12 months.
  - Economic reactivation plan of the company.

In the absence of a private agreement signed with the employees, the MTESS will give them participation, in addition to reviewing the required documentation. The MTESS must issue a resolution within a period not exceeding 20 business days, approving or not the suspension.

If there is a private agreement signed with the employees, the MTESS will limit the review to the required documentation and will issue a resolution, approving the suspension without further formalities.



The resolution issued approving or not the suspension request may be appealed to the immediate superior by means of the reconsideration appeal, within the term of 3 business days of notification of the resolution.

March 23 **Instructions for commercial premises:** establishes the general instructions that commercial premises throughout the country must follow in order to prevent the spread of COVID-19. It also has organizational measures for workplaces, as well as common areas and sales areas. It also establishes the steps to follow in the event of the detection of a positive case in the establishment.

March 26 [Law 6524/20:](#)

- ✓ [Formalization of Micro, Small and Medium Size Enterprises \("MSME"\):](#) Formalization through a registration and data update process with the Tax Authority ("[SET](#)" for its Spanish acronym), by economic sector, with cooperation from the Ministry of Industry and Commerce ("[MIC](#)"), the Social Security Institution ("[IPS](#)" for its Spanish acronym) and the Ministry of Work, Employment and Social Security ("[MTESS](#)" for its Spanish acronym). The purpose of the formalization is the potential granting of economic support, as described below.
- ✓ [Telecommuting:](#) implementation of telecommuting work regime under employment contract, provided that the nature of the labor relationship allows for such regime.
- ✓ [Benefits:](#) granting of a benefit equal to 25% of the minimum monthly wage to independent workers or to employees of MSMEs under employment contracts not registered to social security. The benefit can be granted up to two times in the same amount, and will be paid to the beneficiaries through financial intermediation institutions (Banks or credit institutions), or electronic payment institutions (through e-wallets) For the granting of this benefit, the Executive Branch is allowed to perform contribution to a Social Fund, in the amount of USD 300,000,000.
- ✓ [Compensations:](#) granting of economic compensations to workers registered to social security when, due to the state of emergency, the total cease of activities in the affected economic sectors or the temporary suspension of employment contracts is ordered. The Management Council of the IPS, in agreement with the Executive Branch, is entitled to regulate the mechanisms required for the administration of resources, the conditions for accessing to the compensations and the calculation methods for the implementation of such.
- ✓ [Maintenance of the IPS coverage to employees:](#) maintaining of coverage of services granted by IPS during the state of emergency, regardless of the payment of the employer-employee contribution.

[MTESS Resolution No. 526/20:](#) Extends the deadline for filing the labor sheets for the 2019 financial year until May 31, 2020.

March 30 [MTESS Resolution No. 539/2020:](#) which simplifies the procedure set out in MTESS Resolution No. 500/2020 for the duration of the health emergency. Accordingly, it provides that in the event that the contract suspension order is requested by an MSMES, the following documents shall be considered as valid:



1. Contract suspension request form.
2. Company's name, RUC, address, telephone, fax and email of the company.
3. Identification of the person that subscribes as a legal representative.
4. Payroll of affected workers, with the respective data of each (first and last name, ID number, address, telephone)
5. Notification of notice of initiation and termination of suspension to workers made by a reliable means.
6. Express justification of the grounds invoked pursuant to the provisions of Article 71 of the Labor Code.

Documents 3,4,5 and 6 shall be submitted as an annex to the mentioned form.

March 31

**MTESS Resolution No. 598/2020**: regulates article 20 of Law No. 6,524 (teleworking).

1. Establishes that the mode of performance of remote activities may be carried out:
  - (a) Full time: the total of the workday is carried out remotely.
  - (b) Workdays interspersed: work is carried out partly in the workplace and partly in the worker's home or other establishment.
  - (c) Temporarily: only for the period of time that the declaration of sanitary emergency lasts.
  - (d) "Online": when the worker must remain connected to a digital platform during the agreed workday.
  - (e) In an "offline" way: when it is not required to be connected to a digital platform to carry out the work.
  - (f) In both forms, according to the nature of the work.
2. Employers who implement the telework modality must: (i) determine which positions are suitable for this modality; and, (ii) prepare and disseminate among the workers a document that indicates the conditions that a person who carries out his / her duties under this modality must have.
3. Teleworkers must remain reachable during the workday and comply with the obligations of the telework contract.
4. If you wish to revoke the teleworking modality before the health emergency is lifted, by any of the parties, this does not imply breaking the contractual link, this modality only implies the change of the place of the work provision.
5. Establishes that the employer's property and information protection control systems must safeguard the privacy rights of the teleworker and the privacy of his home.
6. The employer is responsible for the worker's health and safety. He must inform the health and safety policy at work and the company's protocols.
7. Teleworkers are subjects of compulsory social security (IPS), salaried teleworkers in the private sector who are beneficiaries will have access to the same benefits established by the pension entity.

**Decree No. 3506**:

- ✓ Subsidy to workers will be of 25% of the minimum monthly wage, which amounts to PYG 548,210.





✓ Beneficiaries of the subsidy:

- a) Self-employed, domestic workers and farmers that are not enrolled at IPS nor as taxpayers or the Personal Income Tax (“IRP”).
- b) Workers from a MSMEs or other company, that are not enrolled at IPS nor as taxpayers of the IRP.

Priority shall be given to persons whose income is equal to or less than a minimum monthly wage.

April 03

MTESS release: by which it provides a model of the service order that exceptional workers must have during the extension of the quarantine established by Decree No. 3512/20.

Resolution No. 025-022 / 2020 of the Board of Directors of the Social Security Institute (“IPS”): which regulates the operation regarding the liquidation and final payroll of the beneficiaries of the compensation for suspension of work activities and the rest allowance for COVID-19, remaining as follows:

○ Compensation for suspension of work activities:

- Beneficiaries: contributors active until February 2020 in Mandatory Social Security with a salary range between the minimum taxable and up to two minimum monthly wage.
- Excluded subjects:
  1. Workers of state public companies, decentralized entities and mixed companies.
  2. Workers who are entitled to long-term benefits granted by the IPS (retirement due to seniority or partial disability).
  3. Workers who receive more than two legal minimum wages in force.
  4. Workers whose activities have been suspended or have totally or partially ceased before March 9 or after the Health Emergency was lifted.
- Procedure: to access this benefit, the worker must first notify MTESS of the suspension of their activities. The MTESS will be in charge of sending a list of the suspended workers to the Employer Contribution Directorate, which will verify that the worker meets the necessary requirements. Subsequently, the Management of Economic Benefits will verify in each case:
  1. Workers with the right to ordinary retirement: they may start the retirement process and will be excluded from the payroll of the compensation beneficiaries.
  2. Workers who are enjoying the rest allowance: those who will receive the compensation for suspension only when the rest allowance for COVID-19 has ended, proportionally to the remaining period and as long as the cause subsists.
  3. Contributors with retirement of disability caused by work accident: they will stop receiving said retirement and will receive compensation.
- Settlement and payment: once refined the list, it proceeds to the calculation of working days suspended in the month multiplied by the average daily wage equivalent (PYG 36,547). This compensation will be paid only once for the entire period of suspension of work activities and may not exceed the equivalent of 50% of the legal minimum wage.

○ Rest allowance:



- Beneficiaries: contributing workers with a medical diagnosis of COVID-19 duly accredited with a certificate of medical rest issued by IPS or external professionals.
- Maximum amount: maximum daily value will be equal to that established in Art. 82 of Decree No. 1860/50 and its modifications.
- Rules for calculation: under the same rules for calculating an IPS regular rest allowance.

The previously mentioned provisions will be in force only during the Health Emergency.

April 07

[Resolution No. 023-017 / 2020 of the IPS Board of Directors](#): establishes the following measures as a financial contingency for payments for contributions to the IPS:

- Exemptions: from late payment surcharges corresponding to the normal, complementary forms and installment fees for the months March, April and May 2020 for all employers and insurance subjects, for cash and financed payment.
- Financing: the forms corresponding to the months of March, April and May 2020 may be financed in up to 18 monthly installments, without annual interest or late payment. The requirements to access this financing are:
  1. Employer is up to date until February 2020.
  2. Make an initial installment of at least 5% of the total contributions to be financed
 Employers may consolidate their April and May returns with the same conditions mentioned.
- Benefits:
  1. Exclusion from the Informconf delinquency database.
  2. Certificate of compliance with social security.
  3. Immediate medical coverage and other short-term benefits granted by the IPS for its workers in conjunction with their family group.
- Other types of financing: will be governed by its regulations, except for the initial delivery for installments granted under Resolution C.A. N ° 003-001 / 2020 leaving at least 5% with the same conditions. Likewise, there will be no surcharges for forms and / or fees from March to May 2020.
- The validity of Resolution C.A. N ° 003-001 / 2020 until June 30, 2020.
- Validity: until June 30, 2020.

April 16

[Notice from the MTESS](#): informs that, from April 20, the use of facemasks in work stations will be mandatory.

April 21

[Decree No. 3546](#): regulates article 46 of Law No. 6,524/2020 (subsidy for private sector workers - IPS):

- I. **Economic compensation** for workers affected by the cessation or suspension of economic activities related to the COVID -19 pandemic and to the sanitary measures declared by the Executive Branch; and,
- II. **Allowances** for COVID-19 medical rest diagnosed and/or confirmed

## I. ECONOMIC COMPENSATION

- ✓ Requirements to be beneficiaries:



- Be an active contributor to the general system, who have been suspended or terminated, including domestic workers, whether in the part-time or full-time, part-time or multi-employment regimes.
- That the employer has notified MTESS and IPS of the suspension of the contracts.
- That the worker receives wages between the minimum wage and 2 minimum wages for various unspecified activities.
- ✓ Excluded subjects:
  - Workers of state public companies, decentralized state entities and mixed companies.
  - Workers who, as of March 9, 2020, are entitled to long-term benefits granted by the IPS (retirement due to seniority or partial disability).
  - Workers who earn more than 2 minimum monthly wages in force for various unspecified activities.
  - Workers who have ceased their activities or whose activities have been totally or partially suspended before March 9, 2020 or after the Health Emergency declared by the Government was lifted.
- ✓ Collection Procedure
  - a. Companies affected by the measures of general preventive isolation of people and activities must inform MTESS of their compliance with these measures.
  - b. The MTESS will analyze the request for the suspension of activities partially or totally and will communicate to IPS the list of workers subject to the request for financial compensation.
  - c. Without prejudice to the communication made by the MTESS to the IPS, the MTESS must definitively issue the suspension request, ratifying or denying it. This resolution of the MTESS will be notified again to the IPS.
- ✓ Issuance of Debt Certificates for Payments Made in Case of Rejection of Suspension: In case of denial of the suspension of employment contracts by the MTESS and the IPS has already paid the worker's financial compensation, the IPS will require the employer to reimburse the amount paid to its workers. To this end, the IPS may issue the debt certificate in the name of the employer.
- ✓ Compensation Calculation Formula: the amount to be paid as financial compensation will be obtained by multiplying the equivalent of half a daily wage (Gs. 36,547) by the number of days suspended in the month.
- ✓ Compensation cap: the economic compensation will be paid in a maximum equivalent to 50% of the legal minimum wage for various unspecified activities, for the entire period of suspension of work activities.
- ✓ Validity Period: the economic compensation for cessation of activities or total or partial suspension of employment contracts will be computed from March 9, 2020 and during the period of validity of the Health Emergency decreed by the Government.
- ✓ Payment method. Priority: the IPS will establish the method of payment in accordance with those normally used for the payment of financial benefits. In the payment process, the IPS will give priority to salaried workers dependent on MSMEs.



- ✓ Fraud Detection and Improper Collection of Compensation: In cases of fraud or improper collection of financial compensation, due to employers declaring the suspension of their activities and continuing to carry out their activity on a regular basis with the same workers with suspended employment contracts, the Public Ministry will be immediately notified for the initiation of criminal proceedings.

### III. RESIDENCE SUBSIDY

- ✓ Beneficiaries: Active contributors who have:
  - COVID-19 diagnosis.
  - Confirmation of COVID-19 disease.
- ✓ Rules for calculation: The diagnostic or confirmation allowance of COVID-19 will be calculated under the same calculation rules of an IPS regular medical rest allowance.
- ✓ Subsidy Payment Methods: the subsidy will be paid according to the modalities usually used to pay the subsidies for rest due to common illness.

May 01

**Protocol for work environments in the face of the COVID-19 pandemic:** in which organizational and hygiene measures are established for the prevention and protection of work environments in order to reduce the risk of contagion of COVID-19. It also establishes the guidelines for action against a possible case of COVID-19 in workplaces.