

### Anti-Crisis Package for Employers

On 22 August 2009, the law dated 1 July 2009 on mitigating the effects of economic crisis for employees and entrepreneurs (the "Anti-Crisis Package") will come into force. The purpose of the Anti-Crisis Package is to provide ongoing support for companies which are in interim financial difficulties as a result of the global economic crisis. The support will be provided in the form of financial subsidies in order to reduce the cost of employment and protect jobs. Some provisions will take effect only after their notification by the European Commission, which should take place during September 2009. The Anti-Crisis Package will be in effect **until the end of 2011**, with the possibility of being extended if the downturn continues.

We have set out below the most important provisions of the Anti-Crisis Package:

#### Who can count on financial aid?

Companies that experienced a decline in sales of **at least 25%** for the period from 1 July 2008 to 31 October 2008 when measured against three month period beginning 1 July 2007 will be eligible to obtain subsidies. However, they must meet a few additional conditions i.e. they may not be in bankruptcy, may not have outstanding payments to the Tax Office and Social insurance Office, must develop an appropriate restructuring program and obtain consent from the local office of the Fund of Guaranteed Employee Benefits (FGŚP).

The condition of obtaining subsidies from FGŚP is the employer's obligation not to terminate employees during the subsidised period and thereafter by a period equal to the period of receiving FGŚP funds (max. 6 months). Otherwise the employer will have to return the subsidy.

The subsidies are intended to cover the costs of employment for workers, with whom the employer has entered into a written agreement on economic stoppage for the total duration of max. 6 months. During the stoppage, an employee's salary can be reduced to the amount of minimum wage and part of such reduction will be covered by FGŚP. The employer may also reduce the working time of employees, provide training or pay training scholarships. The subsidies apply only to persons working on the basis of employment contracts.

#### Flexible working hours

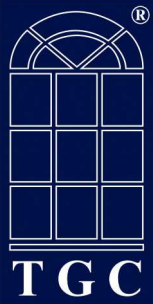
Under justified circumstances the work time settlement period can be extended up to 12 months (now 4 months). During this time, the work time schedule of an individual employee may provide for diversity of the number of hours to be worked in each month under the existing working schedule during a settlement period.

The extension of the work time settlement period has to be introduced - depending on the employer's internal regulations - in the collective work agreement, agreement with trade unions or employees' representatives.

#### Definite term contracts

During the period covered by the Anti-Crisis Package, i.e. until the end of 2011, the total period of employment of an employee on the basis of definite term employment contracts shall not exceed 24 months. This applies to definite contracts entered into after 22 August 2009. This means that where previously a third definite term contract would have changed into an indefinite term contract, such contract will no longer transform automatically into an indefinite contract provided that the definite period does not extend for more than 24 months in total.





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## LABOUR LAW DEPARTMENT

### Subsidised training

An employer in interim financial difficulties may establish company training fund and apply to the Labour Fund for subsidising:

- the cost of employees training for the period of max. 6 months
- the cost of employees' postgraduate studies for a period of max. 12 months

A condition for subsidy is adjustment of the training program to current and future business needs of the employer. The amount of subsidy for one employee shall not exceed 80% of the cost of training or postgraduate study, and max. 300% of the average salary in the previous quarter announced by GUS. The employer has the right to conclude with an employee an agreement on reimbursement of training cost in the event the employee does not complete the training or studies due to his/her fault. During the training period employees receive scholarship granted by the Labour Fund.

**More information about optimisation of employment cost during downturn will be provided at our September seminar – details at [www.tgc.eu/seminars](http://www.tgc.eu/seminars)**

### Contact

Please do not hesitate to contact our experts, if you wish to obtain further information on the anti-crisis package or need our assistance in applying for subsidies:

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