March 13, 2020 Dear clients,

Corona Virus Pandemic – Guidelines for Employers

In light of the many questions we have received due to the Corona virus crisis, we bring you our perspective and insight into to some of the questions that have been raised:

1. Sick pay for employees in quarantine:

- a. An employee who is forced to stay in quarantine, or who is forced to stay with his child who is in quarantine, in accordance with the Ministry of Health's instructions, is entitled to the payment of sick pay in accordance with the terms of his employment agreement and in accordance with the balance of his accrued sick days. An employee who does not have an accumulated illness balance will not be entitled to the payment of sick pay for the days that he is in quarantine.
- b. It is possible to require an employee in quarantine to work remotely if they have the ability. In this case, the employee will be entitled to the regular salary payment and not sick pay.
- c. It is clarified that according to the Ministry of Health instructions, an employer is prohibited from allowing an employee to come to work when he or she must stay in quarantine, even if the employee wishes to do so. In addition, please note that in accordance with the Ministry of Health guidelines, an employer is prohibited from terminating the employment of an employees who is in quarantine.

2. Unpaid leave:

- a. Due to the Corona virus pandemic, employees can be sent to (a forced) unpaid leave. In this regard, the Employment Services issued guidelines stating that, employees can be taken on unpaid leave, without being required to use their accrued vacation days. In addition, they will be entitled to unemployment benefits subject to compliance under the following conditions:
 - The unpaid leave is for a period of at least 30 days.
 - They meet the conditions of the law for unemployment benefits as described on the *"Bitoach Leumi"* website.
- b. If the employer decides to send his employees on an unpaid leave, he must fill out the form BL 1514 "employers' approval of the period of employment and wages".
 Please see the following link for the form –
- c. Please note that although the Employment Service defines the unpaid leave as a compulsory leave, employees cannot be forced to leave without their written consent.
- d. During the unpaid leave, the employer must continue paying his employees social security payments for the first two months of their unpaid leave. In addition, employees should be instructed to take care of their pension continuum during the unpaid leave.

3. Vacation days:

a. As stated, in accordance with the instructions mentioned above, employees are not required to use their accrued vacation days to be eligible for unemployment benefits. However, the employer has an option of requiring an employee to take an unpaid leave while using their accrued vacation days. It is possible if the unpaid leave is a consecutive leave of 7 calendar days or more, then the employer needs to give a 14day advanced notice to his employee. If the unpaid leave is under 7 consecutive days, then the employer is not obligated to give an advanced notice. It will be noted that with the written consent of the employee, the required period notice may be shortened.

4. <u>Reduction of salary and the reduction of position:</u>

a. It is possible to reduce an employees' salary or position. However, the employees' consent is needed in order to allow such actions. When these actions are taken in regard to all employees, an employee who does not agree to a change in the terms of his employment, he can resign and his resignation will be considered resignation as dismissal notice.

5. <u>Gathering / Changing work orders:</u>

a. The Ministry of Health's instructions require the prevention of gatherings and their purpose is to prevent future contamination from the virus. Accordingly, workplaces are required to assess shifting orders and reduce the number of employees in each shift, as well as to comply with additional provisions regarding employee distance, prevention of staff transfers etc. These instructions, that their purpose is to reduce the contamination and exposure to the virus are under the employer's administrative prerogative. Under these circumstances, a written notice regarding the change in work procedures is sufficient.

6. <u>Declaration of Emergency:</u>

a. If an emergency period is declared and workplaces will be required to close, as done in other emergency periods (such as security emergencies), the situation is likely to apply to changes required by the Employment Protection Act 2006. According to this law, if an emergency is declared, an employee cannot be fired due to absence from work or failure to perform work. In addition, during this period of emergency, the employees' absence will not harm his or hers working day sequence that is required for social rights calculating.

- b. Regarding the payment of wages during the emergency period, there is no automatic right to receive wages while an employee is absent from work and does not provide work. Presumably, as in other emergencies in the past, there will be a special temporary provision order for employees who are forced to stay in their homes due to the emergency period. In the past, the provisions usually provided for the payment of wages against deduction of vacation days, and there were cases where the burden was shared between employees, employers and the state authorities. Presumably, such orders will be issued in this current situation as well.
- 7. We are available for any additional information in this regard.

Sincerely yours,

Employment & Labor department

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