

Global Tax Alert

News from EY Americas Tax

El Salvador declares state of national emergency due to COVID-19

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Through Legislative Decree 593, El Salvador has declared a state of national emergency, state of public calamity and natural disaster for 30 days due to the COVID-19 pandemic. The legislative decree establishes the following immediate measures:

1. All people must limit their travel, via public or private transportation, in affected zones or at-risk areas.
2. Mass gatherings of people must be limited (currently, no more than 50 people), effectively suspending all types of shows or gatherings that represent a risk to public health.
3. Maximum prices will be fixed and modified for articles, goods, supplies or services directly related with the prevention, treatment, and containment of COVID-19.
4. The entry into El Salvador or movement of people infected with COVID-19 is limited to the entry or movement required to receive the corresponding treatment.

The legislative decree suspends administrative and judicial processes for those 30 days. Administrative and judicial processes related to criminal and electorate law, however, are not suspended.

Additionally, the legislative decree establishes that workers who are subject to a quarantine ordered by the competent authority, as well as all those unable to return to the workplace due to immigration or health restrictions decreed in the country or abroad, may not be fired or have their wages reduced. Labor stability will be guaranteed once the quarantine has been ordered. Labor stability will continue to apply for three months after the quarantine ends.

The legislative decree authorizes the Public Administration to suspend the work of its employees, provided that the service is not considered vital to provide the aid and assistance necessary to overcome the emergency. Employees will have the right to ordinary remuneration for the duration of the suspension.

Likewise, people who are unable to fulfill their obligations because they are directly affected by the measures set forth in the legislative decree will not be in breach of contractual obligations and will not incur any civil or commercial penalties.

President's instructions

Finally, in response to instructions issued by the President, as a result of the national emergency declaration, as of 16 March 2020, workers in the public and private sectors must stop going to their work centers and work from home. The right to remuneration will be preserved, if the worker:

- ▶ Is over 60 years old
- ▶ Is pregnant
- ▶ Has kidney failure
- ▶ Is immunosuppressed
- ▶ Has a serious heart condition

The Ministry of Labor may protect the right to remuneration in other cases.

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