

January, 2018

NEW INSURANCE FOR THE ACCOMPANIMENT OF CHILDREN WITH SERIOUS ILLNESS

On December 30th, 2017, Law No. 21,063 was published in the Official Gazette, creating an insurance for the accompaniment of children suffering from certain serious diseases (hereinafter, the "Insurance") and that modifies article 199 bis of the Labor Code (hereinafter the "Law").

The main terms of the Law are the following:

- 1. Purpose:** The Law creates a mandatory insurance for parents of children affected by **a)** cancer; **b)** solid organ transplant and hematopoietic progenitors; **c)** terminal stage or phase of life; and **d)** severe accident, with life risk or severe and permanent functional effect, in order to grant them a leave of absence from work for purposes of supporting or taking personal care of their affected children. During this period, parents will receive a subsidy that replaces, totally or partially, their remuneration.
- 2. Individuals who trigger the benefit:** In case of cancer, solid organ transplant and hematopoietic progenitor and terminal stage or phase of life, the individuals who trigger the benefit are children over one year of age and under 18 years of age. In case of severe accident, with life risk or severe and permanent functional effect, the individuals who trigger the benefit are children over one year of age and under 15 years of age.
- 3. Maximum term of the leave of absence:** The maximum term of the leave of absence can be of 45 days, 90 days or until the death of the child, depending on the health condition that affects the minor.
- 4. Insurance financing:** The Insurance will be financed with, among others, a monthly contribution of 0.03% of the employee's remuneration, borne by the employer. This contribution will be gradually implemented in the same proportion in which the extraordinary contribution for the work accidents and occupational diseases insurance is extinguished, starting with a 0.01% of the employee's remuneration until reaching the contribution of 0.03% in January, 2020.
- 5. Modification of article 199 bis of the Labor Code:** The Law modifies article 199 bis of the Labor Code, regulating, among other matters, a new special leave of absence for the employee whose spouse, civil partner or parents have been declared in a terminal state of life. This leave of absence is equal to the number of hour equivalent to the employee's 10 ordinary work days in one year.

The non-worked time must be compensated by the employee through the different mechanisms set forth in the law and the leave of absence may be deducted from the employee's remuneration in the proportion of one day per month.



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