

Emergency Measure Bridging Work Retention

Update 17th of March 2020

An entrepreneur who expects a loss of turnover (at least 20%), can submit an application to the UWV for a contribution in the wage costs for a period of three months. This period can be extended once by another 3 months. The Emergency Measure may (in advance) stipulate that further conditions will be imposed on the extension of the contribution. This is a contribution in the wage costs for a maximum of 90% of the total wage costs, depending on the actual loss of turnover (and not the loss of hours, which was the case under the “old” working-time reduction scheme). If the loss of turnover is 100%, for example because the company is closed, 90% of the wage costs will be compensated. If the loss of turnover is 50%, 45% of the wage costs will be compensated.

Maximum 90%

Under the “old” working-time reduction scheme, the government in the first two months paid 75% of the last earned wages for the employer, which is therefore under the Emergency Measure increased to a maximum of 90%. What is also new, is that the government also opens the Emergency Measure for on-call workers and employees with a zero-hour contract. In addition, temporary employment agencies can also apply for a contribution in the wage costs for temporary workers who work for them.

Contrary to the ‘old’ working-time reduction scheme, the compensation under the new Emergency Measure will for the most part be paid out in the form of an advance. The UWV will provide an advance of 80% of the requested contribution. Afterwards it will be determined what the actual loss of turnover has been (this can lead to a higher refund, or to a recovery if too much has been allocated). An auditor’s report will only be required for large applications. These are applications above an (absolute) amount of the requested contribution that is yet to be determined.

Continue paying personnel

The new working-time reduction scheme will enable companies to continue paying their personnel. This is subject to conditions, however: (1) no personnel may be fired for business economic reasons during the period of the contribution, and (2) the wages (100%) must actually be paid through. This Temporary Emergency Measure Bridging Work Retention (NOW) will be opened as soon as possible, and replaces the old working-time reduction scheme. An important difference with the old working-time reduction scheme is also that employees under the new scheme do not use up their unemployment benefits, because the new scheme is completely separated from the unemployment benefit. Employees and employers can therefore agree themselves whether employees should perform work or not.

New applications

With immediate effect, no new applications for working-time reduction under the old working-time reduction scheme can be submitted to the Ministry of Social Affairs and Employment anymore. Applications that have already been submitted but that have not been processed yet, will be handled under the new scheme (CROP will by telephone contact all entrepreneurs for whom we have already submitted the initial application). The Ministry is working very hard to open the scheme as soon as possible. As soon as it is known from which date applications can be submitted to the UWV, this will immediately be made public on a wide scale.

If a permit for working-time reduction under the old scheme has already been applied for and received, the permit will be handled in accordance with the old scheme. An extension of the duration of that permit is no longer possible, however. If an extension is necessary, a new application will have to be submitted under and on the basis of the new scheme. The new scheme will provide information regarding what to do in case of concurrence of the working-time reduction and the possibility of making use of the new scheme.

If an application under the old working-time reduction scheme has been refused in an exceptional case, the relevant entrepreneur can submit a new application under the new NOW scheme.

Entrepreneurs can apply for the compensation for a loss of turnover with retroactive effect as from 1 March 2020.

Do you have any questions after reading this article, or can we help you with anything?
Please contact us: coronadesk@crop.nl