

ADDITIONAL MEASURES CORONAVIRUS: EMERGENCY PACKAGES JOBS AND ECONOMY

In a letter of Tuesday March 17, 2020, the government announced additional measures on top of the measures of Thursday March 12.

The government writes: "The government has opted for a massive and broad package that, through the potential use of billions per month, aims to save jobs and limit the economic consequences."

This emergency package applies for the next 3 months, during which the government closely follows developments and makes adjustments if the situation requires it. ESJ will inform you by means of this newsletter about the announced measures.

These are divided into:

- Temporary Emergency Measure Bridging for Retention of Work;
- Extra temporary income support for self-employed professionals (ZZP-ers);
- Tax measures

If you have any questions, you can of course contact your contact person or colleague Jeroen Uitermark.

No more working time reduction, temporary Emergency Measure Bridging for Work Retention (NOW) the replacement

Working time reduction withdrawn

The short-time working scheme has been withdrawn with immediate effect. The government will come up with a replacement scheme: the temporary Emergency Measure Bridging for Retention of Work (NOW). In the event of calamities that are not related to the coronavirus, you can no longer benefit from the short-time working scheme.

Applications for working time reduction already submitted

If you have recently submitted an application for a reduction in working hours, you do not have to submit a new application. Your request for a reduction of working hours will automatically be converted into an application for the new NOW scheme. However, additional information may still be requested from the applicant.

Work time reduction permits already issued

If you have recently submitted and received an application for a reduction in working hours, this permit will remain in force. If you want to extend after the permit for working time reduction, you must use the new scheme, the Emergency Measure Bridging for Retention of Work.

Contents temporary Emergency measure Bridging for Retention of Work

Main features: What does the scheme entail?

The government is currently working on the exact details of the emergency measure. It is therefore not yet possible to submit an application. The main features of the new scheme have already been set out below for you:

- As an employer, you can submit an application for a "substantial" contribution towards labor costs. You will then receive an advance through the UWV
- This allowance applies in any case for 3 months, with the possibility of extension (under any additional conditions) by another 3 months
- The scheme applies to companies of all sizes and will take effect retroactively from 1 March 2020
- The allowance applies to permanent employees and employees with a flexible contract insofar as they remain employed during the application period
- The scheme is disconnected from the unemployment benefit, employees are therefore not entitled to their accrued unemployment benefits

Which conditions apply?

- Employees may not be fired for business reasons during the period for which the allowance is received
- You expect at least a 20% loss of turnover as a result of the corona crisis
- For (to be further defined) "large" applications, an auditor's report is required

Extent of the allowance

The amount of the wage costs allowance depends on the drop in turnover, with a maximum of 90% of the wage bill.

As an example:

- If 100% of the turnover is lost, the compensation is 90% (90% x 100%)
- If 50% of the turnover is lost, the allowance is 45% (90% x 50%)
- If 25% of the turnover is lost, the contribution will be 22.5% (90% x 25%)

On the basis of the application, the UWV will in any case provide 80% of the amount as an advance.

The final amount of the allowance is determined afterwards on the basis of the actual decrease in turnover. This amount will then be deducted from the advance already received. If you have received too much compensation, this can also result in a possible reclaim.

Extra temporary income support for self-employed professionals (ZZP-ers)

The government will provide a temporary provision (3 months) to support self-employed professionals in the continuation of their profession or business. This scheme will be executed by the municipalities. The government is currently working on the exact details of the emergency measure. The main features of the new scheme are set out below.

Main features: What does the scheme entail?

Self-employed workers can receive additional income support for living expenses through an accelerated procedure.

- The accelerated procedure means that income support for living is provided within 4 weeks
- Income support takes the form of a supplementary benefit and / or in the form of working capital

Scope of income support

- The level of income support depends on income and household composition
- The amount of income support amounts to a maximum of approx. € 1,500 per month (net)
- The entrepreneur is sure that the income support for living does not have to be paid back. It is provided "for free"
- There is no partner or equity test

Working capital loan

- Applications via the accelerated procedure also apply for applications for a working capital loan of up to € 10,157
- When granting a working capital loan, a possibility to defer the repayment obligation is included
- A lower interest rate applies when a working capital loan is granted.

Emergency counter

If you, as an entrepreneur, are directly affected by government measures to combat the corona virus and see your turnover disappear completely or largely as a result, you may be eligible for a one-off lump sum of € 4,000 for a period of 3 months.

The conditions for this allowance are being worked out in more detail, but this could include the catering sector, for example, but also beauty salons that run into problems due to the 1.5-meter distance requirement.

Tax measures

Postponement of payment of taxes

You can apply for a postponement of payment from the tax authorities by letter. The tax authorities then immediately stop the collection of payment measures and your request will only be assessed later. In addition to the measures of March 12, you do not immediately have to send the required "statement from a third-party expert".

Recovery interest and tax interest to 0.01%

If an assessment is not paid on time, recovery interest is charged. In order to facilitate the easy choice to defer payment, the recovery interest will be reduced from 4% to 0.01% from 23 March. This reduction applies to all tax debts.

Furthermore, with effect from 1 June 2020, the tax rate will also be reduced to 0.01%. Income tax is an exception to this. This will be reduced, however, from 1 July 2020.

The reason that these percentages are not reduced to 0% is that this is not technically possible.

Decrease preliminary assessment

As previously announced, if you expect a lower profit due to the corona virus, you can request to change your provisional assessment (income tax or corporate tax).

Finally

The emergency measures were presented by the government on March 17, 2020 and designed in a short time. Many measures are new and will be fleshed out in the coming period. We will of course continue to monitor this for you. If you have any questions about the new support measures, please contact your account manager at ESJ.

Contact

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