

Q&A Emergency fund for Bridging Work (NOW)

In Dutch: Noodfonds Overbrugging Werkbehoud (NOW)

On Tuesday, 17 March 2020, Minister Koolmees announced that, under the Corona provisions, the short-time work scheme (in Dutch: *Werktijdverkorting*) (WTV) will be immediately repealed and replaced by a new temporary measure: Emergency fund for Bridging Work (NOW). The NOW is currently being worked out in more detail, as a result of which not all details are yet known. Below you will find our Q&A with answers to questions that have already been announced. We will keep you informed as soon as more information becomes available.

Please note: this product was last updated on 20 March 2020 at 16:00. As soon as changes occur due to measures taken by the Cabinet, we will inform you as soon as possible and adjust this Q&A where necessary.

What does the NOW mean?

Through the NOW (in Dutch known as Noodfonds Overbrugging Werkgelegenheid) you can receive an compensation for wage costs if there is a decrease in turnover of at least 20%. The compensation is valid for three months, with the possibility of extension for another three months.

When am I eligible for the NOW?

There are a number of conditions to qualify for the NOW:

- During the period for which you receive the compensation, you undertake not to apply for dismissal for business economic reasons for your employees;
- during this period, you are obliged to continue to pay your employees the full wage;
- you expect a loss of turnover of at least 20%; and
- the NOW relates to decreases in turnover as from 1 March 2020.

Am I still eligible for the NOW in case I dismiss one of my employees?

Although the definitive legislation has yet to be finalised, this seems likely as long as you don't dismiss your employees on economic grounds. For example, dismissal based on the ground of long-term sickness, inadequate performance or dismissal during the probation period do not appear to hinder a successful application under the NOW.

What is the amount of the compensation?

The amount depends on the decrease in turnover and amounts to a maximum of 90% of the wage bill. Below are a few examples:

- In the event of a decrease in turnover of 100%, the compensation amounts to 90% of the wage and salary bill.
- In the event of a decrease in turnover of 50%, the compensation amounts to 45% of the wage and salary bill.
- In the event of a decrease in turnover of 25%, the compensation amounts to 22.5% of the wage and salary bill.

Based on your application, you will receive an advance of 80% of the expected compensation from the UWV. A correction will be made when the compensation is finally determined if it appears that the wage bill has decreased (e.g. as a result of resignation or natural turnover).

How do I submit the application?

The application must be submitted to the UWV. The NOW is currently being further developed. It is not possible to submit an application yet, nor is yet known when this will be possible. We will inform you as soon as we know more about this. The period over which you can receive compensation does not depend on the time of submission. The decrease of turnover as from 1 March 2020 is eligible for compensation.

Does the compensation also apply to employees with a flexible contract?

Yes. The NOW also applies to the wage costs for employees for whom you, as an employer, have no obligation to continue paying wages, such as employees with an on-call contract. If you are a temporary employment agency, you can apply for an compensation for wage costs for temporary employees who are employed by you.

Do I have to continue to pay my employee's wages?

Yes. A condition to qualify for the NOW is that the wages are paid in full. With this, the Cabinet wants to offer the employees financial security.

Does the NOW affect the WW of my employees?

No. The NOW is completely disconnected from the Unemployment Act (WW). Contrary to the WTV, your employee will not receive WW for the hours he works less, but you will have to continue to pay the wages in full. This way, your employee does not consume his/her WW rights either.

Is something expected of my employees?

No. The application for the NOW runs through you as employer. Your employees do not have to do anything.

Can I still apply for WTV?

No. The WTV regulation has been withdrawn. You must make use of the NOW.

I already have a permit for WTV. Will it remain valid?

Yes, it will. If you already have a permit for WTV, it permit will remain valid for the period for which the permit was issued (maximum 6 weeks). If you want an extension after this permit expires, you must submit an application for the NOW. Apply for this no later than the last week of the permit period.

I have already applied for a permit for WTV, but it has not yet been granted. What now?

Your application for WTV will be regarded as an application for the NOW. However, as the NOW is set up differently from the WTV, other information is also required. You will be contacted to request this information.

Do you have questions about the Emergency Fund Bridging Employment or about the short-time work scheme? Please contact Joost Schunselaar (j.schunselaar@holla.nl) or Marloes Stuurop (m.stuurop@holla.nl) or one of the other specialists of the Employment Law Business Unit (088-4402400).