

**Information on Belgian social and economic measures to face the COVID-19  
(situation on the 23<sup>th</sup> March 2020)**

**FGTB-ABVV / ACV-CSC / CGSLB-ACLVB**

**You will find here a summary of the social and economic measures to face the coronavirus crisis. Most of these measures have been negotiated on a bipartite between social partners or on a tripartite basis with the government. The most important measures concern probably the temporary unemployment. Social dialogue, collective bargaining and tripartism are very active and occur on a daily basis at all levels (federal, branch, regional and enterprise). Trade Unions continue negotiating and claiming measures to maximize protection for the workers, especially for those who must go to work and can't telework, and to minimize job and revenue losses. For more information, you can take a look at the websites of the three trade unions, which provides many information on a daily basis (in French and Dutch):**

<http://www.fgtb.be/>

<https://www.lacsc.be/>

<https://www.cgslb.be/>

**What is the situation today in Belgium?**

New measures entered into force on the 18 March in order to limit the pandemic.

- Everyone must stay at home (with some exceptions like going to work, shopping for essential goods, going to the doctor or the medicine,...)
- At company level:
  - All shop are closed except food shops, pharmacy, petrol stations and hairdressers (1 customer a time) with specific precautions
  - Teleworking is compulsory for all companies not belonging to essential services. Where this is not possible, companies must guaranteed the social distance (1m75) between workers. If measures are not followed, the company must close down.
  - Schools are closed but schools will continue to care of children whose parents work in the care sector or essential public services. Nurseries remain open.
- All non-essential journeys are prohibited

**Social and economic measures decided so far:**

- As you know, Belgium is a federal state with different levels of power and with specific competencies. In this case, federal and regional governments have taken decisions on several economic measures.
- Belgium is also characterized by a strong social dialogue and tripartism. Alongside the governments' measures, social dialogue is very active at all the levels (federal, branch and enterprises). Trade unions have at national level negotiated already and continue to do so for protection of workers under the harsh Corona virus circumstances (see infra). Workers are encouraged at workplace level to actively engage through the social dialogue instances of works' council and Committee for Health and Safety of welfare at work to act for the interests of the workers, especially for safe and protected conditions of work and compliance of the employer with laws and regulations in place concerning protection of workers in face of the Corona virus. Normally, social elections were foreseen in every work place in the private sector and in state owned

enterprises on the 11<sup>th</sup> of May for the delegates of the works council and for the Committee for Welfare at Work (mandate 2020-2025) on the 11<sup>th</sup> of May, but these elections have been differed, because campaigning in the present circumstances is impossible.

- An Economic Risk Management Group has been launched on 19<sup>th</sup> of March composed of federal and regional governments, social partners and public institutions (national bank and Federal Plan Office).

#### **At national or federal level:**

The governor of the National Bank stated that the budgetary consolidation must be abandoned.

#### **Support related to unemployment**

**Temporary unemployment due to “force majeure” or economic reasons.** In certain situations, the coronavirus can cause temporary unemployment due to force majeure or for economic reasons.

#### **Temporary unemployment due to “force majeure” may occur:**

- when a worker has stayed in a country affected by Covid-19 and either cannot return to Belgium or is quarantined;
- when a Belgian company, affected by the consequences of the coronavirus in a country at risk (because they depend on suppliers from the affected region) can no longer continue to employ staff due to the cessation of production;
- when a company makes its employees temporarily unemployed for economic reasons, it may, pending the completion of the procedure for recognition as a company in difficulty, invoke temporary unemployment for reasons of force majeure.
- The worker receives 65% of his capped average remuneration (capped at EUR 2,754.76 per month). Until June 30, 2020, however, the amount of temporary unemployment benefit is increased to 70% of the average earnings limit.

**Temporary unemployment for economic reasons** can be requested by companies which, following the spread of the coronavirus, are affected by a decrease in their clientele, production, turnover, orders, etc. and where the normal working regime cannot be maintained.

Normally, the worker receives 65% of his capped average remuneration (capped at EUR 2,754.76 per month). But due to the advocacy of the Belgian unions in the national social dialogue, until June 30, 2020, the amount of the temporary unemployment benefit is however increased to 70% of the average earnings limit.

The government adds an additional 5,63 euro a day on top of this for temporary unemployed workers

#### **Support measures for self-employed workers who face difficulties**

The self-employed who face difficulties due to COVID-19, may call in three types of measures, concerning the payment of social contributions:

- deferred payment and waiving the increments : The self-employed and assisting partner may submit a form to their social insurance fund to request a one-year delay of the provisional social contributions payment. This measure already applies to the provisional contributions related to the first and second quarter of 2020.
- Reduction of the provisional social contributions: The self-employed may apply for a reduction of their provisional social contributions for the year 2020 if their professional income is lower than one of the legal thresholds.
- Exemption of social contributions : The self-employed may ask for such an exemption.

In addition, the workers working primarily as self-employed (including the assistants) and the assisting partner who are forced to interrupt their self-employed activity due to the COVID-19, may, under conditions, use a « droit-passerelle » (bridge-right). These situations are examined case by case. The financial support amounts to 1.614,10 euros per month (in case of dependency).

## **Measures aiming at the functioning of the social protection and thus guaranteeing the citizen's rights.**

- Extension of temporary unemployment (increased from 65 to 70% until 30/06/2020). At this moment, due to large number of applications, everyone asking for it will receive a fixed amount of 1.450 euros per month.
- Payment schedule for social security contribution for companies and self-employed (due for the first two quarters of 2020) for 18 months and exemption of interest in case of late payment (both linked to the Covid-19)
- Payment schedule and exemption for several fines: corporate tax, TVA, personal income tax. If proof that postponement is due to the Covid-19
- Right for self-employed persons in the event of cessation of activities (1.582 euros for self-employed persons with family responsibilities).

## **Social integration**

The right to social integration is residual. Under the regulation framework, some groups (for instance people who experience a loss of income their revenue due to technical or temporarily unemployment) may ask for income support. Further measures to mitigate the negative effects of the crisis measures can nevertheless be considered according to needs. The instructions to the local centers for social action competent for social integration aim at maintaining the centers services available (including a physical permanence).

## **Regional level**

### **Flanders**

- Flemish companies that are obliged to close their business due to policy decisions related to the corona virus are supported by a flat-rate subsidy, and a special premium per day if the closure would last longer as a result of the corona measures. The flat-rate subsidy for companies that must be closed every day is EUR 4,000. The fixed subsidy for companies with a mandatory weekend closure is 2000 euros. If the company still has to close all or part of its business 21 days after 13/03/2020, they will receive a fee of 160 euros per day.
- Deferral of property tax payment for businesses –
- EUR 100 million is earmarked for crisis guarantees. In this way, companies and self-employed persons can have a bridging loan guaranteed by the ParticipatieMaatschappij Vlaanderen during this crisis period. This measure is in addition to existing guarantees for investment credits and working capital. With this, 1000 loans of 100,000 euros can be guaranteed that can be placed under the 75% regional guarantee
- Flanders facilitates contacts between business organizations and the financial sector to make agreements about the impact of the crisis on the liquidity and repayment capacity of companies, individuals and families.
- Companies that are experiencing difficulties due to the crisis to meet the deadlines foreseen for certain subsidies from Flanders Innovation & Entrepreneurship, can consult with the agency about the possibility of extending these deadlines
- The Flemish Government asks all employees / employers to switch to teleworking as much as possible. If this is not possible, they must bet on flexible working hours.
- Flemish bridging premium for employees from companies who are affected by the coronavirus measures (at least a -20% drop in turnover) and who avoid their employees becoming permanently or temporarily unemployed through redistributive measures (temporary part-time work)
- Payment of energy bill by the government in case of temporary unemployment
- Incentive bonus for those who switch to part-time work (on the top of unemployment benefits)
- Catering sector: flat rate compensation of 2000 euros for week end closure and 4000 euros for total closure. After three weeks of closure: daily premium of 160 euros/day. Payment schedule for companies for their Flemish tax obligations.

#### Measures under investigation

- elaboration of a claim settlement / disaster fund for affected companies
- To be elaborated: arrangements with banks and claims settlement for perishable products

#### Wallonia

In general, Wallonia is working with all the country's authorities to combat the coronavirus epidemic and more specifically, has adopted the following actions:

- At the Walloon Region level, a Walloon Government Decree, laying down various civil service provisions in the context of the coronavirus pandemic, was adopted on 13 March 2020. This decree organizes, in particular, the use of telework, leave for compelling family reasons, as well as timetabling arrangements for staff who cannot, because of their function, resort to telework.
- Emergency fund of 233 million euros (to be distributed in consultation with sectors: for example: 5000 euros for companies closed during the period,...)
- For companies who cannot afford to pay energy bill, possibility to postpone the payments.
- Aid from regional guarantee fund.

#### Brussels-Capital

- The payment of a one-off grant for all businesses affected by the emergency measures and have been forced to close;
- The cancellation of the Brussels Regional City Tax for the first semester of 2020;
- Support to ensure the cash flow of affected businesses through the granting public guarantees (via the Brussels Guarantee Fund) on bank loans, for a total of 20 million euros;
- The creation of a delegated assignment to Finance&Invest.brussels, including:
  - Access to loans with a reduced interest rate for key suppliers of the HORECA sector allowing them to offer deferred payments for the HORECA sector;
  - Access to loans with a reduced interest rate for HORECA businesses employing more than 50 people.
- A moratorium on capital reimbursement on loans granted by finance&invest.brussels to companies in the impacted sectors;
- Accelerated (and early) processing, commitment and payment of economic expansion ~~direct~~-aid (subsidies) in the following sectors: HORECA , tourism, events and culture;

Strengthening support mechanisms for businesses in difficulty by increasing the funding of the Centre for Companies in Difficulty

#### Social Partners statements:

Two joint statements were issued :

- 6 march: calling on to include social partners in discussions, to find solutions towards economic stability and protecting jobs, to spread information to avoid higher health risks, and to endorse consultations at company level
- 10 march: calling for daily monitoring of the situation by assuming joint responsibilities to keep the economy running, while ensuring workers' health and safety.
- 17 march: supporting government's lockdown measures and agreeing to work together towards fending off social and economic impacts – also through bipartite National Labour Council (Conseil national du travail), company level and the public social security bodies that they are members of.