

The Tripartite Council approved the 60:40 scheme for all sectors affected by the COVID-19 crisis

30 March 2020

The National Council for Tripartite Cooperation approved the proposal of CITUB for all sectors affected by the current crisis to be eligible for state aid under the 60:40 scheme, which envisions the government covering 60 per cent of salaries and the employers the remaining 40 percent. Thus the initially proposed by the government list of eligible entities to be supported by the state was dropped.

The list of sectors that will be eligible for support will only be valid if the enterprise has ceased operations as a result of the orders issued by the Health Minister for the closure of malls, restaurants, amusement arcades, cinemas, etc.

The social partners also adopted CITUB's proposal that companies which have experienced a 20% revenue drop can also apply for assistance. In this case, the government will choose between one of two possible approaches - a comparison between March 2020 and March 2019 revenue, as proposed by CITUB, or 1/12 of last year's net sales as proposed by the Bulgarian Industrial Capital Association (BICA).

“The government will consider which of the two options of equivalent importance to choose, both of them are economically viable”, said CITUB President Plamen Dimitrov.

To prove the decline, companies have to provide their reports from last year and data on this year to the Labour Bureaus.

For the sake of transparency, a public register will be created for all businesses to receive funding under the scheme. It will be maintained by the National Social Security Institute.

As part of the decree, the Tripartite Council supported yet another opportunity for business assistance, also proposed by CITUB - for workers that have passed to part-time work by order of the employer. In this case, the criterion for decline in sales will again apply, with the measure providing for a proportionate compensation to workers for their lost income as a result of the reduced working hours, but not more than 60 percent of their remuneration. Support for part-time work implemented as a result of the crisis will apply to all sectors of the economy.

“We believe that the proposals will be effective and will help the companies in this difficult situation”, commented CITUB President Plamen Dimitrov.