

COVID-19 employment-related support measures - whatâ€™s on the horizon?



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Last month, the Belgian government agreed on a series of additional support measures for companies, employees and self-employed individuals to boost the economy in the aftermath of the corona crisis. These additional measures are further detailed in Royal Decree no. 46 of 26 June 2020, which was published in the Belgian Official Gazette of 1 July 2020.

This Royal Decree thus formalises this latest wave of COVID-19 employment-related measures, on which we already briefly communicated in our last week's newsletter. The Royal Decree lays out different support measures, including a transitional system for temporary unemployment.

Transitional system for temporary unemployment

The simplified procedure for temporary unemployment due to force majeure resulting from the COVID-19 pandemic has been extended until 31 August 2020 for all industries and even until the end of the year for industries in difficulties, such as the hospitality industry. However, this extension for industries in difficulties has not yet been formalised in legislation. Moreover, we are still awaiting more details on the list of the industries in difficulties for which this further extension will be applicable.

Royal Decree no. 46 introduces a transitional system of temporary unemployment for use by employers that can no longer invoke the simplified procedure for temporary unemployment due to force majeure resulting from the COVID-19 pandemic after 31 August 2020. This transitional system consists in easing several provisions of the regular system of temporary unemployment due to economic reasons and will be applicable during the period from 1 September 2020 up until and including 31 December 2020. As such, this transitional system will result in a gradual shift from the simplified procedure for temporary unemployment due to force majeure resulting from the COVID-19 pandemic to the regular system of temporary unemployment for economic reasons.

Below, we will indicate which derogations from the regular system of temporary unemployment

due to economic reasons will be applicable during the above-mentioned transitional period. Please note that, apart from these specific derogations, all other conditions for temporary unemployment due to economic reasons will continue to be fully applicable.

For blue-collar workers: extension of maximum duration

With respect to the system of temporary unemployment due to economic reasons for blue-collar workers, only the maximum duration of the temporary unemployment will be adjusted. During the transitional period, a full suspension of the employment contract will be possible for a maximum period of 8 weeks instead of 4 weeks. For a partial suspension of the employment agreement (i.e. less than 3 working days per week or less than 1 working week for every 2 weeks), the maximum duration is increased to 18 weeks instead of the regular 3 months.

For white-collar workers: simplified application, training obligation and extension of maximum duration

With respect to the system of temporary unemployment due to economic reasons for white-collar workers, several derogations will be applicable during the transitional period.

First of all, the availability of the system of temporary unemployment due to economic reasons will temporarily not be restricted to companies that are recognised as companies in difficulties. However, in order to invoke this system of temporary unemployment, the company must evidence that - in the quarter preceding the introduction of economic unemployment for white-collar workers - it experienced a substantial decrease of at least 10% in turnover or production compared to the same quarter in 2019. In addition, the employer must offer two training days per month to white-collar workers who are put on temporary unemployment for economic reasons.

Companies that wish to introduce temporary unemployment due to economic reasons for their white-collar workers during the transitional period still have to conclude a collective bargaining agreement to this end or - if concluding a company-level collective bargaining agreement is not possible because there's no union delegation - draft a company plan on this matter. The collective bargaining agreement or company plan must provide for the payment of a supplement on top of the temporary unemployment benefits received by the affected employees.

If a company plan is used, this plan must be communicated, without delay, to the works council or, in absence of a works council, to the trade union delegation. However, during the transitional period, such company plans must not be sent to the Director-General of the General Directorate for Collective Bargaining of the Federal Public Service in charge of Employment, Labour and Social Dialogue, nor will the plan have to be submitted to the Company Plan Committee for approval.

Under this transitional system, the maximum number of weeks during which white-collar workers can be placed in economic unemployment will be temporarily increased by eight weeks. This

means that full suspension and partial suspension will be possible for a maximum of 24 weeks and 34 weeks, respectively.

Working time reduction for companies in difficulties

In addition, Royal Decree no. 46 provides for COVID-19 support measures related to working time reduction for companies recognised as being in the process of restructuring or in difficulties, namely collective working time reduction, corona time credit and corona end-of-career time credit, applicable as from 1 July 2020. The below 3 measures can only be employed by companies that have obtained recognition as a company in the process of restructuring or in difficulties, for a period that starts on 1 March 2020 at the earliest and on 31 December 2020 at the latest.

First of all, the Royal Decree contains the possibility of a temporary, collective working time reduction by 1/4th or 1/5th, possibly in combination with the introduction of a four-day working week. This type of collective working time reduction can be introduced via a collective bargaining agreement or via an amendment to the work regulations, and is accompanied by a target group reduction in terms of social security contributions, the amount of which varies according to the type of reduction in working time.

Secondly, a system of corona time credit is introduced, by which the employee reduces his working time by half or by 1/5th. This system is entirely voluntary for both the employee and the employer. When taking up corona time credit, the employee will receive a benefit from the National Employment Office (RVA/ONEM). Corona time credit must be taken up in periods of at least 1 month and 6 months at most and must fall within the period for which the company has obtained recognition as being in the process of restructuring or in difficulties.

Finally, the Royal Decree provides for a system of corona end-of-career time credit. Employees - aged 55 and older and with a professional career of at least 25 years - are entitled to reduce their working time by half or by 1/5th while receiving a benefit from the National Employment Office. The period of corona end-of-career time credit must start during the period for which the company has obtained recognition as being in the process of restructuring or in difficulties. By way of derogation from the 'regular' end-of-career time credit, the corona end-of-career time credit can be taken up in periods of one month.