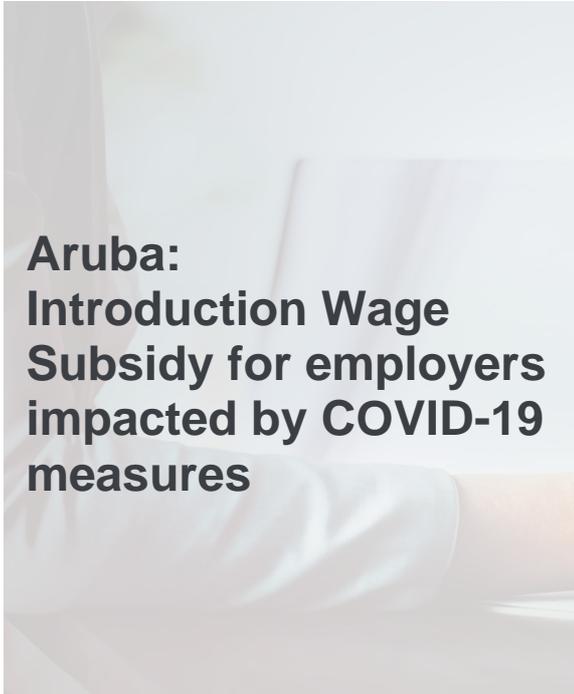


Tax Instant News



**Aruba:
Introduction Wage
Subsidy for employers
impacted by COVID-19
measures**

Further to the announcement in March by the government of Aruba that it will provide financial support to local companies dealing with the impact of the COVID-19 pandemic, a Wage Subsidy is now being offered to employers. The application form can be filed until May 12, 2020.

Aruba, May 2020

Tax Instant News

Background and purpose

In March the Government of Aruba announced that it will provide financial support to local companies that are dealing with the impact of the COVID-19 pandemic.

The Government of Aruba introduces and offers a (monthly) Wage Subsidy for those companies that have been hit hardest by the COVID-19 pandemic and by the measures taken by the Government of Aruba, facilitating as much job retention as possible.

Wage Subsidy

In order to maintain as many workplaces as possible and to ensure partial continuation of pay, financial support is offered to employers facing declining sales of at least 25% compared to monthly prior year sales. All employers applying and satisfying the requirements are eligible to receive a Wage Subsidy.

The Sociale Verzekeringsbank (“SVb”) is taking care for the advanced pay out of the Wage Subsidy starting in May. The actual decline in sales for the month of May 2020 compared to May 2019 will subsequently be determined based on the company’s tax returns filed and adjusted if necessary.

The maximum total Wage Subsidy sums up to 71.6% of the SVb wages (subject to a maximum of Afl. 5,850) and will be multiplied by the percentage of the (expected) decline

in sales. The number of 71.6% consists of the following two elements:

1. 60% of the SVb-wages (subject to the SVb wage limit Afl. 5,850) for the employer to continue to pay its employees at least that portion of their gross wages;
2. 11.6% of the qualifying SVb wages, (subject to the SVb wage limit of AWG 5,850) as partial compensation for the employer’s social security contributions.

Example: The Wage Subsidy amounts to NAf. 3,580 in case of the turnover loss is expected to be 100% against a financial contribution of 71.6% with a gross monthly wage of NAf. 5,000.

As employers are obliged to continue to pay their employees a gross amount of at least 60% of their qualifying SVb wages, subject to the SVb wage limit (AWG 5,850), the maximum reduction for working time reduction is 40% (for salaries below the level of the SVb wage limit).

An employer having a “no work, no pay” arrangement in April (in part or in full) and whose employees may have applied for a benefit from the emergency fund (FASE) may apply for the Wage Subsidy in case it restarts paying wages in May in accordance with the aforementioned.

Tax Instant News

The following conditions apply to claim the Wage Subsidy:

- The company is adversely affected by COVID-19 and expects its sales to decline by at least 25% during the specific month;
- The company may not lay off employees for socio-economic reasons;
- The company must pay their employees a gross amount of at least 60% of their SVb wages, subject to the SVb wage limit;
- The company and all its employees have been registered with the SVb on March 15, 2020;
- The company is registered with the Tax Department and has a Tax ID number;
- The company is in compliance with all its payment obligations for taxes and social security premiums for the specific month;
- The application is submitted before the deadline. As regards the Wage Subsidy for the month of May the application should be filed before May 12, 2020 and is available at <https://misvb.svbaruba.org/>.

Labor law aspect

Please note that at the date of issuance of this TIN, no formal statutory provisions detailing the legal basis and elaboration on the unilateral decrease of working hours by the employer has been published on the governmental websites. For this reason, it would be best to come to a mutual agreement in regards of the reducing of working hours. In case of demonstrated financial necessity to do so, the employee - based on the principle of having to act as a good employee - in all reasonableness cannot refuse such proposal.

Closure

We will keep you informed if new developments occur and / or further detailed conditions are announced.

Should you require more information, please do not hesitate to contact us.



Further information

We will update this TIN once more information is available. In case you require any assistance, please do not hesitate to contact one of our tax advisors or labor law specialists.

Joris Mulder

mulder.joris@hbnlawtax.com

Ruben Toonen

toonen.ruben@hbnlawtax.com

Eline Lotter Homan (labor law)

Eline.LotterHoman@hbnlawtax.com

Lelia Kelly-Dubero

kelly.lesia@hbnlawtax.com

Amsterdam

Concertgebouwplein 7
1071 LL Amsterdam
The Netherlands
T. +31 20 303 3020
E. info@hbnlawtax.com

Aruba

L.G. Smith Boulevard 54
Oranjestad, Aruba
T. +297 583 9311
E. info@hbnlawtax.com

Aruba

Beatrixstraat 38
Oranjestad, Aruba
T. +297 588 6060
E. info@hbnlawtax.com

Bonaire

Kaya Korona 40
Kralendijk, Bonaire
Dutch Caribbean
T. +599 717 6944
E. info@hbnlawtax.com

Curaçao

L.B. Smithplein 3
Willemstad, Curaçao
T. +5999 4343300 (general)
T. +5999 7325400 (tax)
E. info@hbnlawtax.com

Rotterdam

Weena 505
3013 AL Rotterdam
The Netherlands
T. +31 10 800 5483
E. info@hbnlawtax.com

Sint Maarten

W.G. Buncamper Road 33
Philipsburg, St. Maarten
T. +1721 542 2272
E. info@hbnlawtax.com

HBN Law & Tax is the trade name of HBN Law & Tax B.V., registered in the Curaçao Trade Register under number 128691(0), which is the sole and exclusive provider of our services. All our services are provided on the basis of our general terms and conditions, a copy of which can be downloaded at www.hbnlaw.com which contain a limitation of our liability and an exclusive choice of law and forum for any dispute.