


Tax Instant News



Curaçao: Conditions wage subsidy (NOW) May 2020

On May 22, 2020, the Government of Curaçao announced further conditions in order to qualify for the wage subsidy for the month of May 2020. In this TIN we will explain the relevant conditions in more detail. The application can be submitted until Thursday May, 28th at 6:00 PM.

Curaçao, May 2020

Tax Instant News

Emergency Measure Bridging Employment ("EME")

Last Friday, the government announced further conditions for the application of the wage subsidy for May, also known as the NOW. The publication followed approval by The Kingdom Council of Ministers of the request for financial aid assistance submitted to The Netherlands. Please note that at this moment, no legal basis for the NOW has yet been published.

Applicants who have successfully opted for the NOW previously, will receive an invitation by email with a URL link. Otherwise, the application can be submitted via the following page: www.fondodisosten.org.

The following is limited to the changes in conditions compared to the NOW application for April 2020. For an overview of the terms of the NOW application for April 2020, please refer to our TIN's which have been published previously.

New conditions NOW May

For the application of the wage subsidy for May 2020, the following criteria changed and/or were added in relation to the application criteria for April 2020:

- **Revenue loss and definition of revenue**

The loss in revenue test increased

to at least 40% for May (in April it was 25%) and is determined based on the difference between the revenue realized in May 2019 compared to the (estimated) revenue in May 2020.

- **Wage subsidy reduced by 20%**
Where in April 2020 up to 89.5% of the wage was compensated by the EME, in May 2020 a maximum compensation of 71.6% (80% from 89.5%) applies.

- **Employers contribution depending on revenue loss**

The abovementioned reduction should be borne in whole or partially by the employees and is made dependent on the loss of revenue. For example, if the loss of revenue is 100%, the employee contribution is set at 20%. For example, if the loss of revenue is 50%, the employee contribution will be proportionally reduced (10%).

- **Consent employee contribution**

The employee contribution – in which reduction of working hours can be applied – is a condition to receive the wage subsidy. Upon application, the applicant must confirm that the employees have agreed to the employee contribution.

After all, the obligations of the NOW are subsidy conditions in order to be eligible as an employer for the wage subsidy. Therefore,

the NOW does not disregard the labor law rules of the Civil Code and hence does not bind the employee to agree to a wage reduction. In principle, an employer cannot unilaterally change (vested) employment conditions to the detriment of the employee, only if/when certain conditions are met, this could be possible. Mutual consent between employer and employee is in principle required. In some cases, union consent may also be sensible. Employers and employees should therefore agree with each other on the temporary reduction in gross wages and/or the abandonment of holidays, holiday pay and other emoluments, so that employees make a contribution equal to 20% of the gross wage paid by the wage subsidy.

- **Support lowest paid**
The gross salary of full-time permanent employees should not be lower than the minimum wage (NAf. 1,667). Up to a gross salary of NAf. 1,047 per month, a wage subsidy equal to the gross wages plus employers costs is paid and a minimum wage subsidy of NAf. 1,298 per month applies.
- **Amendment on-call workers**
Employers who make use of the wage subsidy are obliged, to pay all their employees registered with the SVB, as long as the NOW

applies. They may not submit or execute applications for dismissal. All employees registered with the SVB are therefore included in the wage subsidy. In doing so, employers also undertake to keep the on-call workers registered with the SVB and pay for the registered salary, whereas previously in April this did not apply for on-call workers.

Deadline to submit the NOW - application request

The NOW application for May 2020 can be submitted ultimately by Thursday, May 28th at 06:00 PM. Please note that the website indicates a deadline of 10:00 PM. For purposes of this TIN, the deadline is assumed to be 6:00 PM.

Please note that in order to be eligible for the May 2020 wage subsidy, the monthly tax returns (sales tax, payroll tax and social security premiums) must have been submitted and paid upon until April 2020 (or a payment scheme has been agreed), before the request for wage subsidy is submitted.

No changes in sector classification

For completeness' sake, we inform you that the most recent sector classification has not been amended for the wage subsidy application for May 2020.

Closing

Of course we shall keep you informed if new developments emerge with respect to the Emergency Aid Package.

If you would like to receive more information, please do not hesitate to contact us.



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