

**NOW**  
**Noodfonds**  
**Overbrugging**  
**Werkgelegenheid**

## What are the most recent updates and insights on NOW

- The government decided the NOW grant can be extended by **four** months starting June, July of August. Go [here](#) for more information and conditions to apply for the 2nd term. We call it NOW 2.0.
- The deadline for application of NOW 2.0 is **August 31th**.
- For the final calculation of the NOW 1.0 you need to apply again. We don't know when we can submit this definitive application, we do know that you need a auditor's report when you received an advance of €100.000,- or more OR a final grant of €125.000,- or more.
- It is possible for companies who are part of a concern with less than 20% revenue loss but independently have a revenue loss of more than 20%, can submit a NOW application under certain conditions. Go [here](#) for more information.

## What are the changes in NOW 2.0

- Seasonal effects are taken into account by basing the calculation on a wage bill in a later period. The reference month for the wage bill will be March 2020. This applies retroactively. So the NOW 1.0 is also based on March if the wage bill in March-May is higher than in January-March. This is especially important for seasonal companies. Go for more information [here](#).
- In the first support package NOW 1.0, employers were cut back on their wages, if they fired people for economic reasons. This so-called termination penalty will be removed from the new package NOW 2.0. Go [here](#) for more information.
- Companies who apply for NOW 2.0 and receive an advance of €100.000,- or more OR a definitive payment of €125.000,- or more can't make a profit distribution to shareholders, pay bonuses to the board and management or repurchase shares.

## What are the changes in NOW 2.0

- Employers who apply for the NOW 2.0 are obliged to encourage their employees to take additional training and retraining (omscholing) when there isn't enough work or if there is a chance that the work related activities will no longer be needed in the future. There is € 50 million available for development advice and (online) training. Find more information on the site of the Rijksoverheid - [NL leert door](#).
- In addition to compensation for their wage costs, entrepreneurs in the catering, recreation and culture sector also receive an amount to pay their fixed costs. Depending on the size of the company and the loss of income, entrepreneurs can get up to € 20,000 for the next three months.
- The fixed (forfaitaire) surcharge is increased from 30 to 40%. This way the NOW also contributes to costs other than labor costs.

# What phase are you in?

Click on the phase for the Q&A

## Phase 2

I want to apply for  
NOW. How can I  
prepare?

## Phase 3

What is the process for  
applying?

## Phase 1

I'm thinking about  
NOW.

What questions should I  
ask myself?



# Phase 1

## I'm thinking about NOW

### What questions should I ask myself?

Click on the question

Communication is key! How?

What is the Noodfonds Overbrugging  
Werkgelegenheid (NOW)?

Can I ask my employees to do other work than their  
official job?

If I decide to continue this process and apply for  
NOW, what is the effect for my employees?

Can I ask my team member to use vacation days or  
unpaid leave?

I have a Works Council (Ondernemingsraad). Do I  
need their consent?

## Communication is key! How?

We received many questions how, when and what to communicate with your people. In this period of insecurity for you as an entrepreneur and your employees, it is more important than ever to be transparent.

So the best advice we can give you is:

1. While working from home is still necessary, it's important to stay connected with the team which you can easily do by setting up a daily update call with your team
2. Check in how everyone is doing, what is going on in their department, what their struggles and what they need or how you can you help them
3. And give them a short company and finance update

## Can I ask my employees to do other work other than their official job?

- Ask yourself if the employees who temporarily have less work, can perhaps help out in another department or with different projects/tasks.
- If there is a clause in the employment contract which states that the employee must perform all occurring and/or reasonably assignable tasks, you can ask your employee to temporarily perform other tasks than their own. If there is not such a clause then several legal rulings say that an employee may not simply react negatively to a reasonable proposal from the employer. And we strongly believe that in crisis times like this, a proposal of such sort is reasonable.
- Employers who applied for the NOW 2.0 have the obligation to encourage their employees to take additional training and retraining (omscholing) when there isn't enough work or if there is a chance that the work related activities will no longer be needed in the future.  
The government introduces NL leert door. There is € 50 million available for development advice and (online) training. Find more information on the site of the Rijksoverheid - [NL leert door](#).

## Can I ask my team member to use vacation days or unpaid leave?

There isn't a single, general solution or answer to the question whether or not you can ask your employee to use their vacation days or unpaid leave. We all know this is not a vacation and we are all forced in this situation. We have to help and take care of each other. You have to look at every situation individually. There is no law for this situation.

It depends

- how is your company doing financially, can you make use of the NOW?
- is there a reduction of the workload?
- is your team member also responsible for the care of their children at home (with partner or without partner)?

Of course you can always ask your team member to use his/her vacation days or take unpaid leave. If this is financially difficult for your team member then maybe a 50/50 agreement works better. Look at the possibilities together with your team members. **Unpaid leave affects your salary costs and indirectly the NOW payment.**

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## What is the Noodfonds Overbrugging Werkgelegenheid?

“Noodfonds Overbrugging Werkgelegenheid” also referred to as NOW is a temporary measure to gain a substantial compensation for the salary costs. This is to cover the salary costs of your employees with a permanent or fixed term contract, including employees working flexible hours. The main goal is to keep people employed during this Corona period.

As an employer you can apply for a substantial contribution in wage cost, based on a revenue reduction of at least 20% during a period of 4 months (NOW 2.0) June until September. You will receive the compensation by the UWV.

You can apply for a period of 4 months adjacent to the previous grant period (NOW 1.0) starting June, July or August.

You can find all the actual information on the [website](#) from the national government (Rijksoverheid).

## If I decide to continue this process and apply for NOW, what is the effect for my employees?

- You will pay them a normal salary as you are used to do. The allowance you receive from the government is to compensate you in the labour costs during these stressful times under the condition that you continue to pay 100% wages.
- Different to the former “Werktijdverkortingsregeling”, this new NOW doesn't have any impact on your employees rights for unemployment benefits (WW-rechten).
- You can still discuss with your employees if they are willing to take (unpaid) leave. This allowance is focused on compensating labour costs. If there is still less work to be done, talk to your employees about any form of (unpaid) leave.

## I have a Works Council (Ondernemingsraad). Do I need their consent?

You need consent from you Work Council if you apply for the NOW grant. Go [here](#) for more information. If there is no Work Council than you have to inform you employees about the NOW grant.

**Our advice** is as follows:

It is important to keep the communication lines with your works council or employees short, because you want to act quickly when needed. Discuss a possible NOW application in advance with your works council and discuss the risks and consequences. But be aware that some consequences, such as using up employment benefit rights for the employees which we had in the “Werktijdverkorting” are gone.

## Phase 2

# I am applying for NOW. How should I prepare?

[Click on the question](#)

What are the conditions for NOW I have to think about before applying?

What is the length of the period that I can make use of NOW?

Will the UWV also compensate my forecasted revenue based on expected growth?

What are the condition for the 2nd term NOW?

How can I prepare and calculate my NOW grant?

What is the impact of NOW?

What are the consequences if I do apply for dismissal based on economic grounds?

How do I determine my revenue drop?

For which employees can you apply?

What if I'm part of a concern?

## What are the **conditions** for NOW 1.0

*It is no longer possible to submit an application for the NOW 1.0*

- You have a significant drop in revenue of at least 20% in three consecutive months within the timeframe march-july
- The revenue drop is a result of the extraordinary circumstances. Which for example relates to the government intervention and public order measures.
- You can apply for substantial contribution in wage costs for all employees under employment contract with your organisation. Temporary employment agencies can apply for wage costs for workers who work for them.
- You commit in advance to the obligation to not apply for dismissal based on economic reasons (ontslag wegens bedrijfseconomische redenen) for your employees during the period for which the allowance is granted.
- Termination of employment during the probationary period (proeftijd), temporary contract or by means of a settlement agreement (VSO) is still possible. But the reason can't be of economic reasons!

## What are the *conditions* for NOW 2.0

- You have a significant drop in revenue of at least 20% in four consecutive months June, July, August and September.
- If you apply for a second period of the NOW starting June, July or August, this should be adjacent to the previous grant period (NOW 1.0)
- The reference month for the wage bill is March (reference date 15 May) of this year.
- For both NOW 1.0 and NOW 2.0, subsidies received during the Corona crisis are part of the revenue.
- The deadline for application of NOW 2.0 is **August 31**
- Companies who apply for NOW 2.0 and receive an advance of €100.000 or more or a definitive payment of €125.000 or more must declare that they won't make a profit distribution to shareholders, pay bonuses to the board and management or buy back own shares.
- Employers who apply for the NOW 2.0 are obliged to encourage their employees to take additional training and retraining (omscholing) when there isn't enough work or if there is a chance that the work related activities will no longer be needed in the future. There is € 50 million available for development advice and (online) training. Find more information on the site of the Rijksoverheid - [NL leert door](#).
- The goal of the NOW grant is to prevent unemployment but the fine for dismissal on economic grounds isn't applicable during NOW 2.0. The wage bill will be reduced with the SV salary (SV loon) of the individual employee who left your company the calculation is  $3 \times \text{SV salary employee} \times 1.4 \times 0.9$
- In the event of dismissal for economic reasons for 20 or more employees, a 5% reduction of the eventual NOW subsidy will also be imposed, unless an agreement on the dismissal application has been reached with the unions.. Go for more information [here](#).

# What are the **consequences** if I do apply for dismissal based on economic grounds?

In the first support package NOW 1.0, employers were cut back on their wages, if they fired people for business reasons. This so-called termination penalty will be removed from the new package NOW 2.0.

In NOW 2.0, the correction to the subsidy on dismissal based on economic grounds will still apply, but the extra fine of 50% had been taken out.

The calculation is as follows:

- You take the SV salary (SV loon) over the month, on which the final grant is calculated, of the employee(s) for whom you applied for dismissal.
- During NOW 1.0, you increase this salary with 50% and during NOW 2.0 you don't have to increase.
- You multiply this amount by three (since the grant is for three months).
- You multiply this amount again with the 30% (NOW 1.0) or 40% (NOW 2.0) surcharge.
- Finally, multiply this amount by 0.9 (percentage of the subsidy grant).

The UWV deducts this amount from the wage bill on which the final grant is calculated.

In the event of **dismissal for economic reasons for 20 or more employees**, a 5% reduction of the eventual NOW subsidy will also be imposed, unless an agreement on the dismissal application has been reached with the unions..

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# How can I prepare and calculate my NOW grant?

## For which period can I apply?

- The NOW 2.0 period can start from June, July or August adjacent to the previous grant period (NOW 1.0)
- Do you want to know if you can apply for the NOW 2.0? Use this [calculation tool](#) of the Rijksoverheid.

## Wage Bill (loonsom)

- NOW 1.0 - The first calculation is based on your wage bill (loonsom) of November 2019 or January 2020. The UWV will make a correction afterwards based on the actual wage bill (loonsom) of the NOW period.
- NOW 2.0 - The first calculation is based on your wage bill (loonsom) of March 2020. The UWV will make a correction afterwards based on the actual wage bill (loonsom) during the NOW period.
- Note that the UWV uses a maximum base gross salary of € 9538,-

## How do I determine my revenue drop?

- You compare the expected revenue over the 4 months you want to apply for the NOW, starting June, July or August, with the average 4 month revenue you had in 2019.
- If you started your company in 2019 and didn't build your revenue over a whole year, then you add your revenue of January and February 2020.  
For example if you started your company July 1, 2019 then you add the revenue of January and February 2020. Then you have a revenue over 8 months. You divide the total revenue by 2 this is your average 4 month revenue for the NOW 2.0 calculation.
- If the difference between the average quarterly revenue of 2019 and the revenue of the quarter for which you want to submit the application is 20% or more? Then you are eligible for the NOW

Use the [calculation tool](#) of the Rijksoverheid and find out if you can apply for NOW 2.0

# What if I'm part of a concern?

A recent change in the NOW makes it possible for companies who are part of a concern to independently submit for a NOW application under certain conditions.

## Conditions

- The revenue loss on concern level is less than 20% and the revenue loss of your company is 20% or more. So if the revenue loss on concern level is 20% or more than you need to apply on concern level.
- The most important condition is that concerns who have one or several companies who are receiving the NOW grant, must declare that they will not pay dividends, bonuses or repurchase own shares over the year 2020 when you received an advance of €100.000,- or more OR a final grant of €125.000,- or more.
- You need consent of your employees via the work council, union or other.
- There will be additional requirements for the declaration from the accountant.

You can find more information on the website of the [Rijksoverheid](#)

## **Will the UWV also compensate my forecasted revenue based on expected growth?**

The forecasted revenue based on expected revenue growth isn't taken into account and previously seasonal influences weren't taken into account either. In the new condition they made an adjustment.

The reference month for the wage bill will be March 2020. This applies retroactively. So the NOW 1.0 scheme is also based on March if the wage bill in March-May is higher than in January-March. This is especially important for seasonal companies.

The adjustment is an additional compensation for employers who, because of a seasonal patterns or other reasons, had too low, unrepresentative wages in January compared to the subsidy period March to May. The adjustment will be made automatically at the subsidy assessment applied to applicants for whom this is beneficial.

The adjustment works as follows: if the wage bill is higher from March to May then the wage bill of three times January then the wage bill from March to May is taken as the starting point for the calculation of the subsidy amount at determination.

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# What is the impact of NOW?

If you are entitled to NOW allowance you will receive an allowance to compensate your labour costs. The **maximum** compensation is 90% of the labour costs.

The amount of the allowance depends on the drop in revenue. The following list has been published by the government:

- If 100% of the revenue is lost, the allowance amounts to 90% of the total salary costs of an employer;
- If 50% of the revenue is lost, the allowance amounts to 45% of the total salary costs of an employer;
- If 25% of the revenue is lost, the allowance amounts to 22.5% of the total salary costs of an employer.
- If 20% of the revenue is lost, the allowance amount to 18% of the total salary costs of an employer.

Based on the application, the UWV will provide an advance of 80% of the expected contribution. The actual decline in revenue (and so the actual amount of the allowance) will be determined afterwards.

## For which employees can you apply?

- Employees with a permanent contract
- Employees with a fixed term contract
- Employees working flexible hours like on-call workers (oproepkrachten met een nul-urenovereenkomst)

Temporary workers staffed by a staffing agency, are not formally employed by you as an employer. Their staffing agency has the ability to apply for NOW themselves. Please direct your temporary workers to their own staffing agency.

## What is the length of the period that I can use NOW?

The allowance is granted for a period of 3 months (NOW 1.0). This can be extended **once** by another 4 months (NOW 2.0).

*It is no longer possible to submit an application for the NOW 1.0*

## Phase 3

# What is the process for applying?

[Click on the question](#)

How to apply for NOW?

How long to I have to wait for the NOW grant

Which information do I need for the application?

How and when will the UWV perform the audit?

## How to Apply for NOW 2.0

As from June 6 until August 31, you can apply for the NOW 2.0

You can apply for the NOW 2.0 via the [UWV](#)

- You will receive an advance payment of 80% in 2 to 4 weeks
- The advance is paid in 2 installments
- After de NOW periode you must request the UWV to determine the subsidy. It is not yet known when the final application can be submitted.

## Which information do I need for the application?

- General company information like name, payroll tax number
- Your revenue numbers for 2019.
- Your revenue numbers over the four months for which you want to submit the application
- The UWV will automatically use the wage bill of March 2020.

## How long do I have to wait for the NOW grant?

- If NOW is granted, the UWV will provide you with an advance payment of 80% of the calculated allowance within 2 to 4 weeks.

## How and when will the UWV perform the audit?

- After the the period you received the NOW grant you have to actively submit an application to definitively determine the subsidy.
- Based on this information the UWV will recalculate the grant and within 52 weeks will make a final settlement which can be higher or lower than the granted NOW.
- The UWV will ask for an auditor report to substantiate the allowance when you received an advance of €100.000,- or more OR a final grant of €125.000,- or more.

# VIE

Do you need advice or do you have any questions? Call our  
“NOW Squad” leader Susanne Boot +31 6 334 251 36 or use our  
chat function on [www.viepeople.com](http://www.viepeople.com)