

COVID-19: Factsheet NOW 1.0 and 2.0

The amendments to the NOW 1.0 and the introduction of the NOW 2.0 make it cumbersome for companies to determine eligibility to NOW subsidy and if so the applicable terms and conditions.

This Law Alert aims to provide further insight.

1 NOW 1.0

- ▶ Subsidy: a maximum of 90% of the wage bill of March – June 2020 related to the loss of turnover, which subsidy also counts as turnover
- ▶ Minimum loss of turnover: 20% over the measurement period
- ▶ Turnover:
 - ▶ Turnover 2019 (calendar year) / 4
 - ▶ Measurement period loss of turnover: three consecutive months starting on 1 March, 1 April or 1 May
 - ▶ Turnover of acquired (parts of) companies in the period after 1 January 2019 and up to and including 1 February 2020 is taken into account
 - ▶ Received compensation for overhead expenses also counts as turnover
- ▶ Wage advance: wage in January 2020 or November 2019
 - ▶ Deduction extra period salary (13th month; not bonuses)
 - ▶ Maximum amount: EUR 9,538 per employee with a social security insurance in the Netherlands
 - ▶ x 30% flat-rate surcharge
- ▶ Advance payment: 80% of the (expected) subsidy
- ▶ Wage subsidy determination: wage in March – May:
 - ▶ Maximum amount: 3 x March wage bill (or a correction if the January wage bill was higher)
 - ▶ Correction total wage bill: 150% of the wage bill of employees for whom applications for dismissal for economic reasons have been submitted to the UWV (a Dutch governmental body) between 18 March up to and including 31 May 2020
- ▶ Auditor's report:
 - ▶ Advance payment of EUR 100,000 or more, or subsidy of EUR 125,000 or more: auditor's report required
 - ▶ Advance payment of EUR 20,000-EUR 100,000, or subsidy of EUR 25,000-EUR 125,000: report of another third party on final loss of turnover
 - ▶ Advance of less than EUR 20,000, or subsidy of less than EUR 25,000: no report required
 - ▶ Always an auditor's report on a NOW application at operating company level ("NOW 1.2") (if the group does not have at least 20% loss of turnover)
- ▶ Bonus and dividend policy: only for NOW 1.2
- ▶ Work retention agreement: only for NOW 1.2
- ▶ Obligation to inform works council, employee representative body or employees about the granting of subsidy
- ▶ Request: submitted by 5 June 2020 at the latest
- ▶ Application for subsidy determination: within 24 weeks or within 38 weeks (in the event of a required auditor's report) after the end of the chosen turnover period

2 NOW 2.0*

- ▶ Subsidy: a maximum of 90% of the wage bill of June – September 2020 related to the loss of turnover, which subsidy also counts as turnover
- ▶ Minimum loss of turnover: 20% over the measurement period
- ▶ Turnover:
 - ▶ Turnover 2019 (calendar year) / 4
 - ▶ Measurement period loss of turnover: four consecutive months starting on 1 June, 1 July or 1 August
 - ▶ Turnover of acquired (parts of) companies: to be determined
 - ▶ Received compensation for overhead expenses also counts as turnover
- ▶ Wage advance: wage in March 2020
 - ▶ Deduction extra period salary: to be determined
 - ▶ Maximum amount: EUR 9,538 per employee with a social security insurance in the Netherlands
 - ▶ x 40% flat-rate surcharge
- ▶ Advance payment: 80% of the (expected) subsidy
- ▶ Wage subsidy determination: wage in June – September:
 - ▶ Maximum amount: to be determined
 - ▶ Correction total wage bill: 100% of the wage bill of employees for whom applications for dismissal for economic reasons have been submitted to the UWV between 1 June up to and including 30 September 2020
 - ▶ Correction subsidy for dismissal applications under the Collective Redundancy Notification Act (20 employees or more): 5% final subsidy, unless certain conditions are met
- ▶ Auditor's report:
 - ▶ Advance payment of EUR 100,000 or more, or subsidy of EUR 125,000 or more: auditor's report required
 - ▶ Advance payment of EUR 20,000-EUR 100,000, or subsidy of EUR 25,000-EUR 125,000: report of another third party on final loss of turnover
 - ▶ Advance of less than EUR 20,000, or subsidy of less than EUR 25,000: no report required
- ▶ Bonus and dividend policy
- ▶ Work retention agreement: to be determined
- ▶ Training policy
- ▶ Obligation to inform works council, employee representative body or employees about the granting of subsidy
- ▶ Request: probably from 6 July up to and including 31 August 2020
- ▶ Application for subsidy determination: within 24 weeks or within 38 weeks (in the event of a required auditor's report) after the end of the chosen turnover period

* The final scheme of the NOW 2.0 has not yet been published, which may change the above information

- ▶ Total number of applications: 121,818
- ▶ Total number of grants: 113,679
- ▶ Total amount of advance payment: more than EUR 4 billion
- ▶ Number of employees concerned: almost 1,9 million
- ▶ Average reported loss of turnover: almost 70%
- ▶ Most applications were submitted by employers with less than 10 employees (over 77,000)
- ▶ Most applications were submitted in the hospitality, restaurant and catering sector (over 23,000), as well as in retail (over 22,000)

* Based on the UWW website

What HVG Law can do for you

The coronavirus pandemic also affects the Netherlands. We are ready to help you with all challenges in these disrupting times. We understand your business and partner you through uncertainty with practical advice and solutions, so you can focus on what needs your attention most

COVID-19 helpdesk

Contact our helpdesk via info@hvglaw.nl or visit our special coronavirus webpage for more alerts: www.hvglaw.nl/en/corona-updates-english



Joost van Ladesteijn
Partner I Lawyer Labor & Employment
E: joost.van.ladesteijn@hvglaw.nl
T: +31 6 29 08 45 28

About HVG Law

HVG Law LLP (HVG Law) ranks amongst the top Dutch law firms and is characterized by an entrepreneurial, innovative and solution-driven approach. With more than 150 dedicated and pragmatic lawyers, including (candidate) Civil Law Notaries, HVG Law offers high-quality, legal services in a broad and multidisciplinary context. Our lawyers are active in all legal areas and sectors relevant to business, directors, shareholders and government authorities and have knowledge of your business and your market. At our offices in Amsterdam, Rotterdam, Utrecht, The Hague, Eindhoven, New York, Chicago and San Jose (i.e., Donahue & Partners LLP in the USA), we are able to offer our legal services to national and international clients. HVG Law is part of the global EY Law network and we have a strategic alliance in the Netherlands with Ernst & Young Belastingadviseurs LLP.