

Job retention schemes in Europe

Belgium

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Note on ETUI classification of job retention schemes (JRSs): All job retention schemes (JRS) share the objective of preserving the ties between companies and their employees in times of temporary economic difficulties. They support incomes of workers who keep their employment contract even if the work is fully suspended. Depending on the primary objective and the nature of support, three different categories of JRS can be distinguished:

(1) Short-time Work Scheme (STW): The key objective of STW schemes is to provide support to companies to retain their employees in times of economic difficulties. The company receives financial support for the employees' wages paid for the time not worked. The extent of working time reduction can vary, including also a full work suspension.

(2) Furlough Scheme (FS): FSs can be best understood as temporary unemployment. The financial support is thus paid directly to the worker for the period of partial or full working time suspension. The aim of a FS is to enable companies to reduce their wage bill by temporarily laying off (parts of) their workforce. While retaining the ties with the employer, workers on the FS scheme are available to seek alternative employment. Integrated into the existing system of unemployment insurance, FSs can be seen as a tool to facilitate the transition towards a new job.

(3) Wage Subsidy (WS): The main objective of WS is to preserve employment through subsidizing companies' wage bills. For this purpose, a company in temporary financial difficulty receives financial support per employee, regardless of whether or not working time of specific employees is reduced. The employees keep receiving their wages. Permissible wage adjustments are not directly related to working time reductions.

Key characteristics of the job retention scheme

ETUI classification of the job retention scheme (JRS)	Furlough Scheme (FS)
Name of the scheme	Temporary unemployment scheme in case of force majeure (Corona werkloosheid/chômage corona)
Start date of the implementation of the special Covid-19 JRS rules	The original Covid FS scheme was set up in March 2020 and expired in August 2020. It has in the meantime been extended several times, with 30 June 2021 as the new deadline. After 31 August 2020, this scheme was temporarily limited to branches and companies with a large amount of Covid temporary unemployment in the second quarter of 2020, but because of the further spread of the virus (the 'second wave'), the government returned to the earlier scheme on 1 October 2020.
Eligibility	The extended scheme recognises nearly all temporary unemployment as caused by the Covid-19 crisis (with a short interruption in September 2020, cf. supra). This means that employers don't have to prove economic difficulties in maintaining employment. Normally, it is the employer who takes the initiative, but the system can also be used for workers who have been obliged to remain in quarantine without being sick (and without the possibility of teleworking). In October, the system was widened to employees who have difficulty finding day care for their children in case of the closure of schools, day care facilities or institutions for disabled people. In that case, the employees have the right to temporary unemployment, even when they take the initiative to stay at home. The Covid scheme is much more flexible than the normal FS in case of economic difficulties. It allows both total suspension or partial suspension.
Exceptions (category of workers or companies excluded from support)	Officials of public institutions, including the teaching staff of private (not for profit) schools. Employees in educational institutions and in the public sector with a labour contract are covered by the FS.

1. ACV-CSC.

Duration of support (maximum duration for which JRS support is paid)	The FS has been extended several times. There is no limit to the duration of support.
Level of support for employees (percentage of gross or net wage, please also specify whether social security contributions are covered)	<p>Employees receive 70% of the original wage. The government adds an additional 'Covid supplement' of €5.63 per day for temporarily unemployed workers. For part-time workers, this supplement was €2.82 per day, but from 1 November 2020 on, this was levelled up to €5.63.</p> <p>Most branches and/or companies pay their workers a wage supplement at the end of the year ('end of year bonus'), based on the number of working days in 2020. In a lot of cases, the days of unemployment under the Covid FS are not included as a working day for the payment of the bonus. To compensate for this, the government decided in November 2020 to introduce a kind of end of year bonus (called a 'protection bonus'), paid by the unemployment insurance system (<i>beschermingspremie/prime de protection</i>) to all workers with at least 53 days of temporary unemployment in the period March–November 2020: €10 a day for each day above 52 days of temporary unemployment, with a minimum of €150.</p> <p>In several branches or at company level, employers may pay an additional supplement. At branch level, this is based on collective agreements.</p> <p>In February 2021, the government announced that it would replace the bonus for 2020 with a new kind of 'protection bonus' for 2021, limited to the branches affected by mandatory closure after February 2021. Another difference is that it is limited to lower wage earners (below €2,754.76 gross wage per month). This bonus is €780 for workers with a gross wage below €2,388 a month. For gross wages above €2,388 a month, the amount is reduced gradually to 0 for wages above €2,754.76.</p>
Cap on support (maximum amount of JRS support payable)	The amount of furlough support is based on the former gross wage, limited to €2,754.76 per month. This means that the maximum allowance is €1,928.4 (70% of €2,754.76) plus the daily supplement (26 x €5.63). This gives a maximum of €2,074.78 a month, before taxes. On 1 July 2021, the cap has been increased to €2,785.03. This means that the maximum allowance increased to €1,949.52. The worker receives 85% of this (direct taxation of 15%). The year after, they will have to pay additional taxes in most cases, when the total annual income is known.
What share of the support is covered by the state and by the employer?	The state covers 100% of the furlough allowance. In several branches and companies, the employer pays an additional daily supplement, which may be based on a collective agreement.
Dismissal protection	There is no specific protection against dismissal.
Role of collective bargaining in the adoption and implementation of JRS support	<p>Covid FS is based, severally, on:</p> <ul style="list-style-type: none"> – unilateral government decisions (for example, the protection bonus); – Parliamentary initiatives, but inspired by the trade unions (for example, direct taxation, reduced to only 15%); – consultation with the social partners (for example, the €5.63 supplement); – trade union demands in tripartite exchanges with the government (for example, 70% instead of 65%); – negotiations at branch- and company-level (limited to employers' additional supplements). <p>In the metal industry, based on branch-level agreements, there is an additional daily supplement of €10.07 (€6.04 for part-time workers). For blue-collar workers, this is paid by the sectoral fund (financed by the employers). For white-collar workers, this is paid by the employer, but half of the cost is compensated by the sectoral fund.</p> <p>At the company Pearle (eyewear), the employer pays an additional supplement to guarantee 100% of former net income (not based on a collective agreement).</p>
Special conditions for support to avoid misuse of the system (for instance, ban on paying out dividends or bonuses; ban on share buybacks or operating from tax havens)	There are no such provisions.

Special provisions as regards training/requalification/reorientation of employees on JRS

Training and counselling are the responsibility of the Regions and Communities, especially the public employment services. Only Flanders has developed special training opportunities for the temporarily unemployed, with free (non-compulsory) participation. Success has been limited.

At a federal level, the government encourages the temporarily unemployed to accept temporary jobs during their period of unemployment in branches experiencing staff shortages because of the Covid-19 crisis. After the first lockdown, this was limited to agriculture, horticulture and forestry because of the absence of foreign workers. After the second lockdown, also education, health care and other care services (public and private) were targeted. In February 2021, the government decided to continue this system until 30 June 2021, and to expand it to encompass all 'essential activities'. Unemployed persons keep 75% of their unemployment benefit, supplementing their wages from the temporary job. From the moment their 'former' employer recalls them, they can give up their new job immediately, without a notice period. The success of this measure also seems to have been limited.

Quantitative data

How many workers were on JRS each month? (Please indicate whether these are applications for JRS or the actual numbers of workers on JRS)	Number of workers with at least one day of Covid FS each month	
	March 2020	929,714
April 2020	1,145,571	
May 2020	916,569	
June 2020	560,765	
July 2020	339,898	
August 2020	310,214	
September 2020	246,707	
October 2020	376,354	
November 2020	459,893	
December 2020	342,881	
Which sectors were most affected at the beginning of the pandemic in March/April and towards the end of the period studied in November/December? (as a percentage of overall number of workers on JRS)	Ten most affected branches in April 2020 (as a percentage of the 1,145,571 workers affected)	Ten most affected branches in December 2020 (as a percentage of the 342,881 workers affected)
	(1) cleaning of buildings (9.47%); (2) retail (9.15%); (3) restaurants (5.26%); (4) building construction (2.71%); (5) sheltered and social workplaces (2.42%); (6) freight transport by road (2.12%); (7) retail sales of automobiles and light vans (1.81%); (8) manufacture and assembly of motor vehicles (1.31%); (9) hotels and similar accommodation (1.15%); (10) hairdressers and barbers (0.7%).	(1) restaurants and catering (13.77%); (2) cleaning of buildings (10.99%); (3) retail (5.83%); (4) hotels and similar accommodation (3.30%); (5) hair dressers and barbers (1.77%); (6) sheltered and social workplaces (1.77%); (7) building construction (1.68%); (8) cafés and bars (1.45%); (9) retail sales of automobiles and light vans (1.42%); (10) travel agencies and organisers (1.14%).

Is there any data on how much money the state spent on JRS and over time? (in absolute figures and as a percentage of GDP)	Absolute figures (in €)	% of GDP
March 2020	570,829,507	
April 2020	1,286,691,449	
May 2020	702,166,088	
June 2020	377,541,293	
July 2020	199,927,597	
August 2020	182,436,309	
September 2020	150,598,055	
October 2020	213,498,508	
November 2020	330,629,742	
December 2020	239,732,602	
Total March–December 2020	4,254,051,152	0.95%

Information on non-standard workers and JRS²

Do non-standard workers (NSW) have access to the regular JRS scheme or are there other support schemes, for instance for the self-employed?³

No access for four groups:

- Self-employed: they have their own scheme in case of mandatory suspension of activities or economic difficulties or child care, which is, on a temporary basis, sometimes more generous than the scheme for regular employees.
- Many people on temporary labour contracts: only if there is evidence that the employer has guaranteed a new labour contract is Covid FS prolonged. In most cases, there is not enough evidence.
- Workers on digital platforms. As in a lot of other countries worldwide, there is an ongoing discussion about their real employment status: employee, self-employed or something else. But even when we manage to re-categorise them as employees, there is the problem of temporary labour contracts (see above). In Belgium, there is also specific legislation on platform work beneath the threshold of €3,390 a year. If the platform has been recognised by the government, this platform work is excluded from social security. The Belgian trade unions managed to get this system annulled by the Constitutional Court. Since 1 January 2021, however, the situation has been unclear. If these workers are not categorised as employees there will be no social security contributions and no social protection. If they are categorised as employees, the question remains open.
- Students with labour contracts under the specific social security regime for working students: very low social security contributions and exclusion from social security protection.

What are the eligibility criteria?

This question is relevant only for the self-employed (excluding the certified digital platforms).

Eligibility criteria for the Covid scheme:

- sales decline of at least 40% compared with 2019;
- mandatory closure because of Covid-19. The basis condition is that activities have been completely suspended. One permissible exception is takeaway and click-and-collect activities in the food and retail sector (without entering the premises);
- mandatory quarantine (cf. employees);
- child care (cf. employees).

For other self-employed persons, there is the basic social protection system.

2. Non-standard workers include workers with a temporary work contract, platform workers, temporary agency workers, multiparty employment, disguised employment/dependent self-employment, freelance workers, etc.
3. The following questions refer to any existing schemes for non-standard workers.

How is the financial support for non-standard workers calculated?	<p>€1,291.69 a month without family responsibilities</p> <p>€1,640.10 a month in case of family responsibilities.</p> <p>In case of mandatory closure, this is doubled (until the end of June 2021).</p> <p>Those amounts are taxed at a rate of only 16.5%.</p>
Which sectors were most affected in terms of providing support to non-standard workers?	<p>Branches with a high proportion of self-employed, including bogus self-employment, especially branches experiencing mandatory closure: cultural sector, entertainment, cafés and restaurants, hairdressers etc.</p>
Are there any measures for training/requalification/reorientation for non-standard workers?	<p>No specific measures.</p>
