



## **Deloitte Legal Newsflash**

### **Employment, Pensions & Benefits**

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## **Temporary unemployment after 31 August 2020: Summer preparation for employers**

Since the start of the COVID-19 crisis in Belgium, authorities accepted a simplified procedure for temporary unemployment (**Corona TU**), based on a flexible application of the force majeure notion for all companies and industries. If companies want to apply the Corona TU, they can decide and implement the system on the spot.

This Corona TU has been extended several times and is currently in force until 31 August 2020.

There is uncertainty however on what will happen next.

### **Social partners stress the need for a broad extension**

Following the mid-June decision to extend the Corona TU until 31 August 2020, social partners in the 'Group of Ten' unanimously agreed that the regime should be extended until 31 December 2020 for all companies that have already applied the regime during at least one day. In a more recent communication however, the Group of Ten aims to include all companies that are heavily impacted.

## Government prepares for a limited scope

Despite the social partners' request, the government's current position is that a further extension should be limited to a specific number of heavily impacted *industries*.

This point of view is reflected in the recent Royal Decree n°46 of 26 June 2020 (**RD 46**), explicitly providing for a number of derogations from regular economic unemployment (**REU**) schemes as "a *transitional measure for companies that no longer meet the conditions to apply the Corona TU*".

The main principles can be summarised as follows:

- Increased **maximum duration**:

Type of worker	Full-time TU	Part-time TU
Blue collar	Max. 8 weeks (4 weeks)	Max. 18 weeks (13 weeks)
White-collar	Max. 24 weeks (16 weeks)	Max. 34 weeks (26 weeks)

- Access will not be restricted to companies in difficulty for white-collar workers. The employer must simply be able to demonstrate that in the quarter preceding the introduction of REU, it experienced a **decrease of at least 10% in turnover or production** compared to the same quarter of 2019.
- The company must offer **two training days per month to white-collar workers** (whether a full-time or part-time REU regime).
- Companies still need a CBA or business plan as is required for a REU. The business plan however, does not need to be submitted to the Federal Public Service of Employment and the Business Plans Committee for approval, thereby saving employers two weeks.

This transitional regime will enter into force on 1 September 2020 and will apply until 31 December 2020.

## Employers should prepare for no extension

As long as the government does not identify the industries eligible for the extended use of Corona TU, uncertainty will remain.

However, RD 46 clearly indicates that companies should be prepared to lose the benefit of Corona TU as of 1 September 2020.

Companies therefore need to assess their expected need for TU/REU after 31 August 2020 and prepare a file for (the transitional) REU to avoid an intermediate period during which they cannot rely on TU/REU and the corresponding saving.

Depending on a company's situation, the REU procedure for white-collar workers will take a minimum of two to four weeks; action should therefore be taken during the summer period.

## Contacts

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