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EXTENSION OF THE SUPPORT AND RECOVERY PACKAGE IN CONNECTION WITH THE CORONA CRISIS

In its letter of 21 January to the Lower House of Parliament, the government set out the extension of the economic aid and recovery package in connection with the corona crisis. This extension aims to provide continued support for businesses and employees in dealing with the economic consequences of the implemented corona virus measures, including the extended lockdown. In this alert, we would like to inform you about various elements of the extension of the economic support and recovery package and the continuation of the support package in Q1 and Q2 of 2021.

First and second quarter 2021 adjustments

The following adjustments have been announced for Q1 and Q2 of 2021:

Reimbursement Fixed Costs (TVL)

- Broadening of the TVL scheme by including medium-sized enterprises (SMEs);
- Increase of the reimbursement percentages and maximum reimbursements under the TVL scheme;
- Further support (Q1 only) for retailers that have been forced to close with respect to their losses on stocks (the fixed costs percentage for the TVL is increased from 5.6% to 21% with a maximum of € 200,000);
- The employee limit (maximum 250 employees) in the TVL will cease to apply. This means that SMEs can also claim the TVL;
- The maximum TVL reimbursement is increased;
- Small businesses will receive further assistance through the TVL by increasing the minimum TVL reimbursement from €750 to €1,500 per entrepreneur, starting in Q1 2021.

2019 will still be the reference year for determining the loss of turnover with respect to the 2021 TVL. The fixed costs reimbursement percentage will be increased to 85% for all entrepreneurs that suffered a turnover loss of 30% or more.

For companies with up to 250 employees, the maximum quarterly reimbursement will be increased from €90,000 to €330,000. As from Q1 2021, the maximum reimbursement for companies with more than 250 employees will be €400,000.

Temporary Emergency Bridging Measure (NOW)

As a result of the announced amendment to the NOW, entrepreneurs can receive a maximum allowance of 85% (previously 80%) of the wage costs in the event of complete loss of turnover. From 15 February 2021 onwards a NOW subsidy can be claimed for the months of January, February and March 2021.

The published phasing-out schedule will cease to apply as from Q2 2021. The NOW parameters for Q2 2021 will be the same as for Q1.

The table below shows the differences between the old and new situation with respect to the TVL and NOW:

TVL

	OLD SITUATION 1ST QUARTER	NEW SITUATION 1ST QUARTER	OLD SITUATION 2ND QUARTER	NEW SITUATION 2ND QUARTER
Periods	January through March	January through March	April through June	April through June
Target group	SMEs (<250,000 employees)	All businesses	SMEs (<250,000 employees)	All businesses
Min. loss of turnover	30%	30%	45%	30%
Subsidy percentage	50-70%	85%	50-70%	85%
Max. amount	€ 90,000	€ 330,000 – € 400,000	€ 90,000	€ 330,000 – € 400,000
Min. subsidy	€ 750	€ 1,500	€ 750	€ 1,500
Stock subsidy closed retail	No	Yes	No	No

NOW

	NEW SITUATION 1ST QUARTER	OLD SITUATION 2ND QUARTER	NEW SITUATION 2ND QUARTER
Periods	January through March	April through June	April through June
Reimbursement percentage	85%	60%	85%
Wage bill exemption	10%	20%	10%
Min. loss of turnover	20%	30%	20%
Max. reimbursement daily wage	2x	1x	2x

Other changes

Other changes include, among other things:

- Further support for start-ups (strengthening of capital and credit provision position).
- Further support for the events sector (guarantee scheme).
- Self-employed entrepreneurs have the option to apply for TOZO (Temporary bridging measure for self-employed professionals) with retroactive effect until 1 January.
- Extension of several fiscal measures such as special deferral of payment of tax debts. Applications for a special deferral or an extension of a granted special deferral can be submitted until 1 July 2021 at the latest. Entrepreneurs who have previously submitted an application for three months must still apply for an extension until 1 July 2021. Otherwise, they may be excluded from the payment scheme under which they can repay their debt in 36 months. The start date of the repayment scheme has been moved from 1 July 2021 to 1 October 2021.
- Relaxation of the hour criterion for entrepreneurs liable for income tax.
- Adjustment of the customary wage of director-major shareholders over 2021 in proportion to the decrease in turnover. The turnover for 2021 will be compared to the turnover for the whole of 2019. This scheme is available to companies that have suffered a minimum turnover loss of 30% in 2021
- Extension of the measure with respect to the tax-exempt travel allowance from 1 February 2021 to 1 April 2021. Fixed travel allowances can be reimbursed tax-exempt by the employer even if these costs are not incurred due to working from home.
- For 2021, the discretionary scope in the work-related costs scheme for the first €400,000 of the employer's wage bill is temporarily increased from 1.7% to 3%.

More information?

Do you have any questions about the extension of the economic recovery and support package? Please contact your regular RSM advisor or send an email to: maatregelencorona@rsmnl.nl.