

Press Release
13 June 2020

New measures for the third part of the Federal Plan for Social and Economic Protection

The Inner Cabinet extended with the parties that support the Federal Government reached an agreement on Friday about a series of additional support measures related to the third part of the Federal Plan for Social and Economic Protection.

As a reminder, a first set of measures was adopted on 6 June^[1]. It was agreed at the time that an extension of this series of measures would be considered in a second phase.

The newly agreed support measures can be divided into two categories.

A first part relates to the encouragement of investment. Specifically, it is about:

- A new **Covid-19 tax shelter system**, which is temporary, until the end of the year and is open to all SMEs that have been affected by the Covid-19 crisis.
- An **increased investment deduction (25%)** for investments made between 12 March and 31 December 2020.
- An increase from 50 to 100% for the **deduction of costs related to organising events and catering** until 31 December. This avoids a massive postponement of events until next year, which could cause even more problems for the already badly affected sector.
- **Suspension of the VAT advance for December 2020**. As a reminder, companies are normally required to pay an advance before 20 December and this will be postponed by one month. The aim is again to improve companies' liquidity.
- An increase from 10 to 20% of the share of net income eligible for **tax deductions for donations**. At the same time, the **tax reduction for donations to approved institutions** will be increased from 45% to 60% in 2020. The latter provision is aimed in particular at the voluntary sector and will support NGOs and non-profit organisations whose activities of general interest have been severely affected by the crisis.

A second part concerns the organisation of work. This includes:

- The creation of a **special Corona unemployment scheme**, which consists of a transition from temporary unemployment due to **corona** force majeure to regular economic unemployment. This 'transitional' economic unemployment can be used if the company experiences a 10% drop in turnover. Employees will attend 2 days of training per month of unemployment and will continue to receive 70% of their last capped salary.
- Companies undergoing restructuring or in difficulty will be able to **reduce working time** pending the resumption of their normal activities and to avoid redundancies, either by means of a collective reduction in working time, or by means of the time credit or end-of-career time credit, for which

access with benefits will be lowered from 57 to 55 years of age.

- Extending access to **corona parental leave**. This scheme will run until 30 September with benefits that are increased to 150% for single-parent families and families with a disabled child.
- **The costs incurred by people working from home** will be more easily reimbursable, up to a maximum of EUR 127 per month, with a view to achieving a better work-life balance in the future.

An agreement was also reached to make available an envelope of **EUR 100 million for Public Welfare Centres (OCMW/CPAS)**, which will be earmarked for vulnerable people in order to extend the benefits of the social measures decided on at the previous meeting to a wider public, particularly to combat energy poverty. To cover the running costs related to the additional workload, Public Welfare Centres will receive an **additional EUR 10 million in support**.

These support measures, together with all the decisions taken previously, bear witness to the commitment of the federal government and the parties that support it to provide the best possible support for citizens and economic fabric of our country in this difficult period, a period in which the socio-economic consequences of the health crisis are still being felt.

^[1]The details of the decisions taken on June 6 can be found here <https://www.premier.be/en/agreement-inner-cabinet-10-spending-power-support-measures-belgians-and-industries-difficulty>

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