



Pointing you in the right direction

Further details on emergency measure NOW 3.0



On 30 September 2020, the Dutch government announced further details of the Temporary Emergency Measure for Job Retention (in Dutch: *Tijdelijke noodmaatregel overbrugging voor werkbehoud* or "**NOW**") as of 1 October 2020 ("NOW 3.0"). The NOW 3.0 scheme was subsequently [published in the Government Gazette](#) (in Dutch: *Staatscourant*) on 9 October 2020.

NOW 3.0 – criteria for eligibility and level of compensation

As already briefly set out in our previous update, NOW 3.0 provides for a compensatory scheme with three tranches with a duration of 3 months each (referred to as NOW 3.1, NOW 3.2 and NOW 3.3). Employers may decide whether or not to apply for each tranche separately. Even if an employer has not made use of the previous NOW schemes, it is possible to file an application for (one or more tranches of) NOW 3.0.



NOW 3.0 criteria for eligibility and level of compensation

As already briefly set out in our previous update, NOW 3.0 provides for a compensatory scheme with three tranches with a duration of 3 months each (referred to as NOW 3.1, NOW 3.2 and NOW 3.3). Employers may decide whether or not to apply for each tranche separately. Even if an employer has not made use of the previous NOW schemes, it is possible to file an application for (one or more tranches of) NOW 3.0.

NOW 3.0 follows the system of NOW 1.0 and 2.0 in terms of the conditions for eligibility, such as determining the loss of revenue. The latter shall be calculated by deducting the expected revenue during the period included in the application from the reference revenue of 1/3rd of the employer's revenue in 2019. NOW 3.1 (1 October – 31 December 2020) will apply to employers who expect to suffer a loss of revenue of at least 20%. As from 1 January 2021, this percentage will increase. NOW 3.2 (1 January – 31 March 2021) and NOW 3.3 (1 April – 30 June 2021) will therefore only apply to employers who expect to suffer a loss of revenue of at least 30%.

Additionally, it has been confirmed that the contribution to the wage costs will gradually reduce in each new tranche and is capped at 80% (NOW 3.1), 70% (NOW 3.2) or 60% (NOW 3.3) of the wage bill during the 3-month period. In all tranches, the compensation is as a general rule calculated on the basis of the wages for the purposes of wage tax/national insurance contributions (i.e. SV wages) paid to employees in the month of June 2020. If the wage details for the month June 2020 are not available, the compensation will be based on the wage bill of the month of April 2020.



Additional obligations

Pursuant to NOW 3.0, employers continue to be obliged to make strenuous efforts to:

- encourage employees (irrespective of their employment contract will be terminated or not be renewed) to take retraining or reskilling courses, seek career development advice and
- shall also make efforts to contribute to the guidance to other work for employees whose employment contract ends or whose employment contract may end, regardless of the reason for termination (with the exception of retirement). The previously announced obligation to use 10% of the total wage sum to encourage employees to take training and work-to-work guidance for employees has not been implemented in NOW 3.0 scheme

NOW 3.0 offers employers with the opportunity to adapt their business operations to the new economic situation.



Employers are allowed to reduce the total wage sum with the so-called "exemption rate" (10% during NOW 3.1, 15% during NOW 3.2 and 20% during NOW 3.3), without this affecting the amount of compensation to be received.



However, in the event that the wage sum will be reduced with more than what is allowed pursuant to the exemption rate, the compensation shall be reduced with the wage costs that were reduced in excess of that rate.

In addition

If employers request the UWV for permission for termination of one or more employees due to business-economic reasons during the period for which they applied for compensation, an obligation to contact the UWV Hotline NOW applies. The purpose of this obligation is guide employers with respect to the obligation to support redundant employees in finding alternative employment. Should an employer fail to contact the UWV, this may lead to the final compensation being reduced with a penalty of 5%.

Where and when can employers apply for the NOW-measure?

It is expected that applications for NOW 3.1 can be submitted as from 16 November through 13 December 2020, for NOW 3.2 as from 15 February 2021 through 14 March 2021 and for NOW 3.3 as from 17 May 2021 through 13 June 2021.

Please find the comparison of the 3 different NOW schemes, in which we incorporated the final conditions and obligations regarding NOW 3.0, below.

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Comparison of NOW Schemes

	NOW 1.0	NOW 2.0	NOW 3.0
Conditions for eligibility	Employers that expect to suffer a loss of revenue of at least 20% during a consecutive period of 3 months between 1 March and 31 July 2020	Employers that expect to suffer a loss of revenue of at least 20% during a consecutive period of 4 months between 1 June and 30 November 2020	<p><u>NOW 3.1 (1 October to 31 December 2020):</u></p> <p>Employers that expect to suffer a loss of revenue of at least 20% during a consecutive period of 3 months between 1 October 2020 and 28 February 2021</p> <p><u>NOW 3.2 (1 January to 31 March 2021):</u></p> <p>Employers that expect to suffer a loss of revenue of at least 30% during a consecutive period of 3 months between 1 January and 31 May 2021</p> <p><u>NOW 3.3 (1 April to 30 June 2021):</u></p> <p>Employers that expect to suffer a loss of revenue of at least 30% during a consecutive period of 3 months between 1 April and 31 August 2021</p>
Period used for the purpose of calculating the loss of revenue ("NOW-calculation period")	Consecutive period of 3 months starting on either 1 March 2020, 1 April 2020 or 1 May 2020	<p>Consecutive period of 4 months starting on either 1 June 2020, 1 July 2020 or 1 August 2020</p> <p>Employers which also applied for NOW 1.0 shall ensure that the NOW 2.0 calculation period is directly adjacent to the period used for the NOW 1.0 loss of revenue calculation</p>	<p>Consecutive period of 3 months starting on either:</p> <p><u>NOW 3.1:</u> 1 October 2020, 1 November 2020 or 1 December 2020</p> <p><u>NOW 3.2:</u> 1 January 2021, 1 February 2021 or 1 March 2021</p> <p><u>NOW 3.3:</u> 1 April 2021, 1 May 2021 or 1 June 2021</p> <p>Employers which also applied for NOW 2.0 shall ensure that the NOW 3.1 calculation period is directly adjacent to the period used for the NOW 2.0 loss of revenue calculation. This also applies if employers apply for NOW 3.2 after having applied for NOW 3.1 and for NOW 3.3 after having applied for NOW 3.2</p>

	NOW 1.0	NOW 2.0	NOW 3.0
Calculation loss of revenue	<p>Deducting the expected revenue during the NOW-calculation period from the reference revenue, defined as 25% of the employer's revenue in 2019, and dividing this amount by the reference revenue</p> <p>As a general rule, NOW 1.0 concerns the (expected) loss of revenue of the legal entity. However, in case of a group of companies (within the meaning of article 2:24b Dutch Civil Code), the decrease in revenue at group level applies. A group includes foreign group companies to the extent that these pay wages in the Netherlands</p> <p>An exemption to the above rule may apply to operating companies that suffer a loss of revenue of at least 20%. Key requirements in this context are:</p> <ul style="list-style-type: none"> the operating company shall reach an agreement on maintaining employment with the labour unions or employee representative body and act in accordance with this agreement the loss of revenue at group level shall be less than 20%; other entities of the group shall not carry out projects or work which may be to the detriment of the operating company the operating company shall be a legal entity in its own right no more than 50% of the operating company's activities consist of intra-group posting of workers 	<p>Deducting the expected revenue during the NOW-calculation period from the reference revenue, defined as 1/3rd of the employer's revenue in 2019, and dividing this amount by the reference revenue</p> <p>As a general rule, NOW 2.0 concerns the (expected) loss of revenue of the legal entity. However, in case of a group of companies (within the meaning of article 2:24b Dutch Civil Code), the decrease in revenue at group level applies. A group includes foreign group companies to the extent that these pay wages in the Netherlands</p> <p>An exemption to the above rule may apply to operating companies that suffer a loss of revenue of at least 20%. Key requirements in this context are:</p> <ul style="list-style-type: none"> the operating company shall reach an agreement on maintaining employment with the labour unions or employee representative body and act in accordance with this agreement the loss of revenue at group level shall be less than 20% other entities of the group shall not carry out projects or work which may be to the detriment of the operating company the operating company shall be a legal entity in its own right no more than 50% of the operating company's activities consist of intra-group posting of workers 	<p>Deducting the expected revenue during the NOW-calculation period from the reference revenue, defined as 25% of the employer's revenue in 2019, and dividing this amount by the reference revenue</p> <p>As a general rule, NOW 3.0 concerns the (expected) loss of revenue of the legal entity. However, in case of a group of companies (within the meaning of article 2:24b Dutch Civil Code), the decrease in revenue at group level applies. A group includes foreign group companies to the extent that these pay wages in the Netherlands</p> <p>NOW 3.0 also applies to operating companies that suffer a loss of revenue of at least 20% (NOW 3.1) or 30% (NOW 3.2 and/or NOW 3.3). Key requirements in this context are:</p> <ul style="list-style-type: none"> the operating company shall reach an agreement on maintaining employment with the labour unions or employee representative body and act in accordance with this agreement ultimately before the final application for compensation is filed the loss of revenue at group level shall be less than 20% (NOW 3.1) or 30% (NOW 3.2 and/or NOW 3.3) other entities of the group shall not carry out projects or work which may be to the detriment of the operating company the operating company shall be a legal entity in its own right no more than 50% of the operating company's activities consist of intra-group posting of workers

	NOW 1.0	NOW 2.0	NOW 3.0
Application period for advance on compensation	From 6 April 2020 9.00 AM through 31 May 2020	From 6 July 2020 through 31 August 2020	<p><u>NOW 3.1</u>: From 16 November 2020 through 13 December 2020</p> <p><u>NOW 3.2</u>: From 15 February 2021 through 14 March 2021</p> <p><u>NOW 3.3</u>: From 17 May 2021 through 13 June 2021</p>
Documents needed for initial application	<ul style="list-style-type: none"> – the calculation for the expected loss of revenue, expressed as a whole percentage point and rounded up – the start date for the calculation of the loss of revenue (1 March, 1 April or 1 May 2020) – the employer's wage tax number – the Dutch or non-Dutch SEPA bank account number on which the employer receives payments from the Dutch Tax Inspectorate with respect to wage tax – if applicable, the case number of the application for a short-time working benefit which can be found on the confirmation receipt sent by the ministry 	<ul style="list-style-type: none"> – the calculation for the expected loss of revenue, expressed as a whole percentage point and rounded up – the start date for the calculation of the loss of revenue (1 June, 1 July, or 1 August 2020) – the employer's wage tax number – if applicable; the unique number assigned to the employer by the Dutch Chamber of Commerce – the Dutch or non-Dutch SEPA bank account number on which the employer receives payments from the Dutch Tax Inspectorate with respect to wage tax – a statement that the employer and/or the head of the group of companies will comply with the prohibition to pay bonuses/dividends in 2020 (NOW 3.1) and/or 2021 (NOW 3.2 and/or NOW 3.3) – whether the application concerns an employer which has taken over an undertaking – a statement that the employer will comply with the obligations with respect to collective redundancies; and – whether the application concerns an employer which has taken over an undertaking 	<ul style="list-style-type: none"> – the calculation for the expected loss of revenue, expressed as a whole percentage point and rounded up – the start date for the calculation of the loss of revenue – the employer's wage tax number – if applicable; the unique number assigned to the employer by the Dutch Chamber of Commerce – the Dutch or non-Dutch SEPA bank account number on which the employer receives payments from the Dutch Tax Inspectorate with respect to wage tax – a statement that the employer and/or the head of the group of companies will comply with the prohibition to pay bonuses/dividends in 2020 (NOW 3.1) and/or 2021 (NOW 3.2 and/or NOW 3.3) – whether the application concerns an employer which has taken over an undertaking

	NOW 1.0	NOW 2.0	NOW 3.0
Formula for calculating advance on compensation	<p>$A^* \times B^* \times 3 \times 1.3 \times 0.9$ = expected compensation, of which 80% will be paid as advance payment</p> <p>A^* = % expected loss of revenue</p> <p>B^* = total salary owed for January 2020, which will be determined based on the wage tax declaration which was filed ultimately on 15 March 2020</p>	<p>$A^* \times B^* \times 3 \times 1.4 \times 0.9$ = expected compensation, of which 80% will be paid as advance payment</p> <p>A^* = % expected loss of revenue</p> <p>B^* = total salary owed for March 2020, which will be determined based on the wage tax declaration which was filed ultimately on 15 May 2020</p>	<p><u>NOW 3.1</u></p> <p>$A^* \times B^* \times 3 \times 1.4 \times \mathbf{0.8}$ = expected compensation, of which 80% will be paid as advance payment</p> <p>A^* = % expected loss of revenue</p> <p>B^* = total salary owed for June 2020, which will be determined based on the payroll data pursuant to the UWV's policy administration (or in the absence of data regarding June 2020, the total salary owed for April 2020)</p> <p><u>NOW 3.2</u></p> <p>$A^* \times B^* \times 3 \times 1.4 \times \mathbf{0.7}$ = expected compensation, of which 80% will be paid as advance payment</p> <p>A^* = % expected loss of revenue</p> <p>B^* = total salary owed for June 2020, which will be determined based on the payroll data pursuant to the UWV's policy administration (or in the absence of data regarding June 2020, the total salary owed for April 2020)</p> <p><u>NOW 3.3</u></p> <p>$A^* \times B^* \times 3 \times 1.4 \times \mathbf{0.6}$ = expected compensation, of which 80% will be paid as advance payment</p> <p>A^* = % expected loss of revenue</p> <p>B^* = total salary owed for June 2020, which will be determined based on the payroll data pursuant to the UWV's policy administration (or in the absence of data regarding June 2020, the total salary owed for April 2020)</p>
Period for which compensation will be received	March, April and May 2020	June, July, August and September 2020	<p><u>NOW 3.1</u>: October until December 2020</p> <p><u>NOW 3.2</u>: January until March 2021</p> <p><u>NOW 3.3</u>: April until June 2021</p>

	NOW 1.0	NOW 2.0	NOW 3.0
Restrictions on redundancies	<p>Employers shall refrain from filling an application to request a dismissal permit for business-economic reasons from 18 March 2020 up to and including 31 May 2020</p> <p>If an employer files a request for permission to give notice of termination for business-economic reasons at the UWV and does not withdraw this request within the applicable period, 1.5x the sum of the salary of the employees affected by this will be deducted from the total salary for which compensation will be awarded</p>	<p>Employers shall as general rule refrain from filling an application to request a dismissal permit for business-economic reasons from 1 June 2020 up to and including 30 September 2020</p> <p>If an employer files a request for permission to give notice of termination for business-economic reasons during this period, the NOW 2.0 grant will be reduced with the sum of the salaries saved by the employer by making redundancies. No additional penalty applies</p> <p>In the event that the employer decides to make 20 redundancies or more in the UWV region (and therefore has to notify the UWV and labour unions of a collective redundancy pursuant to the Collective Redundancy (Notification) Act (in Dutch: <i>Wet Melding Collectief Ontslag</i> or "WMCO") it has to consult the relevant labour unions in order to try to reach an agreement regarding the collective redundancy or alternatively make a request – jointly with the labour unions – for mediation by the Labour Foundation (in Dutch: <i>Stichting van de Arbeid</i>); and refrain from filing an application to request a dismissal permit for business-economic reasons until 4 weeks after the notifying the UWV of the collective redundancy</p> <p>A penalty (WMCO penalty) applies in the event that the employer fails to comply with the obligation to (a) reach an agreement with the labour unions regarding the amount of positions which need to be made redundant or alternatively (b) request mediation in that respect by a committee formed by the Labour Foundation. The penalty is 5% of the final compensation after the reduction of the salary of employees for who a dismissal permit was requested and is 'paid' by reduction of the penalty amount from the final compensation</p>	<p>The penalties and/or reductions that applied to dismissals due to business-economic reasons and/or the WMCO penalty no longer apply</p> <p>Employers who suffer a long-term loss of revenue are offered the opportunity to reduce (part of) the total wage sum, without this having an effect on the NOW compensation applied for, by ways of an exemption rate. The exemption rate amounts to:</p> <ul style="list-style-type: none"> – 10% as from 1 October 2020 to 31 December 2020 (NOW 3.1); – 15% as from 1 January 2021 to 31 March 2021 (NOW 3.2); – 20% as from 1 April 2021 to 30 June 2021 (NOW 3.3) <p>An obligation for employers to contact the UWV by phone via the UWV Hotline NOW (088 – 898 20 04) applies in case a request for permission to give notice of termination for business-economic reasons is filed for one or more employees during the period for which compensation is requested. The purpose of this obligation is guide employers with respect to the obligation to support redundant employees in finding alternative employment. Should an employer fail to contact the UWV, this may lead to the final compensation being reduced with a penalty of 5%. Further details of this obligation are TBC</p>

	NOW 1.0	NOW 2.0	NOW 3.0
Prohibition to pay bonus or dividends	N/A	<p>Companies that expect to receive a compensation for which an auditor's report is required (see "Auditor's report required for application final compensation?" below) shall not pay any bonuses to the board of directors, management and leadership, distribute dividends or other profit distributions and/or repurchase shares for 2020. Regular employees remain entitled to their variable compensation through bonuses</p> <p>In the event that the exception for group operating companies is applied, this prohibition will also apply to the parent company</p> <p>The above prohibition does not apply if the employer has a statutory duty to pay dividends or is required to do so on the basis of a statement of findings (in Dutch: <i>vaststellingsverklaring</i>) agreed upon with the Dutch Tax Authority</p>	<p>No changes compared to NOW 2.0</p> <p>With respect to NOW 3.2 and NOW 3.3, the prohibition to pay bonuses to the board of directors, management and leadership, distribute dividends or other profit distributions and/or repurchase shares applies for <u>2021</u></p>
Best efforts obligation re training and work-to-work guidance for employees	N/A	<p>Employers are obliged to make strenuous efforts to encourage their employees to take retraining or reskilling courses or seek career development advice, for example by providing them with free time and/or resources through a R&D fund</p> <p>Employers are not obliged to provide employees with (compensation for) such training. It is expected that the government will issue a crisis response package called "NL continues to learn" (in Dutch: <i>NL leert door</i>) to this end</p>	<p>Continued obligation for employers to encourage employees to take retraining or reskilling courses, seek career development advice and to provide employees work-to-work guidance</p> <p>Employers receiving NOW 3.0-compensation are obliged to make an effort to guide employees to other work when they terminate employees due to business-economic reasons (e.g. by making time and/or means available for retraining or reskilling courses, career development advice and/or work-to-work guidance). For this purpose, employers can make use of the Social Package "NL continues to learn"</p> <p>No obligation to use at least 10% of the total wage sum for which NOW compensation is received for this purpose</p>

	NOW 1.0	NOW 2.0	NOW 3.0
Additional conditions	<p>Employers are required to:</p> <ul style="list-style-type: none"> – keep the wage bill as equal as possible – only use the contribution to pay employees' salaries – inform the Works Council, or if there is no Works Council the Employee Representative Body, or in the absence of both the employees about the application for NOW – keep proper records of information which could be relevant for determining the final level of compensation and retain these records for five years – file their wage tax declaration in a timely manner – inform the minister in writing of any circumstance which may be of influence to the compensation – if applicable, inform the municipality which has granted a wage costs grant (in Dutch: <i>loonkostensubsidie</i>) that compensation has been granted 	<p>Employers are required to:</p> <ul style="list-style-type: none"> – keep the wage bill as equal as possible – inform the Works Council, or if there is no Works Council the Employee Representative Body, or in the absence of both the employees about the application for NOW – keep proper records of information which could be relevant for determining the final level of compensation and retain these records for five years – file their wage tax declaration in a timely manner – inform the minister in writing of any circumstance which may be of influence to the compensation – if applicable, inform the municipality which has granted a wage costs grant (in Dutch: <i>loonkostensubsidie</i>) that compensation has been granted 	<p>Employers are required to:</p> <ul style="list-style-type: none"> – use the compensation in accordance with the purpose of NOW 3.0, which means that the contribution shall in any case be used to pay employees' salaries – inform the Works Council, or if there is no Works Council the Employee Representative Body, or in the absence of both the employees about the application for NOW – keep proper records of information which could be relevant for determining the final level of compensation and retain these records for five years – file their wage tax declaration in a timely manner – inform the minister in writing of any circumstance which may be of influence to the compensation – if applicable, inform the municipality which has granted a wage costs grant (in Dutch: <i>loonkostensubsidie</i>) that compensation has been granted – the obligation to keep the wage bill as equal as possible no longer applies. Employers are allowed to (slightly) reduce the wage bill without this leading to a reduction of the final compensation
Application for final compensation	<p>Applications can be filed as from 7 October 2020 until ultimately 24 weeks thereafter (until 23 March 2021). For the applications for final compensation that require an auditor's report, the application period is 38 weeks as of 7 October 2020 (until 29 June 2021)</p>	<p>Applications can be filed as of 15 November 2020 (expected at this time) and ultimately 24 weeks thereafter. For the applications for final compensation that require an auditor's report, the application period is 38 weeks</p>	<p>Applications can be filed as of 1 September 2021 (expected at this time) and ultimately 24 weeks thereafter. For the applications for final compensation that require an auditor's report, the application period is 38 weeks</p>

	NOW 1.0	NOW 2.0	NOW 3.0
<i>Formula for calculating final level of compensation</i>	<p>$A \times B \times 3 \times 1.3 \times 0.9 = \text{final compensation}$</p> <p>A = % actual loss of revenue</p> <p>B = the total salary as follows from B* in the calculation for the advance payment above, with the exception that:</p> <ul style="list-style-type: none"> – 1.5 x the salary of employees for whom a dismissal permit was requested will be deducted from the total salary (unless the application for the dismissal permit is withdrawn ultimately on 6 April 2020 or 5 days after the application was filed) – 13th month payments made in January will be deducted from the total salary costs – the holiday allowance will be deducted from the total salary costs if the employer reserves the employees' holiday allowance on a monthly basis throughout the year – individual salaries will be capped at EUR 9,538 gross per month – for companies operating in a sector that is dependent on seasons the wage sum of March, April and May 2020 shall be taken into account, provided that the wage sum in the period March until May 2020 is higher than 3x the wage sum of January 2020. The wages of April and May are capped at the wage sum for March 2020 (based on the employer's wage tax declaration filed on 15 May 2020) <p>In the event that the salary costs for 1 March – 31 May 2020 (defined as C) are less than 3 times the salary defined as B, the compensation shall be reduced by applying the following formula:</p> <p>$B \times 3 - C) \times 1.3 \times 0.9$</p> <p>The actual wage costs (C) will be based on the employer's wage tax declaration as filed by the employer to the Tax Inspectorate ultimately on 19 July 2020</p>	<p>$A \times B \times 3 \times 1.4 \times 0.9 = \text{final compensation}$</p> <p>A = % actual loss of revenue</p> <p>B = total salary paid for the third wage reporting period of 2020, based on the wage tax declaration which was filed ultimately on 15 May 2020, with the exception that:</p> <ul style="list-style-type: none"> – the holiday allowance will be deducted from the total salary costs if the employer reserves the employees' holiday allowance on a monthly basis throughout the year – if the employer does not reserve the employees' holiday allowance on a monthly basis, the total salary shall be multiplied by 0,926 – salary paid pursuant to the (collective) employment agreement which is in addition to the usual salary and holiday allowance and is not dependent on the company and/or the employee's performance (e.g. 13th month payments), will be deducted from the total salary – individual salaries will be capped at EUR 9,538 gross per month <p>In the event that the salary costs for 1 June – 30 September 2020 (defined as C) are less than 4 times the salary defined as B, the compensation shall be reduced by applying the following formula:</p> <p>$(B \times 4 - C) \times 1.4 \times 0.9$</p> <p>The actual wage costs (C) will be based on the employer's wage tax declaration as filed by the employer to the Tax Inspectorate ultimately on 16 November 2020</p>	<p>See following page.</p>

NOW 3.0 (continued from previous page)

NOW 3.1

$A \times B \times 3 \times 1.4 \times \mathbf{0.8}$ = final compensation

A = % actual loss of revenue

B = the total salary as follows from B* in the calculation for the advance payment above, with the exception that:

- the holiday allowance will be deducted from the total salary costs if the employer reserves the employees' holiday allowance on a monthly basis throughout the year
- if the employer does not reserve the employees' holiday allowance on a monthly basis, the total salary shall be multiplied by 0,926
- salary paid pursuant to the (collective) employment agreement which is in addition to the usual salary and holiday allowance and is not dependent on the company and/or the employee's performance (e.g. 13th month payments), will be deducted from the total salary
- individual salaries will be capped at **EUR 9,691 gross per month**

In the event that the salary costs for 1 October - 31 December 2020 (defined as C) have been reduced with more than allowed pursuant to the exemption rate (i.e. more than 10%), the compensation shall be reduced with the wage costs reduced in excess of the exemption rate. The following formula shall be applied:

$$((0,9B \times 3) - C) \times 1,4 \times 0,8$$

NOW 3.2

$A \times B \times 3 \times 1.4 \times \mathbf{0.7}$ = final compensation

A = % actual loss of revenue

B = the total salary as follows from B* in the calculation for the advance payment above, with the exception that:

- the holiday allowance will be deducted from the total salary costs if the employer reserves the employees' holiday allowance on a monthly basis throughout the year
- if the employer does not reserve the employees' holiday allowance on a monthly basis, the total salary shall be multiplied by 0,926
- salary paid pursuant to the (collective) employment agreement which is in addition to the usual salary and holiday allowance and is not dependent on the company and/or the employee's performance (e.g. 13th month payments), will be deducted from the total salary
- individual salaries will be capped at **EUR 9,691 gross per month** (expected, indexed as of 1 January 2021)

In the event that the salary costs for 1 January - 31 March 2021 (defined as C) have been reduced with more than allowed pursuant to the exemption rate (i.e. more than 15%), the compensation shall be reduced with the wage costs reduced in excess of the exemption rate. The following formula shall be applied:

$$((0,85B \times 3) - C) \times 1,4 \times 0,7$$

NOW 3.3

$A \times B \times 3 \times 1.4 \times \underline{0.6} = \text{final compensation}$

A = % actual loss of revenue

B = the total salary as follows from B* in the calculation for the advance payment above, with the exception that:

- the holiday allowance will be deducted from the total salary costs if the employer reserves the employees' holiday allowance on a monthly basis throughout the year
- if the employer does not reserve the employees' holiday allowance on a monthly basis, the total salary shall be multiplied by 0,926
- salary paid pursuant to the (collective) employment agreement which is in addition to the usual salary and holiday allowance and is not dependent on the company and/or the employee's performance (e.g. 13th month payments), will be deducted from the total salary
- individual salaries will be capped at **EUR 4,845 per month** (expected, indexed as of 1 January 2021)

In the event that the salary costs for 1 April - 30 June 2021 (defined as C) have been reduced with more than allowed pursuant to the exemption rate (i.e. more than 20%), the compensation shall be reduced with the wage costs reduced in excess of the exemption rate. The following formula shall be applied:

$((0,8B \times 3) - C) \times 1,4 \times 0,6$

	NOW 1.0	NOW 2.0	NOW 3.0
Disclosure	As of the end of June 2020, the UWV will publish information on which companies have applied for the NOW 1.0, including the advance payments made and amounts of final compensation awarded on its website	No changes compared to NOW 1.0	No changes compared to NOW 1.0 and NOW 2.0
Auditor's report required for application final compensation?	<p>An auditor's report shall have to be included in the application for final compensation from companies that (i) receive an advance payment of EUR 100,000 or more or (ii) expect to receive a final compensation of more than EUR 125,000. The intensity of the audit depends on the amount of the subsidy (EUR 375,000 or more) and whether or not a company has a mandatory audit of their annual accounts. Of these companies more accountability is expected and if they lack in this respect, the NOW-compensation shall be repaid. The competent authority together with the Royal Netherlands Institute of Chartered Accountants (<i>Koninklijke Nederlandse Beroepsorganisatie van Accountants</i>, "NBA") has drawn up an accountant's protocol (in Dutch) with requirements for the audit</p> <p>Additionally, a report from a third-party expert (such as an administration office, tax consultant bookkeeper or accountant) will be required for companies that:</p> <ul style="list-style-type: none"> (i) receive an advance payment (80% of the amount of expected final compensation) of EUR 20,000 or more (ii) expect to receive a final compensation amounting to EUR 25,000 or more 	<p>No changes compared to NOW 1.0</p> <p>However, for groups of companies that apply for NOW 2.0 to compensate the loss of revenue for operating group companies, an auditor's report is mandatory irrespective of the amount of compensation received</p>	No changes compared to NOW 1.0 and NOW 2.0

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