

Questions about freelancing and coronavirus

Everything depends on the freelancer's status. Freelancers can be self-employed as their main job or as a second job or within the scope of the Act of 18 July 2018 on Economic Recovery and Improvement of Social Cohesion (also known as the De Croo Act). Freelancers can also be employed via Smart or a similar activity cooperative. We discuss the different possible situations below.

WHAT MEASURES ARE THERE FOR FREELANCERS WHO ARE SELF-EMPLOYED AS THEIR MAIN JOB OR AS A SECOND JOB?

There are several support measures for freelancers with a self-employed status.

1. You can request postponement of payment of amounts due to the FPS Finance (VAT payments, advance tax payments, etc.) for one year.

Please note you have to submit a separate request for each type of debt (VAT/withholding tax/company tax) by 30 June 2020.

More information and contact: <https://financien.belgium.be/nl/node/121/steunmaatregelen-betreffende-het-coronavirus-covid-19>

2. A self-employed freelancer can also request postponement of payment of social security contributions. These contributions are paid on a quarterly basis and it is possible to request postponement for the first and second quarters.

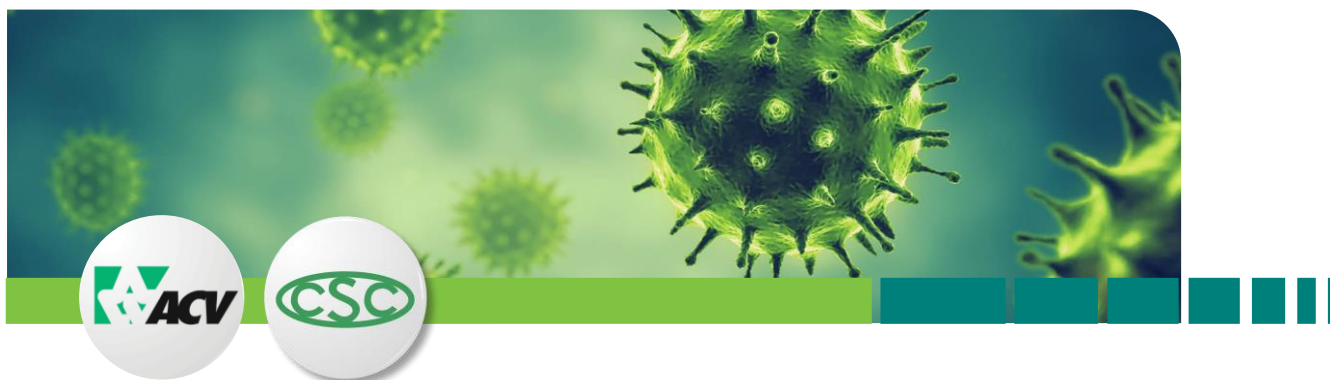
Please note that postponement for the first quarter needs to be requested prior to 31 March! Postponement for the second quarter needs to be applied for before 30 June.

More information: https://www.rsvz.be/nl/news/moeilijkheden-door-het-coronavirus?_ga=2.151677817.1163905734.1584375397-374119253.1584375397

In case of complete loss of income, a self-employed freelancer can even request exemption from payment for this time period.

3. As far as income is concerned, a self-employed freelancer can make use of a right to monthly benefits in times of hardship within the scope of the coronavirus crisis ('corona-overbruggingsrecht') in case of full (yet temporary) cessation of activities.

Please note that it concerns an extension and generalisation of the standard right to monthly benefits in times of hardship ('overbruggingsrecht'). The standard right to monthly benefits in times of hardship can only be invoked for 4 specific reasons (collective debt settlement, economic reasons, bankruptcy and



forced suspension) and for a maximum of 12 months throughout a person's entire career (24 months if you have paid social security contributions as a self-employed person for over 15 years).

Within the scope of the coronavirus crisis, the government has introduced a special right to monthly benefits in times of hardship:

- this special right no longer requires you to have paid social security contributions for the last 4 quarters and is not limited in time throughout a person's entire career (it is added to the normal right to monthly benefits in times of hardship without any impact on the career balance). In addition, you temporarily do not have to reside in Belgium to qualify.
- This right can be invoked in two cases:
 - when the self-employed person is forced to suspend their activities either in full or in part due to a government decision (forced suspension). In this case, the self-employed person is entitled to the right to monthly benefits, even if their activities are only suspended in part (such as a restaurant that is forced to close the front of the house but continues to deliver meals or a shop that is forced to close its doors but continues to sell goods online).
 - when the self-employed person is not forced to suspend their activities but decides to do so (for example because they no longer receive any supplies, because there have been too many cancellations or because there is no longer enough work). In this case, the self-employed person needs to decide to temporarily suspend their activities in full for at least seven consecutive calendar days for each month for which they invoke the right to monthly benefits. The self-employed person must refrain from performing any professional activities during this suspension period (at least seven consecutive days).
- In both cases, the self-employed person will receive full monthly benefits for March and/or April.

The monthly benefits amount to a maximum of € 1,291.69 if the self-employed person has no dependents and € 1,614.10 if they have dependents. No health insurance fund certificate is required to determine the family situation. The self-employed person only has to report to their health insurance fund that they have at least one dependent.

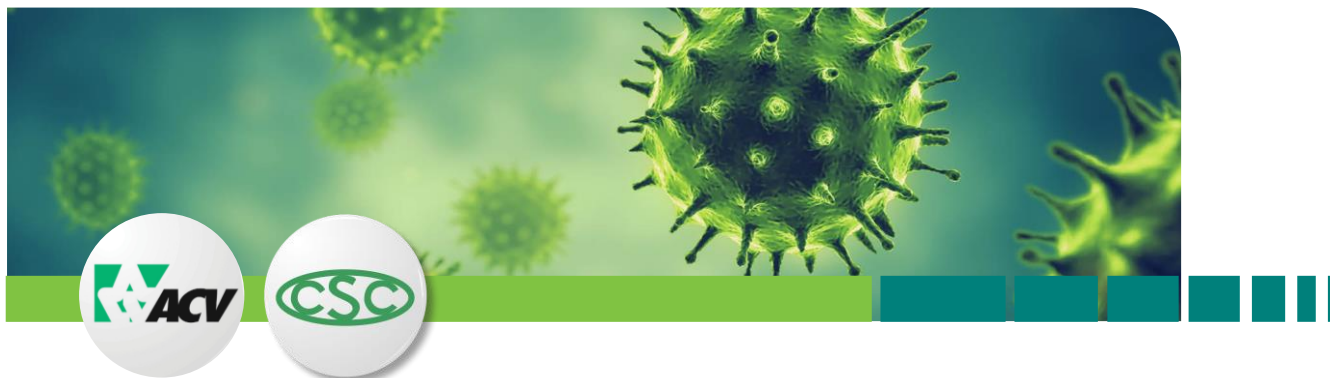
The benefits will be paid in full for the months of March and April, even if the self-employed person suspends their activities for less than one month. In the following months, the benefits will be calculated pro rata (unless the current measures are extended by the government).

The right to monthly benefits in times of hardship can be invoked via the social insurance fund of which the freelancer is a member (such as Liantis, Acerta, UCM, Group S, Partena, Xerius and the National Fund). The self-employed person will be asked by their fund to complete a document.

Some clarifications with regard to the right to monthly benefits in times of hardship ('overbruggingsrecht')

The right to monthly benefits in times of hardship can be combined with:

- Public Social Welfare Centre benefits;
- benefits for people with a disability.



The right to monthly benefits in times of hardship CANNOT be combined with:

- invalidity benefits (paid by the health insurance fund in case of protracted illness);
- unemployment benefits (regardless whether it concerns economic unemployment, force majeure or full unemployment).

You do not have to reside in Belgium (this condition has been suspended). A self-employed person who lives in a different country but operates in Belgium and pays their social security contributions is therefore entitled to the right to monthly benefits in times of hardship. However, the reverse is not always true; the government is working to address abuses with regard to self-employed people who live in Belgium but pay their social security contributions in other countries.

The benefits received within the scope of this right are taxed as replacement income, which means at a fixed percentage of 16.5%, separately from the self-employed person's professional income.

The right to monthly benefits in times of hardship can be invoked by people who are self-employed as their main profession and pay their social security contributions in full, but also by people who are self-employed as a second profession or self-employed students who pay the same amount of social security contributions as the minimum for people who are self-employed as their main profession, namely € 717.18 without the quarterly management fees, which corresponds to an annual income of at least € 13,993.77.

Please note: when we're talking about income, we mean income after deduction of provisional social security contributions and other professional expenses.

There is also a partial right to monthly benefits in times of hardship ('half overbruggingsrecht')

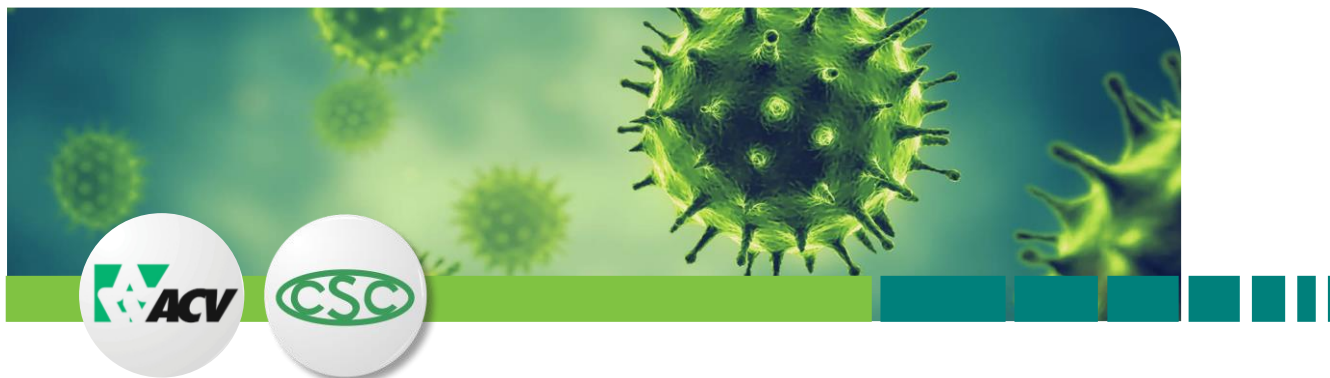
for:

- people who are self-employed as a second job with an income ranging between € 6,996.89 and € 13,993.77;
- people who are self-employed as their main profession but put on a par with people who are self-employed as a second job (with a reference income ranging between € 6,996.89 and € 7,330.52);
- self-employed students with an income ranging between € 6,996.89 and € 13,993.77;
- active retired self-employed people with an income exceeding € 6,996.89.

People entitled to the partial right to monthly benefits in times of hardship can claim half of the amount of the normal right to monthly benefits in times of hardship, namely:

- if they have dependents (at health insurance fund level): € 807.05 a month;
- if they do not have dependents (at health insurance fund level): € 645.85 a month.

This partial right to monthly benefits in times of hardship can be combined with other replacement allowances (such as unemployment benefits and pension) but will be reduced if the gross total income exceeds € 1614.10 a month.



The conditions to claim the partial right to monthly benefits in times of hardship are the same as for the full right to monthly benefits in times of hardship: an obligation to suspend all self-employed activities (linked to the lockdown) or a voluntary decision to suspend all activities for a period of at least seven successive days a month.

About the social allowances:

- If the freelancer has paid their quarterly contributions, the suspension of their activities will not be reimbursed on a pro-rata basis (this will obviously be corrected afterwards as they have earned less). In this case, the right to monthly benefits in times of hardship will not affect the right to pension.
- If the freelancer is granted an exemption of payment of social security contributions, these periods of exemption will not be taken into account for the calculation of their pension, regardless whether they receive monthly benefits in times of hardship within the scope of the coronavirus crisis. They can nevertheless repay the periods of exemption afterwards when business is better and within 5 years.

Please note that the benefits in times of hardship are paid on a monthly basis.

A self-employed person who suspends their activities can invoke the right to monthly benefits in times of hardship if they suspend their professional activities for at least seven successive days a month.

If they want to claim the right to monthly benefits in times of hardship for March, they need to have suspended their activities for at least seven successive days in March.

The same holds true for the month of April. A self-employed person needs to suspend all professional activities for at least seven successive calendar days in April if they want to claim the benefits for April.

What if the freelancer becomes ill themselves?

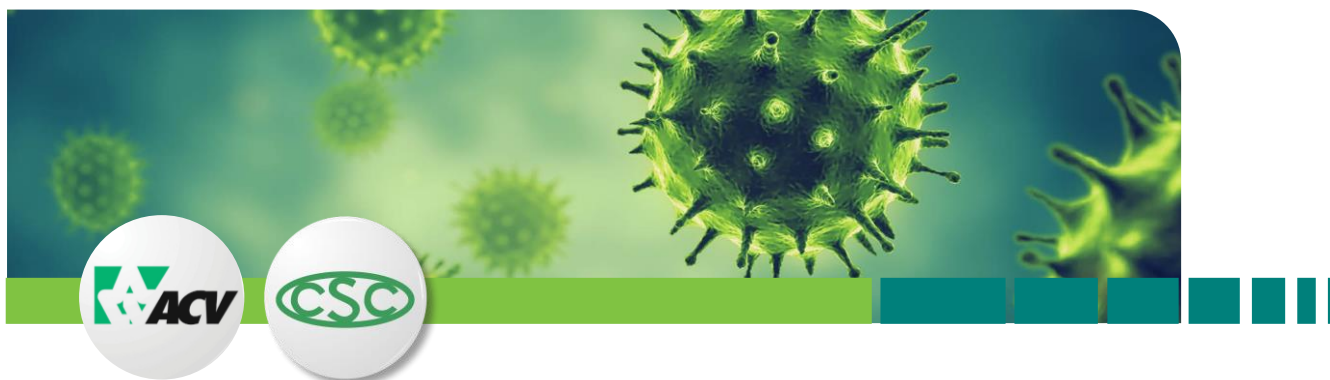
If the freelancer becomes ill as a result of the coronavirus pandemic, they will be entitled to benefits from their health insurance fund as soon as they have been incapable of work for at least seven days.

<https://www.unitedfreelancers.be/kenniscentrum/2019/7/1/afschaffing-van-de-carenzperiode-voor-arbeidsongeschiktheid-van-meer-dan-7-dagen-vanaf-1-juli-2019>

If they are ill for a period of less than seven days, they will not be entitled to health insurance benefits.

WHAT MEASURES ARE THERE FOR FREELANCERS WHO ARE SELF-EMPLOYED AS A SECOND JOB?

The possibilities to request postponement of payment of debts in terms of VAT or taxes are the same for people who are self-employed as their main job and for people who are self-employed as a second job.



People who are self-employed as a second job are currently unable to request postponement of payment of social security contributions in case of difficulties due to the coronavirus crisis (this may be subject to change).

People who are self-employed as a second job can now also claim a partial right to monthly benefits in times of hardship ('half overbruggingsrecht') if their annual income exceeds € 6,996.89 (see above). This was important to us as people who are self-employed as a second job often get a substantial part of their income from self-employment (e.g. half-time employed and half-time self-employed). Unfortunately the income limit is still rather high.

People who are self-employed as a second job and become ill will not receive health insurance benefits within the scope of their self-employment; they will nevertheless receive health insurance benefits as employees. The problem is that these benefits only cover the loss in income from your main profession and not the loss in additional income from your second job. People who are self-employed as a second job only accrue social rights based on their activities linked to their main profession and not on their income from their second job. Even though they pay (reduced) social security contributions on their income from their second job, they do not accrue social rights based on these contributions.

This is a fundamental problem that needs to be resolved in the medium term. ACV-United Freelancers occupies itself with this.

THERE ARE ALSO ADDITIONAL SUPPORT MEASURES TAKEN BY THE REGIONAL AUTHORITIES:

The different regions have introduced specific support measures.

In the Flemish region, these measures include:

<https://vlaio.be/nl/begeleiding-advies/moeilijkhedencoronavirus/specifieke-maatregelen-mbt-het-coronavirus/coronavirus>

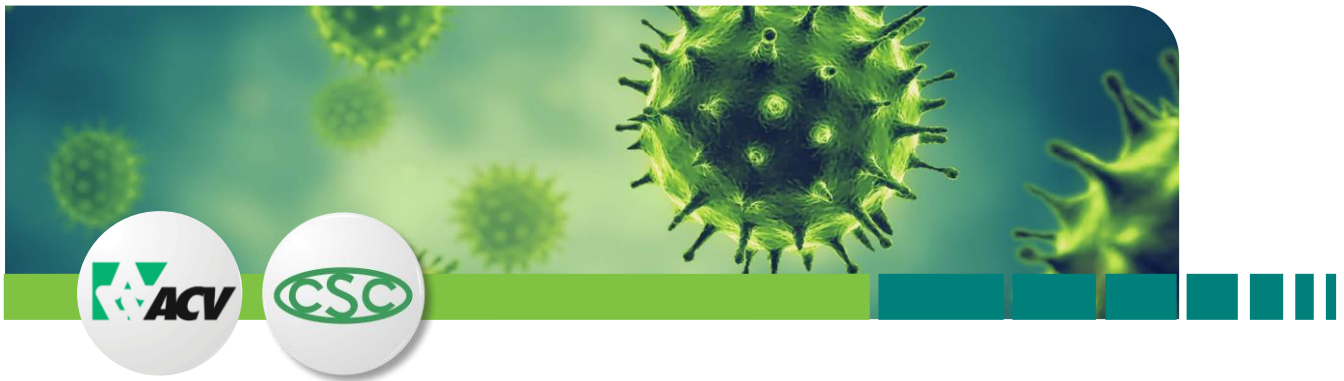
1. the "Coronavirus nuisance premium":

Entrepreneurs who have been forced to close their physical location in accordance with the federal regulations can claim a once-only premium of € 4,000. If additional federal measures result in an extension of the closure after 5 April 2020, the company will receive an additional premium for each additional day that their location is closed. This additional premium amounts to € 160 for each day of closure that coincides with a regular opening day.

<https://vlaio.be/nl/subsidies-financiering/corona-hinderpremie>

2. Compensation premium for entrepreneurs

The compensation premium for entrepreneurs is a new premium for companies and one-man businesses that can remain operational (so not for businesses that have been forced to close their doors and which can claim the nuisance premium); they have to be able to demonstrate that their turnover decreased by at least 60% in the period between 15 March 2020 and 30 April 2020 versus the same period last year.



- In case of startups, it concerns a 60% decrease in turnover versus the financial plan that was submitted. Non-profit organisations can also claim this premium provided that they employ at least one person on a full-time basis.
- Examples: companies in the event industry with a lot of freelancers; (para)medical professions such as physical therapists, dentists, psychologists and speech therapists, who may only perform urgent interventions at the moment; companies that provide essential services in the field of food, such as pralines shops or beverage dealers, but suffer a significant decrease in turnover due to a lack of tourists or a lack of people passing by; painters or plumbers, who may only perform urgent repairs at the moment; and farmers who sell directly to hospitality businesses.
- Amount of the premium
 - The premium can be claimed only once and amounts to € 3,000.
 - Companies with several places of business can claim the premium up to five times.
- People who are self-employed as a second job and, on account of their income, pay the same amount of social security contributions as people who are self-employed as their main job can also claim the € 3,000 compensation premium;
- People who are self-employed as a second job and have an income that ranges between € 6,996.89 and € 13,993.78 can claim a € 1,500 compensation premium. This premium can also be claimed by people who are self-employed as a second job and are forced to close their doors but not by people who combine self-employment with a part-time job that is equivalent to at least 80% of full-time hours.
- The form to claim this premium is not yet available but will be published at www.vlaio.be.

The Walloon Region and the Brussels-Capital Region have introduced measures that are similar to the 'nuisance premium'.

In Wallonia, restaurants, tourist accommodations and attractions, shops, travel agencies and hairdressers qualify for a € 2500 premium, while personal services, taxis, photographers, car wash companies, etc. with less than 50 employees can claim a € 5000 premium.

<https://www.1890.be/article/coronavirus-quelles-mesures-pour-leconomie-et-lemploi-en-wallonie>

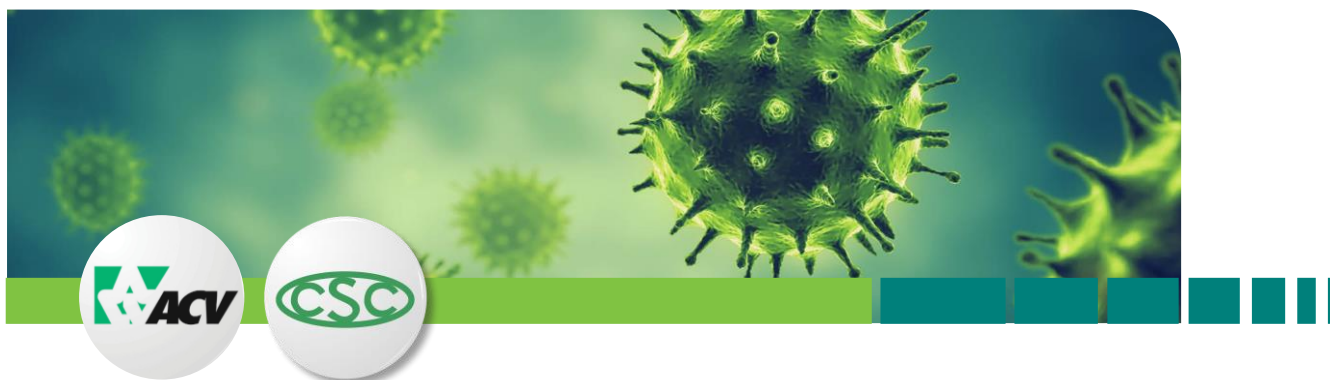
You can request the premium or check your eligibility at:

<https://indemnitecovid.wallonie.be/#/>

The Brussels-Capital Region grants a once-only premium of € 4,000 to companies with at least 50 employees that are forced to close down and belong to specific industries.

You can check whether your company qualifies for the premium and submit a request at <http://werk-economie-emploi.brussels/nl/premie-covid-19>

We question the fairness of these measures: if a restaurant owner receives a premium because they are forced to close their business, what will happen to the kitchen and wait staff, who are often self-employed service providers and lose their entire income because of the closure? It is furthermore beyond doubt that the impact on retailers has been significant, but what about related professions that have been affected



indirectly (wholesalers, small-scale producers, transport and delivery businesses, etc.)? We keep paying attention to possible evolutions.

These premiums can be claimed by people who are self-employed as their main profession or as a second job (provided that the conditions are met).

As it is not yet entirely clear who can make use of the different premiums (e.g. in the case of taxi drivers), we recommend that all people who are self-employed (either as their main profession or as a second job) request the premium in case of suspension of their activities within the scope of the coronavirus crisis.

WHAT MEASURES ARE THERE FOR EMPLOYEES IN THE PLATFORM ECONOMY (PLATFORMS RECOGNISED UNDER THE ACT OF 18 JULY 2018 ON ECONOMIC RECOVERY AND IMPROVEMENT OF SOCIAL COHESION – SOMETIMES ALSO CALLED P2P)?

This is a bit of a problem. The Act of 18 July 2018 on Economic Recovery and Improvement of Social Cohesion, which makes it possible to earn an annual income of € 6,340 (2020 amount) without having to pay any taxes or social security contributions on this income, concerns a tax system and not a social status. At the moment, the social security authorities have not made any arrangements to compensate people for loss of income earned within the scope of the aforementioned act.

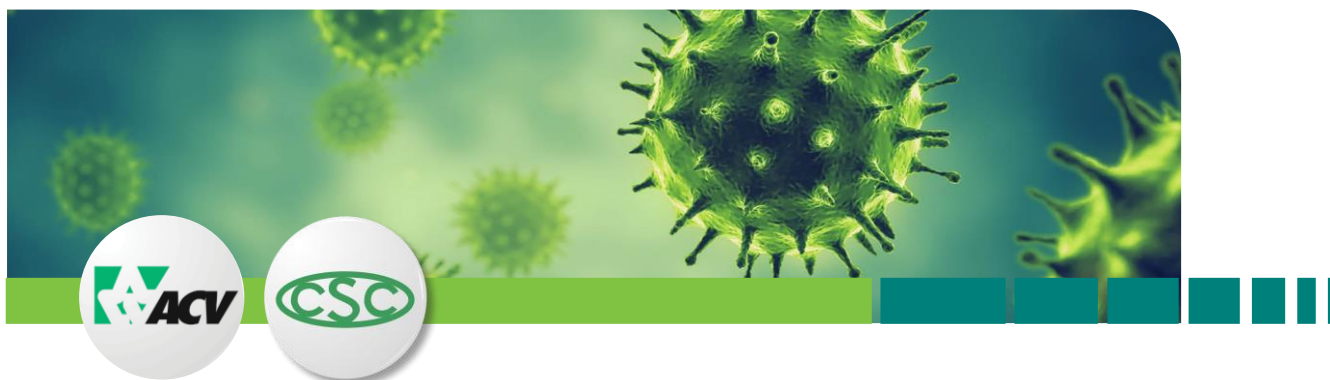
If a person who is employed under this system becomes ill, they are not entitled to invalidity benefits from the health insurance fund (unless they are also employed on the basis of an employment contract) because activities conducted under the "De Croo Act" do not qualify as work and do not entitle people to social security benefits.

The fact that these employees do not have any social rights as a result of their work has been a source of concern for the ACV for many years. The economic impact of the coronavirus crisis once again confirms the problem. We are trying to change that.

AND WHAT ABOUT THE FREELANCERS WHO ARE EMPLOYED VIA SMART OR A DIFFERENT ACTIVITY COOPERATIVE?

Freelancers who are employed via Smart are usually employed on the basis of fixed-term employment contracts and receive unemployment benefits in between contracts. If they become ill while employed on the basis of a fixed-term employment contract, they are bound by the same rules as any other employee with an employment contract (guaranteed monthly income during the first month). If they become ill while unemployed, they have to send a medical certificate to their unemployment insurance fund, upon which they will receive sickness benefits from their health insurance fund.

This means that freelancers who work via Smart, Tentoo and similar platforms usually do not qualify for temporary unemployment within the scope of the coronavirus crisis and have to make use of their right to full unemployment benefits in between contracts. Additional support measures are currently being discussed with the authorities.



On 1 April 2020, it was decided that fixed-term contracts concluded for a future event can remain in effect and that the employees in question can be put on temporary unemployment if the event is cancelled (even if the contract is not actually carried out).

However, a lot of people employed on the basis of irregular employment contracts are currently not yet entitled to unemployment benefits in between contracts, and the crisis has aggravated this situation as a lot of future contracts have been cancelled.

At the insistence of several parties, including the ACV, various measures have been taken within the scope of the coronavirus crisis:

- A freeze on the degressive nature of unemployment benefits from 1 April to 30 June
- A temporary relaxation of the employment requirements (number of days worked) to qualify for full unemployment benefits

WHAT ABOUT OTHER FIXED AND RECURRING EXPENSES?

Many freelancers wonder what needs to be done with fixed expenses which are not related to taxes, social security contributions or VAT payments. What about a loan taken out by a self-employed courier to finance their delivery van, a fee paid by a self-employed taxi driver for making use of the services of a call centre or the rent for a commercial or logistics property?

These costs concern investments, supplies, professional equipment and commercial arrangements between companies.

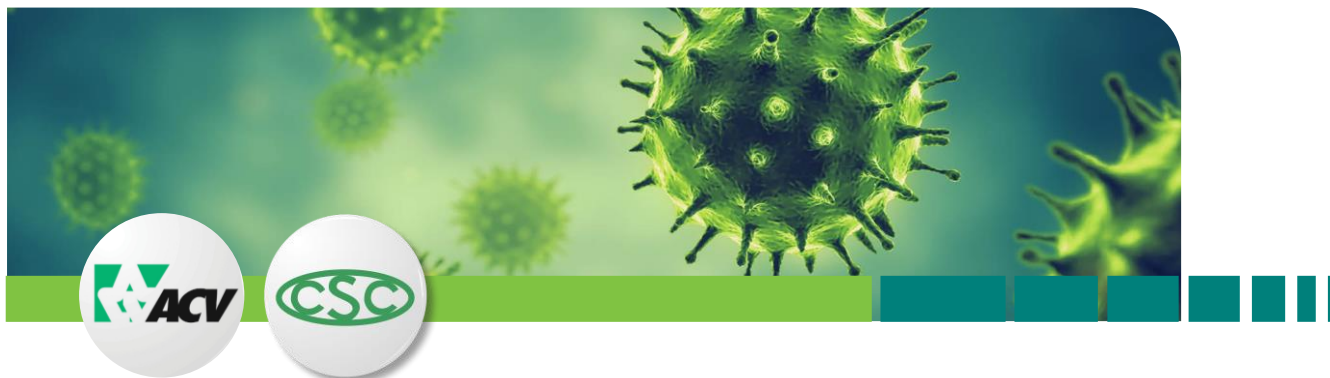
We therefore advocate more general measures that justify temporary suspension of the obligation to pay these fixed expenses. A general agreement has been reached with the banks.

They have agreed to suspend mortgage payments until the end of September 2020. Look into the terms and conditions and submit a request with your bank.

The government has furthermore granted bank guarantees so that freelancers and SMEs can apply for a bridging loan (for a maximum of 12 months) in order to pay their bills until their income has returned to normal levels. Contact your bank for advice.

As far as costs towards third parties are concerned, you need to check whether it is possible to activate a suspension clause in the existing contracts (e.g. on account of force majeure). United Freelancers can help you look into this and possibly assist you in negotiations with your customers or clients.

We strongly urge you to be very careful and to contact us right away if people ask you to sign an appendix to the current contract. In this turbulent period, people may be tempted to pass on possible risks to someone else. Self-employed freelancers should not be the victim of that.



WHAT IF MY CUSTOMER USES THE CORONAVIRUS CRISIS AS AN EXCUSE FOR NOT PAYING ME?

Read the following article on this specific topic (in Dutch):

<https://www.unitedfreelancers.be/actualiteit/2020/4/2/mijn-klant-gebruikt-de-coronacrisis-als-excuus-om-mij-niet-meer-te-betalen-wat-kan-ik-doennbsp>

DO YOU HAVE ANY OTHER QUESTIONS OR WANT A MORE THOROUGH ANALYSIS OF YOUR SITUATION?

Don't hesitate to contact the services of United Freelancers by calling +32 (0)2 244 31 00, sending an email to unitedfreelancers@acv-csc.be or visiting the contact page on the website www.unitedfreelancers.be.