



COVID-19 WATCH ETUC BRIEFING NOTE

SELF-EMPLOYED
24 APRIL 2020

National measures to protect self-employed workers

ETUC calls for setting up emergency measures from the European Commission and other EU institutions such as the ECB, and from Member States, including financial support to workers who are quarantined, suspended from their jobs or made redundant because of COVID-19. In this respect, attention must also be paid to self-employed workers and precarious and non-standard workers (including platform workers) (see separate Briefing Note on “Non-standard/platform workers”), who are often excluded from the same rights and protections as other workers.

ETUC affiliated organisations have reported different agreements and measures undertaken at national or sectoral level, many of which are state initiatives providing financial support packages including a range of measures. The measures are variate and range from income and sick pay support, contributions for telework arrangements, tax exemptions and provisions to allow delays in social security contributions, to government loans and direct financial contributions based on previous revenues or lump-sum payments.

Measures regarding self-employed are mainly focused on undertakings and on fiscal support and social measures to help undertakings pay their employees. These measures do not reach the most precarious self-employed and non-standard/platform workers, because they do not extend access to social rights. When they do, the level of replacement benefit will never cover the living expenses of workers, nor the loss of contracts.

It is also worth mentioning the negotiation of agreements to protect the self-employed workers in some sectors, mainly in those in which this category of workers has been overrepresented over the years: musicians, actors and live performance workers; finance and journalists.

One note of caution, this briefing note captures a dynamic situation which is subject to ongoing change. We therefore kindly ask affiliates to provide us with further information on COVID 19-related measures that have been introduced in your country so that we can update this briefing note.

Some of the measures are the following:

- **Italy.** On March 16, the government approved the “Care-Italy” decree which invested 25 billion euros and mobilized 350 billion euros resources. It includes measures such as an extraordinary compensation of €600 tax-free for March which will be available for several independent and self-employed workers, and include independent workers not registered with professional associations, workers under Co.Co.Co. contracts (contracts for coordinated and continuous collaboration), artisan craftspeople, shop-owners, farmers and agriculture workers, seasonal tourism workers and entertainment workers etc. A specific €300 million fund is also being set up for those not eligible for the €600, such as freelance workers and professionals who are self-employed. Platform workers, including riders, although not explicitly mentioned in the decree, can



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also benefit from some measures. A distinction must be made between those who have an employment relationship, who will be able to benefit from the same income support instruments as all other employees, and those who are self-employed who will be able to access the € 600 allowance for the month of March. For further information at this regard, see separate Briefing Note on “Non-standard/platform workers”. By a later decree adopted on March 28th and 29th, the Italian government in agreement with the social partners has extended a measure for income compensation of 600 euros a month to all self-employed and non-standard workers. The measure covers also undeclared workers. The government has also introduced a food-bonus of 400 euros a month for low income people. These measures are operational as from 1st April and it will be retroactive to also cover the month of March.

- **Sweden.** The central government will bear the entire cost of all sick pay during April and May. Self- employed persons will also be compensated, as they can receive standardised sick pay for days 1–14. To reduce the risk of the virus spreading in society, the qualifying day for sick pay will be discontinued between 11 March and 31 May, in that central government will pay sickness benefit for the first day of sickness. A special relief package has been set up for culture and sports worth 1 billion crowns (approximately 100 million euros) but it is not yet clear whether self-employed freelancers will receive pay from the unemployment benefit fund without putting their business on hold and still be able to do freelance work. Details including reforms of the unemployment benefit fund are being discussed now by the Minister of Work.
- **Portugal.** The Government has approved two types of extraordinary financial support for self-employed workers who cannot continue to provide services due to the coronavirus epidemic. The first measures is intended for parents whose children are under 12 years of age or who suffer from a disability or chronic illness (regardless of age) and have to remain home because of the closure of schools or support for early childhood or disability. The self-employed person may have exceptional financial support during the period when schools are closed (closing was decreed by the government), unless it coincides with school holidays. The amount corresponds to one third of the monthly contribution for the first quarter of 2020, for a period of 30 days, the minimum limit is 438.81 euros and the maximum is 1097.03 euros. The other support is for those who have seen their professional activity totally reduced. All workers covered exclusively by the self-employed regime, and who are not pensioners, can request, through Direct Social Security, the payment of an extraordinary support, if they prove a total stop of their activity or the sector in which they develop their activity. The amount will correspond to the income recorded as a base of contributory incidence, with a maximum limit of 438.81 euros. The payment of social contributions will however remain, even when they are receiving financial support. However, it is possible to ask for their postponement until after the end of the support.
- **Denmark.** Within the extraordinary package of measures agreed by the Government and many political parties, a temporary compensation scheme for self-employed has been agreed upon. Self-employed who expect a loss of revenue of at least 30 percent due to COVID-19 and that reported a turnover of at least DKK 15,000 per month during a preceding period will be granted access to a compensation of 75 percent of the expected loss of revenue for the duration of the period compared to the average



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revenue of the most recent financial year. The compensation cannot exceed DKK 23,000 per month (per CVR-number if there are more than one owner). If the self-employed has an assisting spouse, the maximum compensation will be doubled, at a total amount of DKK 46,000. The compensation is taxable. This measure will be effective from 9 March until 9 June 2020. Also, the self-employed can receive sickness benefits as of the first day of absence, instead of the usual two-week waiting period. Also, a temporary compensation scheme will be introduced for self-employed without a CVR number who expect a loss of revenue. The self-employed person can recover 75 percent of the expected loss of income not taxable at source, however not exceeding DKK 23,000 per month, on condition that the person solemnly declares an expected loss of revenue of at least 30 percent due to COVID-19 from 9 March to 9 June 2020. The parties agree to examine whether zero-hour contract workers could be covered by the scheme. The scheme covers persons with income not taxable at source of at least DKK 180,000 in 2019, which corresponds to a monthly average of at least DKK 15,000. For persons who have not previously had an income not taxable at source, an administration model will be set up. Another requirement to receive compensation is that the self-employed worker does not have a personal income in 2020 of more than DKK 0.8 million.

- **France.** Several measures have been put in place for self-employed workers in response to the coronavirus crisis. The government has put in place a plan to help the self-employed in the event of a drop of at least 70% in turnover in March 2020 compared to March 2019. In this case, a lump-sum indemnity of 1,500 euros is paid upon submitting a simple declaration. Self-employed workers can also change their withholding tax rate and defer the payment of certain projected instalments to reflect the drop in income expected in 2020. Due to the use of the comparison between turnover in March 2020 with the one of March 2019, the system is criticised because it leaves out newly started self-employed workers (i.e. after March 2019) and can thus not prove their turnover of that month/period.
- **Germany.** Self-employed can apply for “Hartz IV” (Equivalent to social assistance) without any prior assets/means-testing, which would normally be the case. Hartz-IV benefits are not very high, but the access is guaranteed and should be smooth. The benefits will be granted based on the self-evaluation of probable earnings in the next 6 months. An institutional evaluation of the actual earnings can only be done at the request of the self-employed person. This guarantees a solid income and an easy procedure for the self-employed. A financing program has been adopted last week, allowing credit institutions to offer loans under generous conditions to self-employed workers. On Friday the 27 of March, a proposal will be adopted to give immediate financial aid for small business owners, self-employed and freelancers with up to 10 employees (full-time equivalents):
 - up to 9.000 Euro one-off payment for 3 months for businesses up to 5 employees (full-time equivalents)
 - up to 15.000 Euro one-off payment for 3 months for businesses up to 10 employees (full-time equivalents)
 - if necessary, application for 2 more months is possible.



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The total amount of the aid programme is around 50 billion Euro. It is meant to help especially with ongoing operational costs such as rent, loans for business premises, lease payments, etc. The aid should only be given to businesses which are in trouble because of COVID-19, so they have to show that they didn't have any financial problems before the 11th of March. The aid will be requested and granted by the administrations of the federal states, while the financing comes from the national government.

- **Lithuania.** The Government of Lithuania has decided to endorse an economic stimulus. Some tools were implemented to amortise the negative effects on the most vulnerable categories of workers. Self-employed workers and freelancers (in particular in the cultural sector and in theatres, museums music venues, entertainment institutions that were closed and gatherings have been suspended) will get a disbursement of 257 euros a month, if a person has paid social insurance fees at least 3 months in the last year (and does not work elsewhere under a traditional contract). Additional instruments may be decided in the near future.
- **Norway.** The well-established cooperation between the social partners continues under the current situation with the COVID-19 outbreak. The government is in continuous contact with the social partners with the aim of finding solutions to soften the effects on work life and the economy as the consequences of the outbreak unfolds into different sectors of the economy and society. This has resulted in several agreements for a range of different sectors with targeted measures and tools to be implemented immediately and in the following weeks. Measures have been approved for self-employed and free lancers on temporary agreements who now risk sources for income and livelihood being lost. Self-employed and freelancers will be entitled to a compensation of 80% following a calculation where the income from the past 3 years is considered. The compensation will be valid from day 17 of the day of registered lost income.
- **Czech Republic.** Several measures have been designed to help the self-employed deal with the COVID-19 crisis, these are currently following parliamentary procedures. CMKOS consider these measures to arrive with delay in comparison with those undertaken to protect employees and large employer businesses. The scheme applicable to self-employed consists of an allowance for those caring for a child under 13 years of age due to the closure of school facilities; remission of social security and utilities payments from March to August; suspension of final date for tax return by 3 months; suspension of tax and health insurance penalties and other sanctions until August; suspension of new VAT tax measures; and a program of interest-free loans up to 15 mil. Kc (~500 000 €) per applicant.
- **Croatia:** Measures applicable to employers who work seasonally, "Permanent seasonal worker", will be modified. Employers who work seasonally received pension insurance contributions compensation from the Croatian Employment Service for their workers during the period when they were not working, while their workers received financial aid during that period in order for them not to completely lose their income during the part of the year when they were not working. The eligibility period is 6



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months, but is foreseen to extend this period in order to cover the entire period of the extraordinary circumstances caused by the COVID-19 outbreak. This will be particularly helpful for the employers and permanent seasonal workers in the tourism sector.

- **Poland:** The Act on specific solutions to prevent, counteract and combat COVID-19, entered into force on 8 March. Following the Council of Ministers' measures that were adopted on 18 March. The State will cover up to 80% (PLN 2,080, €455) of independent workers' incomes (i.e. self-employed persons employed under civil law contracts). 2.2 million workers are expected to be eligible to this measure.
- **Spain:** Following a Royal Decree Law of 16 March for companies that apply the partial unemployment procedures and commit not to terminate employment contracts, public schemes will fully (100%) cover social contributions for small businesses (independent workers with a small number of employees) and SMEs (<50 employees), and they will cover 75% of the contributions for companies with 50 or more staff. The business cessation process will also be made simpler for independent workers/self-employed so they can have faster access to benefits related to economic difficulties and complementary measures are established for the non-payment of contributions due to lack of activity. Self-employed workers without workers will be granted an extraordinary benefit for a month for the moment, which may be extended according to the situation. This will be a sort of unemployment benefit for self-employed even to those who haven't contributed enough for the qualifying period. It will consist of 70% of the contribution base of the worker, who should be up to date with the payments. The condition is that the activity should have decreased by 75% in the previous month with respect to the average of the last 6 months. As long as they receive this benefit, they will not pay the self-employed contributions, which is borne by the Administration. Furthermore, a suspension in first-home mortgages payments for those workers losing their jobs, or affected by temporary reductions in employment; and for those self-employed workers with an intense drop in earnings.

At the end of March, the Government adopted a new batch of measures to tackle the Covid-19 economic crisis including some measures on mortgage moratorium and support on basic needs (including electricity) for the self-employed.

- **Belgium:** At Federal level, the self-employed who face difficulties due to COVID-19, may avail of three types of measures, concerning the payment of social contributions:
 - deferred payment and waiving the increments: The self-employed and assisting partner may submit a form to their social insurance fund to request a one-year delay of the provisional social contribution payment. This measure already applies to the provisional contributions related to the first and second quarter of 2020.
 - Reduction of the provisional social contributions: The self-employed may apply for a reduction of their provisional social contributions for the year 2020 if their professional income is lower than one of the legal thresholds.
 - Exemption of social contributions: The self-employed may ask for such an exemption.



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In addition, the workers who are primarily self-employed (including the assistants) and the assisting partner who are forced to interrupt their self-employed activity due to the COVID-19, may, under conditions, use a «*droit-passerelle*» (bridge-right). These situations are examined case by case. The financial support amounts between 1.291,69 and 1.614,10 euros per month. The measures only apply to full self-employed workers, and -for the moment- not to platform workers as well as “*indépendents à titre complémentaire*” (i.e. persons working mainly as worker but in addition/as a complementary job also providing work as self-employed). Furthermore, it only applies automatically to those sectors where closures of businesses were ordered by the Ministerial Decree of 16 March, for other sectors, it is conditional to activities been stopped for 7 consecutive days.

Further measures also include:

- Payment schedule for social security contribution for companies and self-employed (due for the first two quarters of 2020) for 18 months and exemption of interest in case of late payment (both linked to the Covid-19)
- Payment schedule and exemption for several fines: corporate tax, TVA, personal income tax. If proof that postponement is due to the Covid-19
- Right for self-employed persons in the event of cessation of activities (1.582 euros for self-employed persons with family responsibilities).

At the Flemish regional level, EUR 100 million is earmarked for crisis guarantees. In this way, companies and self-employed persons can have a bridging loan guaranteed by the ‘*Participatie Maatschappij Vlaanderen*’ during this crisis period. This measure is in addition to existing guarantees for investment credits and working capital. With this, 1000 loans of 100,000 euros can be guaranteed that can be placed under the 75% regional guarantee.

- **Switzerland.** On Friday 20 March Switzerland’s government submitted a SF 40 billion (€38 billion) support package for companies and jobs, which was passed through Parliament on Wednesday 25 March. In addition to guarantees and easier access to credit for businesses, the plan also includes other measures to facilitate partial unemployment arrangements for employees, including a compensation of 80% of lost earnings, and which may also be granted to employees on fixed-term contracts, as well as to temporary workers and apprentices.
- **Cyprus.** For the purpose of assisting self-employed workers, sickness benefit will be paid as for employees and à ratio of on average € 800 per month. They also benefit from an extension of the time period for submitting a request for paying on real income to the social security fund for self-employed persons for one month, until 30 April 2020 (expires normally 31 March 2020).
- **Malta.** Malta Enterprise will offer up to €4,000 for employers and self-employed workers to invest in a teleworking set-up. This would be limited for up to €500 per teleworking agreement and will be awarded against 45% of the eligible cost.



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- **Ireland.** on 24 March the Irish government adopted a new short-term working scheme for workers and which will also will cover self-employed workers.
- **The Netherlands.** The Dutch government has put forward an extra temporary support for entrepreneurs and freelancers. The temporary scheme is additional to the other measures to be implemented. affected in the field of taxation and guarantees for entrepreneurs and is modelled on the Dutch decree for the self-employed. This temporary regulation consists of the following elements:
 - The level of income support depends on income and the household composition up to approx. € 1500 per month (net).
 - This accelerated procedure also applies to loan applications for working capital up to a maximum of € 10,157.
 - The income support for living will be 'free of charge' provided (it should not be repaid later)
 - When a working capital loan is granted, the possibility of deferring the repayment obligation is included.
 - In the case of a working capital loan, a lower interest rate than is currently used in the above-mentioned decree of the self-employed.
- **Finland.** The Communicable Diseases Act adopted by the Finnish government to face the social impact of the pandemic establishes that a quarantined employee or the self-employed is entitled to a 100% daily allowance for the duration of the quarantine. If the employer pays a salary during this period, the employer has the right to receive the daily allowance. If the employee is on sick leave because of the coronavirus infection (incapacity to work due to illness), his or her right to sick pay is determined on the basis of the Employment Contracts Act and collective agreements. Payment of salaries during sick leave is included in sectoral collective agreements. Self-employed workers are also entitled to sickness allowances paid by the state Social Insurance Institution.

With regards to the specific issue of the access to sickness benefits, several countries have implemented policies for granting non-standard workers and the self-employed access to this provision in the context of COVID-19.

- **Cyprus.** In the context of the pandemic, sickness benefit will be paid at the same conditions as for employees.
- **Denmark.** Employers of employees affected by the COVID-19 will receive sickness benefit reimbursement for wages and sickness benefits as of the first day of sickness and not after 30 days, as usual.
- **Finland.** A sickness benefit for those affected by the COVID-19 (or prescribed by a doctor to go into self-isolation) will be paid both to employees and self-employed accounting for the full loss of income and with no waiting period, to a sick employee or self-employed.



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- **Ireland.** For those affected by COVID- 19 (or prescribed by a doctor to go into a self-isolation), some measures for an enhanced illness benefit have been put forward: no waiting periods, less tight eligibility conditions, and increase in the benefit amount granted to both employees and self-employed.
- **Greece.** The Greek Government has put forward a set of measures to respond to the economic and employment crisis followed by the Covid-19 crisis in partnership with the the employers' organisation and the trade union confederations GSEE and ADEDY. The measures foresee the extension of a package of financial aid for workers to some 700,000 self-employed and small business owners.

Also, it is worth mentioning that the European Commission issued on March 30th “Guidelines concerning the exercise of the free movement of workers during COVID-19 outbreak”, which state that “Member States should treat self-employed persons exercising the critical occupations listed in these Guidelines in the same manner”.¹

This briefing note was originally produced on date March 27th and has been updated on April 24th to take account of developments in Spain and Greece.

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¹ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=9630>