



COVID-19 WATCH ETUC BRIEFING NOTE

HOUSEHOLD RELIEF UPDATE 24 APRIL 2020

National measures to support households by providing different (tax) relief measures

Workers who just a couple of weeks ago were struggling but getting by are now worried about how they will pay their bills. Some Member States have looked to include tax relief measures as part of their response. Although most of the tax or social security relief measures are directed in first instance to companies and/or self-employed, several countries have also adopted (or are considering to adopt) specific relief measures for individuals in particular for workers who have lost their employment or who are on temporary (partial) unemployment or in short-term working arrangements and can thus not benefit from their normal full income.

This is often done in the form of relieving households from paying (temporarily) energy/utilities costs (water, gas, electricity) or paying (temporary) mortgage loans or extending the deadlines for paying (income) taxes.

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 examples include:

Austria

- Evictions and power cut-offs due to unpaid bills should be avoided in the current context of Covid-19 outbreak.

Belgium

- Payment of energy bill (gas/water/electricity) for one month by the Flemish government for workers on temporary unemployment
- The deadline for payment of income taxes has been prolonged by two months
- The Flemish government also encourages local authorities (cities/communes) to review all local taxes and consider how these can be temporarily suspended to alleviate the financial burden of their citizens/inhabitants.
- By Decree of 17 March, the Walloon government decided that people with a budget meter for energy utilities will no longer need to top up their cards while the containment measures are in effect. No new budget meter will be installed during this period and there will be no power or gas outages.
- On 22 March the Federal government with the support of the National Bank and the financial sector decided on some additional measures for companies, self-employed and citizens. On the one hand, the financial sector commits to all viable companies and the self-employed (who were viable before the outbreak of the corona crisis) to shut



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down all payments, due dates, interest payments and more from today until September 30. Those who have loans and financial obligations will no longer have to make payments in this way. This also applies to people with a mortgage loan. Families who can demonstrate that they have had a financial impact from corona (for example, through temporary unemployment) can ask the bank not to make payment until September 30. The total amount of the guarantees is a maximum of 50 billion euros, which corresponds to 10 percent of GNP.

- Following what happened for regular mortgage loans, the Flemish government also granted an option to defer payment for special social loans. A social loan can be taken out with the Flemish Housing Fund or the Flemish Society for Social Housing by persons who remain below an income limit. A borrower of such loans may request payment deferral if he/she can demonstrate that his/her income has decreased due to the impact of the coronavirus measures. As with loans from the bank, the deferral can be up to six months and relates to capital repayments and interest. The interest during the payment deferral period is also not payable afterwards. After the period of the payment deferral, the term of the loan is extended by the period of the deferral, i.e. a maximum of six months. Borrowers who were already in arrears of payment before the start of the coronavirus measures are also eligible for the payment deferral. Earlier, the Flemish government has also decided that Social Housing Companies ('Sociale Huisvestingsmaatschappijen') can temporarily reduce the rents of social houses. Normally, there is a correction after three months of 20 percent less income, this measure is now eased a bit and if the social tenant can prove that his/her income has fallen due to the corona pandemic, he/she will immediately receive a temporary correction.
- Mid-April, the Flemish Tenant Platform ('Vlaams Huurdersplatform') and the United Landlords ('Verenigde Eigenaars') have asked the Flemish government to grant "corona rent allowance" to some 220,000 families in difficulty. In concrete terms, both organizations are looking at the rental premium of up to 250 euros per month that the Flemish government has already awarded to families who have been on a waiting list for a social houses for at least four years. Some 27,000 families already receive such a premium, but according to the 'Steunpunt Wonen', nearly 250,000 households meet the conditions for renting social housing in the private rental market. Tenants and landlords are now also calling to apply this allowance at least temporarily for the 220,000 other families involved.

Bulgaria

- The Government changed and postponed the deadlines for annual financial closure of social security payments and personal income tax payments, submitting and payment of annual taxes of individuals, according to the duration of the state of emergency. To postpone the period for payment of the annual profit tax for companies and individuals, according to the financial status of the companies.



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Czech Republic

- Income tax deadlines are extended for 3 months for natural persons (the new date is 1 July). Banks are also providing an option of delaying loan re-payments for people and small businesses affected by coronavirus.

Denmark

- The government and all political parties agreed that some pupils in upper secondary education and students in tertiary education will lose their jobs and thereby lose part of their income due to COVID-19 will be allowed to take out additional student loans up to DKK 6,388 per month in addition to the existing grant and loan opportunities. This means that an additional 2 months' loans can be obtained every month. As a point of departure, this right applies in March and April 2020. It will be prolonged if the situation so requires. This opportunity will be provided via the digital application systems as soon as possible.

Finland

- Mid-April, the government decided on a family contribution of 723 euro to parents that cannot work because they have to be home with their children during the crises.

France

- The Emergency law to address the Covid-19 pandemic, passed on 22 March, allows the government to enact measures, in the three months following the law's publication in France's official journal, in order to limit the termination of employment contracts and to soften the impact of the decline in business volumes. The law allows government to relax, by decree, the conditions regarding the exceptional 'purchasing power bonus', which is a bonus firstly introduced during the 'yellow vest crisis' (*'gilets jaunes'* at the end of 2018 intended to increase the purchasing power of employees, This will enable companies to pay this bonus even without having a collective agreement on profit-sharing. The deadline for payment of the bonus, currently set at 30 June 2020, is to be extended.

Germany

- Tax prepayments can be adjusted more easily as soon as it becomes clear that taxpayers' income is likely to be lower in the current year, tax prepayments are reduced quickly and easily. Enforcement measures (e.g. attachment of accounts) or late payments are waived until December 31, 2020, as long as the debtor of a tax payment due is directly affected by the effects of the Corona virus.



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Greece

- Government decided that next to a 800-euro benefit (special purpose compensation) for 1.7 million private-sector employees (81 percent of the affected private-sector workforce) that have been suspended from their employment contracts, also to freeze their tax and debt payments to the state for four months. The 800-euro stipend to support these workers was provided for April, however, the Government decided in the meantime to extend it through May. Also, employers and businesses whose operations have been affected and suspended by a State order will pay to their employees an Easter bonus, which can be granted until 30th of June 2020. Under certain conditions, the Easter bonus will be paid partially by the employer while the rest will be covered by the State.
- Also, those workers who work in companies that have stopped operating temporarily by a State order and whose employment contracts have been suspended, can pay a reduced rent by 40% for March and April 2020. A basic precondition is that the rent reduction should only relate to their first residence.

Hungary

- On 18 March, the Government decided to suspend, until the end of the year, obligations for payment of the principal and interest on loans taken out to date by private individuals and businesses.
- On 22 March, it was decided by Government that all evictions and foreclosures will be suspended until the end of the state of emergency, just like the enforcement of tax debts.

Iceland

- The Act of 30 March 2020 authorises early withdrawals of supplementary pension savings, a non-mandatory part of the nation-side pension system with associated tax advantages. Each individual may withdraw up to ISK 800 000 ISK per month for a period of 15 months starting on 1 April 2020. Withdrawals are subject to state and municipality income tax.
- Due to restrictions placed on preschool and after-school activities, many municipalities have started charging lower fees for these, and property owners can request a deferment of certain payments, including municipal property tax.

Italy

- The “*Cura Italia*” (Cure/Healing Italy) Decree of 16 March 2020 includes measures to postpone most of the fiscal deadlines.
- A “loan solidarity fund” is put in place to provide resources for the suspension of the instalments due for the purchase of a first home by citizens that later lost their job. The new provisions make that fund available also to those self-employed workers and professionals that declare to have lost, in the three months following 21 February 2020, more than 33% of their turnover compared to the last three months of 2019. Applicants



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have to declare that the loss has been the consequence of the closing or resizing of their business due to the restrictions approved by the government to respond the corona virus health crisis.

Latvia

- The Cabinet of Ministers of Latvia endorsed on 19 March the Finance Ministry's bill on measures for overcoming the crisis caused by the coronavirus Covid-19, and its effect on businesses, which encompasses a comprehensive set of state support measures, including that personal income taxpayers will be allowed not to make advance tax payments for 2020.

Luxembourg

- The ETUC Luxembourgish affiliates OGBL and the LCGB welcome the government's positive response to its demand to suspend any eviction of tenants (households and businesses) for the duration of the crisis, as well as that rent leases cannot be terminated by landlords during the crisis.

Poland:

- End of April, the Polish government proposed amongst others to extending the duration of lease agreements under current conditions (for residential premises as well as premises let for other purposes) until 30 June 2020 on the basis of the tenant's declaration of intent.

Portugal

- Cessation of expiring house rental contracts are suspended for three months.

Romania

- For the persons in isolation / quarantine, the payment of the utility bills and the suspension for 3 months of their monthly loan payments to banks will be ensured. Also, the budgets of the city halls will be supplemented by transfers from the state budget to ensure a minimum basket of food for those in isolation at home.

San Marino

- Families and single persons residing in the territory of San Marino which face economic difficulties (e.g. due to layoff for just cause and objective reasons), receive wage supplements or salary reduction, or are confronted with death or care responsibilities



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of family member are entitled to preferential loans and suspensions of leasing settlements until 31 March 2021.

Spain

- A suspension for first-home mortgage payments is foreseen for workers losing their jobs, or affected by temporary reductions in employment, and for those self-employed workers suffering intense drops in earnings. In addition, the supply of utilities (water, electricity, and gas) will be guaranteed for vulnerable households. Also the validity of social vouchers for energy provision has been extended until September.
- For an updated trade union analysis by CC.OO in relation to measures taken in the field of housing (mortgages, loans, etc.), click [here](#).

Turkey

- In a joint message of 25 March, the trade unions and professional chambers DiSK, KESK, TMMOB and TTB, disappointed by the measures the measures of the Turkish government, launched amongst others the following recommendations for the government to take over, that mortgages, loans for cars or other individual purposes and credit card debts as well as electricity, water, natural gas and communication bills should be postponed during the outbreak crisis.

UK

- According to measures announced on 17 March by appointed the UK Chancellor of the Exchequer, individuals struggling with lack of finance will be exempt from property loan repayments for three months.

This briefing note was originally produced on 26 March 2020 and has been updated on 24 April to take account of developments in the following countries: Austria, Belgium, Czech Republic, Finland, Germany, Greece, Hungary, Iceland, Luxembourg, Poland, Portugal, San Marino, Spain, and Turkey.

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