



## Webinar Monday 6 July 2020

Churches and the government support measures because of corona for organisations & entrepreneurs.

Moderator: Madelon Grant, coordinator SKIN

Welcome: ds. Rhoïnde Mijns, chairwoman SKIN

Speaker: Jos Aarnoudse, director VKB

### 1. Introduction

In all local churches of the PKN (about 1550 in the country), 'church curators' or 'church stewards' (voluntary administrators) are in charge of facilities and financial, legal and labour law matters. They are - in short - the people responsible for the church finances and buildings. All those church stewards throughout the country have a national service bureau, the VKB, which is based in Dordrecht. This is separate from the official national headquarters of the Protestant Church, which are located in Utrecht. Of course, that head office deals with everything that is important for the church and the local congregations. The VKB only focuses on church management: equipping and training the stewards, advocacy, advice, expertise, service provision and research. Jos Aarnoudse is director of the VKB and is an economist and a pastor. The VKB was founded 100 years ago in response to church management issues arising from the First World War (1914-1919). In the context of the 100th anniversary of the VKB in 2020, cooperation was sought with SKIN, in order to investigate possibilities of sharing our expertise on church management issues in the Netherlands with the international churches connected to SKIN. Of course, much of our material is primarily aimed at congregations within the Protestant Church, but our knowledge of how things are organised in the Netherlands can certainly be useful for and within other churches as well. Certainly if, in close cooperation with SKIN, we are able to translate this material to the circumstances and needs of the international churches.

Link: [www.kerkrentmeester.nl](http://www.kerkrentmeester.nl)

### 2. General corona measures for churches concerning their activities

Many measures for churches are decided upon in discussions between the government and the CIO. CIO = committee for consultation between churches & government (in this case, Minister Grapperhaus). It is quite important that SKIN churches are or will be represented in CIO too. Unfortunately, the website of CIO is currently offline for maintenance, so for an example and overview of the elaboration of the 'normal' corona-measures you can take a look at the website of the Protestant Church in the Netherlands, and possibly apply them to your own situation:

<https://www.protestantsekerk.nl/thema/coronavirus/> and [www.cioweb.nl](http://www.cioweb.nl)

### 3. Most important financial support measures

One question in advance is: do you, as a church, want to become dependent on support from the government? Preliminary remark about the financial support measures: this will be sobering information for churches. If you want it at all (corona government support), there is very little in the barrel for churches.

We will discuss the measures that are often discussed.

The most important are (A) the TVL (used to be called TOGS) and (B) the NOW.

#### A. TVL = Tegemoetkoming Vaste Lasten = Help for Fixed Costs

This is the follow-up to the TOGS = Tegemoetkoming Ondernemers Getroffen Sectoren, which ran for the past three months and has now ended. TVL now runs for 4 months. This scheme gives organisations and entrepreneurs a subsidy for their fixed costs, such as rent, etc., in the event of a loss of turnover. But you must belong to one of the so-called 'affected sectors'. You cannot determine that yourself, but it is determined by the government. The government has determined the list on the basis of the SBI codes. Each organisation registered with the KVK (= Chamber of Commerce) has a SBI code. Within the KVK registration, your organisation is classified in a certain business sector. This is the so-called SBI code. SBI stands for Standard Business Classification. Religious organisations have an SBI code that starts with 94. They do not appear on this list of 'affected sectors' that has been determined by the government.

You can find the exact SBI code of your organisation through your KVK registration number (check the uittreksel). The list of sectors that are eligible for TVL can be seen on the internet (more information: [www.kvk.nl](http://www.kvk.nl)). TVL is implemented by the Rijksdienst voor Ondernemend Nederland (RVO).

The important question here is: what legal form does your church actually have: is it a 'denomination' ('kerkgenootschap') or an (independent) part of a 'denomination' within the meaning of Dutch law? Or is your organisation based on a 'foundation' ('stichting') or an 'association' ('vereniging') within the meaning of Dutch law, or even possibly based on an 'enterprise' ('onderneming')? The main activity will be registered as religious, but a 'stichting' or 'vereniging' could have other (diaconal) side activities that may be registered differently, e.g. as social work, addiction care, youth care, etc. Then perhaps (with emphasis on perhaps, I do not know any current examples) it is possible that a second SBI code has also been issued on that basis and for that part of the activities there is access to this scheme. In that case a percentage of the loss of turnover (a fixed average percentage has been determined by the RVO) would apply for TVL. Link for more information via the KVK: there you can find also a link to the list of SBI codes, and a link to the administrating organisation, the RVO:

<https://www.kvk.nl/corona/tvl-maximaal-50000-euro-per-4-maanden/>

#### B. NOW = Noodmaatregel Overbrugging Werkgelegenheid = Emergency measure Bridging Employment

The first version of NOW ran for 3 months, the version 2.0 that is now in progress runs for 4 months. There are some conditions regarding protection against dismissal (employees are not supposed to be fired) and payment of bonuses etc. This is an arrangement in which an employer with employed people (in a formal sense, i.e. for which wage tax is levied) can receive a subsidy in the event of a loss of turnover in order to be able to continue paying wages. You have to explain why, and later prove that compared to the same months in 2019, you have at least 20% less income (counting all types of income). Then you can get a subsidy of 90% of that percentage on the wage costs, provided that you continue to pay your employees 100% (and in principle do not lay them off).

Note: many pastors are not employed ('in loondienst'), but have their own legal status. Churches are allowed to do so. This also applies to the large established churches such as the Protestant Church in the Netherlands and the Roman Catholic Church. So they cannot get NOW support for their pastors, even if they would qualify for a subsidy from the NOW in terms of income and other conditions. Churches are eligible for NOW support only for those employees for whom wage tax and social security contributions have been / are paid. Assessment date: March (so you can't change it now in order to qualify for NOW). Churches that have obligations to clergy via their own legal form will therefore have to meet these obligations entirely from their own resources.

In advance, when applying for NOW, you must make a plausible estimate of the loss of turnover in a certain period of 4 months. Afterwards you will be asked to prove this.

In the Protestant Church the donations of church members, even now that most church services are offered online, seem to remain at a reasonably good level.

It is mainly congregations that acquire income for the church through secondary use of their buildings (renting it out) that have been struck heavily in financial terms by corona. There are church congregations, also outside the PKN, that have been eligible for a subsidy through the NOW. But they are not many. Don't expect too many of them, I would say: you have to be able to indicate how much less income you have, and you have to have employees. Suppose you get 4.000,- less income in 4 months, while it was normally 12.000,-, then you have a loss of 30 %. If you then have someone in employment for example 1.500,- per month (they will check who is eligible for this via the wage tax), then you can get 90 % of that 30 % = 27 % of the wage costs (with a surcharge for other employer costs of 40 %) over four months via the NOW. That is then:  $4 \times 1,500 = 6,000 \times 1.40 = 8,400 \times 0.27 = 2,268$ , - but with the condition that this employee is paid 100% (including holiday pay, etc.).

The administrator of the NOW scheme is the Employee Insurance Agency (UWV) (the service in the Netherlands that deals with employment and unemployment issues).

Link for more information via KVK, with a link to the UWV:

<https://www.kvk.nl/corona/now-regeling-tegemoetkoming-in-loonkosten/>

#### **4. Other possibly relevant measures**

Perhaps interesting for certain groups (for example clergy or musicians who are registered as ZZP'er at the KVK) could be the TOZO: Tijdelijke Overbruggingsregeling Zelfstandige Ondernemers = Temporary Bridging Scheme for Self-employed Entrepreneurs. This is a individual benefit ('uitkering') if your work assignments have stopped and you cannot claim 'assistance' ('bijstand') because you are an 'entrepreneur'.

There is also the TOFA: this is the Temporary Bridging Scheme for Flexible Employees. This is also a individual benefit ('uitkering') if you are suddenly no longer assigned work, but are not eligible for WW (unemployment benefits) and cannot (yet) claim 'assistance' ('bijstand').

In addition to the above subsidies, companies and organisations have also agreed upon matters such as emergency loans and possible tax deferrals.

Link for information with a general overview of government measures via KVK:

<https://www.kvk.nl/corona/het-coronavirus-overzicht-maatregelen/>

#### **Finally**

If you have any further questions or would like other information, you can always contact us via SKIN or directly.

Jos Aarnoudse, director VKB, 10 July 2020