

AICECIS- COVID 19 Questionnaire

A) Measures with regard to workers in the formal and informal economy.

Have specific measures been discussed and taken, inside or outside your institution, to protect workers' health (new regulations, preventive guides, control and surveillance procedures, etc.)? Have practical problems arisen for their application (lack of adequate technical advice, difficulties in providing protective equipment, etc.)? Have measures been taken to strengthen the reconciliation of work and family life, such as the care of minors or dependents? What is / was the specific role and responsibilities of your CES / SI?

The local government initiated an awareness-raising campaign since its announcement of the first positive corona-virus case on Aruba. The department of Public Health has been informing the residents through different channels (media coverage) about all prevent actions that should be taken place on the individual level as in the community itself. This regards for example washing hands properly, keeping the social distance and self-quarantine in case a person presumes to have been in contact with an infected person. After about a week after the first official announcement, the government scaled up the general measures announcing a -shelter in place-, drew up a list of essential companies, and set up a task force to monitor public places such as supermarkets, banks and medical centers. In above measure was the Aruban CES considered and declared non-essential among several other government departments. Our institution since then started working at home and started using the zoom application for the councils meeting and intern work consultation and planning. So in other words our staff is working at home with their families/kids and in constant consultation to reach a fair work-home balance.

The Aruban CES doesn't have a specific role in the measures held in regard to workers in the formal and informal economy, except for its own staff and members.

B) Measures with regard to companies, in particular micro, small and medium-sized enterprises as the engine of employment.

Has aid been discussed and developed within or outside your institution, to compensate for losses, and / or to improve financing, corporate taxation (credit lines, etc.) or reduce their costs (postponement or exemption from social or tax charges...)? Have specific measures been taken for SMEs, selfemployed people or the social economy? What is / was the specific role and responsibilities of your ESC-SI?

The government of Aruba has undertaken different initiatives to provide assistance to micro, small and medium-sized enterprises during the Covid-19 pandemic. It has enlisted Qredits, a foundation that supports start-ups and entrepreneurs with investments, to assist micro, small and medium-sized enterprises in providing bridge loans. These enterprises will be provided special consideration for micro-credit/loans to cover their basic cost during the Covid-19 pandemic. Eligible enterprises may be provided with a 3-year micro-credit bridge loan to a maximum of 50,000 florins and 2 % interest rate the first 6 months.

Additionally, the government of Aruba has announced that small/medium enterprises (less than 50 employees) will be eligible for financial aid. The financial aid to be provided will be capped at 4000 florin per each quarter (the first payment will be end of April 2020).

The government of Aruba also introduces financial aid for private sector employees **Fondo Asistencia Social di Emergencia (FASE)**¹ for employees who lost their jobs or significant part of their income during this period. Moreover the government of Aruba intends to introduce a **Fiscal Relief and Stimulus Package 2020**². This Fiscal Relief and Stimulus Package should provide to entrepreneurs and individuals and to stimulate the economy of Aruba. Details and specifics on the Fiscal Relief and Stimulus Package can be summarized as follows:

1. Extension of payment for monthly taxes due

Entrepreneurs or companies with monthly gross revenue of one million Aruban Florins or less, and who have been affected by the COVID-19 outbreak, will be eligible for an extension of payment of the monthly taxes due for the periods of April, May and June 2020.

A prerequisite for the extension of payment would be that the entrepreneurs or companies are active in the tourism industry such as, casinos, bars & restaurants, tour operators, coffee lounges, security companies, beauty parlors, travel agencies, car rental companies, perfume shops, watersports, carwash, jewelry stores, fashion retail stores, laundries & dry cleaners, ground handlers, employment agencies, construction companies.

2. Payment exemption of employer's part of the monthly AOV/AWW³ premiums for the months of April, May and June 2020

Entrepreneurs and companies are exempt from payment of the monthly employer's part of the AOV/AWW premium contribution of the months of April, May and June 2020. To become eligible for this exemption the monthly filing of the wage tax and social premiums declaration must be accompanied by a 'payroll summary'. This requirement is applicable for entrepreneurs and companies having economic activities relating to the tourism industry such as, casinos, bars & restaurants, tour operators, coffee lounges, security companies, beauty parlors, travel agencies, car rental companies, perfume shops, watersports, carwash, jewelry stores, fashion retail stores, laundries & dry cleaners, ground handlers, employment agencies, construction companies.

¹ (www.gobierno.aw)

² (www.impuesto.aw)

³ AOV/AWW: Old Age Pension and Widow & Orphans Pension.

3. Filing extension of the 2019 profit tax return and 2019 profit tax due, except for financial institutions

The due date for filing of the 2019 profit tax return and for payment of the 2019 profit tax due will be extended with six months. The filing due date for companies/entities with a fiscal year that correlates with the calendar year will be November 30, 2020. This extension is not applicable for financial institutions.

4. Postponement of three months of payment for existing payment arrangements

To help taxpayers with cash flow challenges, payments of outstanding taxes based on existing payment arrangements will be postponed for three months as of the month of April 2020.

5. No penalties for three months for late or partial payment of taxes due

No penalties will be imposed for a period of three months for late or partial payment of taxes due over the periods April, May and June 2020.

6. No collection interest on amounts outstanding

As of April 2020, no collection interest will be due for a period of three months on amounts of outstanding taxes, provided that a new payment arrangement has been concluded.

7. Flexible payment arrangements

Entrepreneurs, businesses and individual taxpayers including retired tax payers affected will be eligible for a flexible payment arrangement, applicable for taxes and non-taxes such as income tax, social premiums, profit tax, property tax and land lease.

- Maximum of 24 months for individual taxpayers with a minimum monthly payment of Afl. 100.
- Maximum of 24 months for companies or entrepreneurs with a minimum monthly payment of Afl. 500.
- Maximum of 36 months for retired individual tax payers (60+) with a minimum monthly payment of Afl. 75.

8. Discount for payment in full of outstanding amounts with the Tax Authorities

A special discount will be applicable for payments in full of outstanding amounts with the Tax Authorities with the following assessment dates (“dagtekening”):

- Assessments with an assessment date up until December 31, 2010: 75% discounts.
- Assessments with an assessment date between January 1, 2011 and December 31, 2014: 50% discount.
- Assessments with an assessment date between January 1, 2015 and December 31, 2019: 10%.

9. Amendment of the policy on income tax rate reduction for dividend distributions

The dividend payments qualifying for a lower income tax rate have been extended beyond the publication of the Beneficial Policy in the National Gazette 2019 no. 26. Dividend payments by a foreign company, which capital is divided into shares, paid out from retained earnings accumulated prior or during the year 2019, but not later than December 31, 2019, also qualify for a lower income tax rate. However, the dividend payment must take place in the year 2020 to a resident shareholder.

10. Leniency for voluntary disclosure

Taxpayers or withholding agents who have failed to comply with their legal duty in a truthful, timely, and complete manner, may submit a request for voluntary disclosure to resolve non-compliance and limit exposure to criminal prosecution, without penalties being imposed.

A disclosure is timely if it is received before the Tax Authorities become aware or become suspicious and a fiscal examination is commenced or information related to the specific non-compliance has been acquired directly from a criminal enforcement action by the Tax Inspector and/or other civil servant responsible for law enforcement within the Tax Authorities.

11. Postponement of forcible collection process

The forcible collection process by means of (i) Seizure of salaries (wage garnishment), (ii) Seizure of bank accounts (seizure of funds) and (iii) Assets seizure, including real estate (forfeiture), will be postponed by three months starting as of April 2020. Forced collection by means of a warrant from the Tax Collector/Bailiff will continue its normal process.

12. Audit policy

Examination and tax review of an organization's books and records will be postponed until June 2020, with the exception of cases regarding tax fraud.

13. Improved service by online filing platform and online payment

Entrepreneurs and businesses have digital access to the services of the Tax Authorities through the online platform "BO impuesto" and are able to file their monthly tax declarations online, file objection letters and other specific requests.

The use of the online platform and online payment of tax amounts due is mandatory to avoid person-to-person contact as much as possible.

14. Transparent/Open communication lines

A strategy for more transparent and open lines of communication will be implemented, making use more effectively of social media channels such as Facebook, website and the DIMP-App. This to have a wider reach and provide information to taxpayers and identify non-compliant taxpayers.

To finalize the Aruban CES did not have a specific role in the measures that has been taken regarding to companies, in particular micro, small and medium sized enterprises as the engine of employment.

C) Measures with regard to the economy to mitigate the bad impacts on employment.

Have measures been discussed and taken to protect employment inside or outside your institution (incentives to use measures to suspend contracts instead of dismissals, limitations on the possibility of dismissing?) Has teleworking been extended? Did any difficulties arise in its implementation? Have specific measures been taken for particularly disadvantaged groups in areas such as housing, health care, social benefits...? Have debates been opened in the political or scientific field on measures to revive the economy? What is / was the specific role and responsibilities of your ESC-SI?

The employment of the staff and the Council members of the ESC of Aruba are technically protected because the ESC of Aruba is an independent public institution and therefore receives its funds from the government of Aruba. With that being said, the economy of Aruba has been hit much harder compared to other countries since our main industry (tourism) has been completely shut down since mid-march and is expected to remain so for the next months. It is expected that once the borders reopen, the tourism industry will slowly grow but it might take years before it achieves the levels pre-COVID-19.

This means that the government is forced to make some unpopular but necessary decisions. Instead of suspending contracts or dismissing employees, it seems that the government is leaning towards the reduction of wages of its personnel.

The size of the wage cuts haven't been made public yet because negotiations are still taking place between the government and unions, a decision is expected to be made before May 1st.

Teleworking has been implemented when possible in several public institutions (including the ESC of Aruba), we can't comment if this term has been extended, because in reality it wasn't done in the past, so it's a new scenario for public employees.

Fortunately for the staff of the SER, the switch to teleworking has gone smoothly because the staff is used to work independently and using user friendly technology apps such as "Anydesk", "Zoom" and "Whatsapp", meetings and appointments can go on almost uninterrupted.

Disadvantaged groups have been assisted in several areas by the government:

Housing: The government has mandated banks to temporary stop/suspend any type of loan/insurance repayments; this request has been accepted by all the banks for an initial period of 3 months and will be reevaluated after 3 months. Vulnerable families that are currently renting a property are allowed to request for a suspension of their rent for the coming months if they comply with the requirements set by the government.

Health Care: Fortunately Aruba has offers universal health care for all its citizens (including foreign workers working with working permits), so all citizens are receiving proper health care without extra costs.

Social benefits: Before COVID-19, Aruba gave a vast array of social benefits to its citizens, currently negotiations are still underway on how to give monetary help to workers who lost their jobs. Initially the government was planning to give every workers/independent that had lost their jobs, about US\$550 monthly. Now the government has changed their minds and decided to subsidize a percentage of the worker's salary (not the independents), the exact percentage is not known yet (will be made public on May 1st) but it seems that it will be around 80%.

Debates (meetings) have been taken place between the government and private sector executives on measure to revive the economy. Special commissions have been set to work on several areas such as stabilizing the economy, stimulus packages, fast tracking of projects that are ready to take off, and ways to diversify our economy in areas such as education, food security, tourism, circular economy, the future of work and energy security.

Because of the several commissions that have been installed by the government, the role of the ESC of Aruba has somehow been unclear and because things are changing so fast in the last few weeks, the ESC of Aruba is currently adapting as we speak to speed up its internal processes of preparing advices to the government. Time has become a key factor and several problems have arisen in the last few weeks that need that need responses/solutions and the ESC of Aruba had to change its way of working to be of any help to the stakeholders/commissions/government.

(The source of information is, among others, the IMF special site: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>)

D) Advocacy for the optimal use of social dialogue in response to the Covid-19 crisis: transparency, share information and data, inclusion, consultation, mutual trust.

Is your ESCSI working on the formulation of responses to the Covid19 crisis? (Analyses, reports, declarations, dissemination of information on the measures being adopted, etc.)? What is / was the specific role and responsibilities of your ESC-SI?

Do the social partners participate in the procedures for developing the measures adopted with regard to Covid-19? How do they do it (social agreements, joint declarations consultation of governments, and

dissemination of information to their members ...)? Does the role that social dialogue should play appear in the proposals for alternatives to economic recovery? Is there particular attention paid to vulnerable and / or poorly organized groups, such as informal workers, precarious workers, selfemployed workers, migrants, workers in gig economy ... What are the bipartite or tripartite collective agreements (company, sector, regional, etc.) concluded specifically to respond to the crisis relating to covid-19?

The Aruban CES did not directly work with the formulation of responses to the Covid19 crisis. The Aruban CES send a formal letter the prime minister of Aruba indicating that Aruban CES is more than willing to assist with anything that the government of Aruba is in need of. The Aruban CES also prepared some topic that could be advised on in short term also on long term perspective. On the short-term perspective the Aruban CES has renewed some of the advisory reports that may be helpful for the government of Aruba in dealing with the Covid19 crisis.

As was mentioned before the government of Aruba also introduced financial aid for private sector employees *Fondo Asistencia Social di Emergencia (FASE)* for employees who lost their jobs or significant part of their income during this period. The government of Aruba also is working with different organizations (foodbanks/ red cross/HIAS and different volunteer groups) to help the most vulnerable and / or poorly organized groups. The government of Aruba is working with different stakeholders (private and public sector) on making decisions how to manage during this Covid19 crisis.

E) Ensure the continuity of the work of the ESCSIs: planning and implementation of internal activities (health, safety at work, working conditions, IT services, teleworking, job protection, etc.) to covid-19 and its consequences.

Have measures been taken to continue the activity of the Council, in particular those on risk prevention but also in the field of formulating responses to the crisis, networking of different key players, and / or studies / the survey, the research?

The Aruban CES is currently working from home and started using the zoom application for the councils meeting and internal work consultation and planning. So in other words our staff is working at home with their families/kids and in constant consultation to reach a fair work-home balance. Furthermore different applications/ software such as “Any desk”, “Zoom” and “WhatsApp”, are being used to make sure that every employee can continue working from home.