

# Getting the boot?

Investments are postponed until further notice and Dutch unemployment figures are stabilizing instead of declining. The next few months will tell if these are just temporary developments or if a full-blown recession is on its way.

Although the Netherlands still has an excellent business climate, the Dutch labor market is feeling the pressure of the world economy slowdown. Companies are sizing down their operations.

Text: Patrick R. Rovers

## Involuntary lay off?

These may be troubling times for the expat community in the Netherlands. Most of the international residents came here during the 'seven fat years' when the Dutch economy was booming. After finally settling in, getting used to the locals and their peculiar lingo, the Dutch economy could be taking a nosedive. Some expats' jobs may already be at jeopardy. In this article I want to inform you on the consequences of an involuntary lay off from a work & residence permit and unemployment benefits point of view.

## Interesting opportunities

What happens if an expatriate loses his or her job? If the expatriate becomes unemployed involuntarily during the validity period of the underlying work permit and if the expatriate holds a valid residence permit, some interesting opportunities may arise.

## New employer

First of all, the expatriate's prospective employer is in luck. A work permit is still compulsory but the application procedure is simplified considerably. The future employer is for instance not required to place advertisements in Dutch newspapers or magazines, nor is listing of the job opening with the Employment Office and Eures necessary. This saves the prospective employer a lot of time and money. The new work permit will be granted for the same validity term as the expat's residence permit.

## Listing as unemployed

Special requirements for the new work permit application are proof of the involuntary lay off of the international resident and proof that he or she is listed as unemployed with the local Employment Office (*Centrum voor Werk en Inkomen*). The expatriate had to do that anyway with regard to a possible unemployment benefits claim.

## Benefits?

Dutch social security agencies (from January 1, 2002 known as *Uitvoeringsinstituut werknemersverzekeringen*) will check if the expatriate holds a valid residence permit before a benefit claim is even considered. The former employer should have registered the expatriate/employee with the social security agencies at commencement of employment in the Netherlands and regular contributions should have been made to Employee Insurance Schemes such as the Sickness Benefits Act, the Unemployment Insurance Act and the Disability Insurance Act.

## 26 weeks

Based on the Unemployment Insurance Act (WW) an expatriate may be entitled to certain benefits if he or she had been employed for a period of at least 26 weeks over the 39 weeks immediately prior to becoming unemployed. In some cases a salary related benefit of 70% of the last earned salary with a maximum of Fl 87,620 a year is possible. This depends (among other things) on the expatriate's employment record.

## Residence permit

The expat's residence permit is usually work based. An unemployed expatriate is therefore at risk with regard to continued residence in the Netherlands. In general, Aliens Police should be informed on any change in the expat's (work) situation. Collecting benefits may be accepted by Aliens Police as a preliminary basis for residence during the remaining validity term of the expatriate's residence permit but that may pose a problem at the next extension request for a Dutch residence permit.

## In closing

Losing your job is never easy. The work permit angle offers some comfort since a consecutive work permit may be secured fairly easy. A prospective employer in the Netherlands should be made aware of this possibility. It might make future employers less reluctant to hire an unemployed expatriate. Unemployment benefits may tie you over between jobs. Make sure a change in situation (work & social benefit related) is timely conveyed to the Aliens Police to avoid misunderstanding and problems.

*This article is for informative purposes only, is general in nature, and is not intended to be a substitute for competent legal and professional advice. Dutch rules and regulations regarding aliens, work permits, visas and residence permits are continuously subject to change.*

