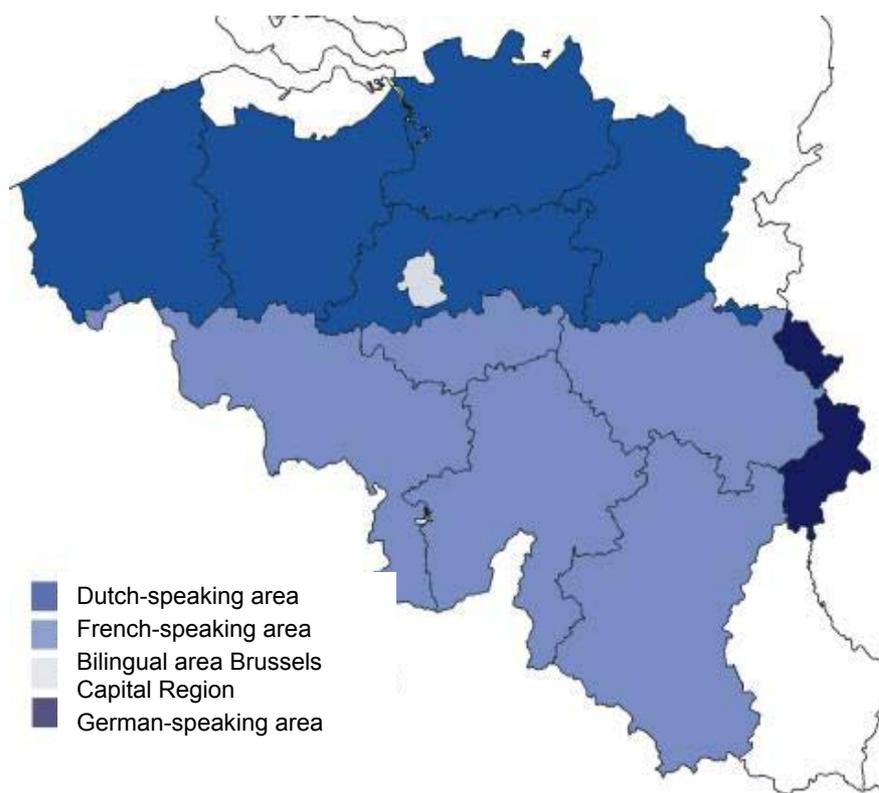


The Service Voucher in Belgium

Federal Public Service Employment,
Labour and Social Dialogue

Short institutional introduction



The structure of the Belgian state arose after a process of successive constitutional reforms. Two types of “entities” or federal states have come into being, regions and communities, each with their own powers and institutions - government, parliament and administration.

The regions and communities are divided according to language areas. The Flemish Region consists of the Dutch-speaking language area. The Walloon Region contains both the French-speaking language area and the German-speaking area. The Brussels Capital Region consists of the bilingual area of Brussels Capital.

The Flemish Community groups together the inhabitants of the Dutch-speaking area and the Dutch institutions in Brussels. The French Community is responsible for the inhabitants of the French-speaking area and for the French institutions in Brussels. The German Community covers the German-speaking area.

In addition, there are three community commissions active in Brussels - the Flemish Community Commission, the French Community Commission and the Joint Community Commission.

The regions have powers linked to territory such as economy and infrastructure. The communities were given powers linked to personal matters such as education and culture. The R&C, as they will be referred to below, are exclusively empowered for their own policy areas. Belgium does not have any hierarchy of legal standards. The R&C can transfer specific powers to each other if this proves to be more efficient. An example of this was when the Flemish Community and the Flemish region decided to completely merge their institutions and the French Community transferred a number of powers to the Walloon Region and the French Community Commission in Brussels. In addition, cooperation agreements are very often used between the federal government and the R&C or between the R&C among themselves.

The basis of the distribution of specific powers is to make policy reflect the specificity of every area as much as possible without calling the solidarity between the various populations or the economic union into question. Regarding employment policy, the federal government generally remains responsible for anything connected with taxes, labour law (working hours, safety, health, etc.) and with social security (benefit payment, granting of reductions, etc.). The respective inspection services come under the federal authority. Nearly all remaining powers are in the hands of the R&C.

The situation in the various parts of the country with regard to employment differs considerably and the challenges are subsequently different. The distribution of power enables them to take full advantage of this and to implement a policy geared to their requirements with different priorities. Nevertheless, in many cases for similar challenges a virtually similar approach will be worked out.

Policy objectives

The service voucher is a federal scheme, because of its links with the unemployment benefit system and with labour legislation. The system basically is a consumer subsidy to encourage the use of proximity services. Since in this branch, undeclared work is relatively common, it is also intended to convince workers to switch to a fully legal job. Another aim of the system was to integrate more low-skilled people, long-term unemployed, women and migrants into the labour market.

When the scheme was launched, the government announced that the target was to create 25.000 jobs before the end of 2007.

History

The first way to encourage the transfer of certain household services to the formal labour market in Belgium was the system of local employment agencies (LEA). Set up in 1994, this system intended at the same time to reintegrate the long-term unemployed (i.e. more than 2 years of unemployment for people under 45 or more than 6 months for people aged 45 or older). Hence, local employment agencies have been created in all Belgian municipalities (589 in total).

Those long-term unemployed can perform proximity services (for private persons, local authorities, non-profit associations, schools) for up to 45 hours per month. They keep their entire unemployment benefit and receive an income supplement of 4,10€ per hour worked. They are paid by means of LEA vouchers obtained by the users.

This system proved to be largely successful from a quantitative point of view. In terms of quality, the LEA-job performers were satisfied with the working time flexibility and the income supplement. However, this system leaves the unemployed in a status of dependency upon social allowances and could lead those benefiting from the highest allowances into an unemployment trap; the system does not offer them a real employment contract either.

On 1 January 2004 the Belgian federal government has launched the service vouchers in a (new) attempt to boost the so-called “proximity” services and jobs and to offer an alternative to the LEA-workers. The main goals of the service vouchers scheme are creating jobs, combating unemployment and undeclared, clandestine work. Service vouchers allow private persons to hire the “services” of recognized companies for domestic help

Local employment agencies still do provide certain services such as gardening for private persons, or activities that are usually performed by volunteers on behalf of associations or schools.

Which employers?

The users are private persons residing in Belgium. They can purchase service vouchers and thus enjoy certain services. Service vouchers can be used for domestic help only.

This means:

- -activities around the user’s house: cleaning the house, the windows included, doing the laundry and ironing, occasionally doing some elementary sewing, cooking;
- -activities outside the user’s house: grocery-buying service, common transport for less mobile people, ironing, occasionally doing some elementary sewing included.

The services are provided by workers hired by companies specifically recognized within the framework of the service vouchers scheme. This recognition is done by the Federal Authority. Recognition applications should be addressed to the Service Vouchers Recognition Commission, set up with the National Employment Office.

The companies eligible for the service vouchers scheme are commercial companies (e.g. cleaning companies and temporary work agencies), self-employed putting staff to work, non-profit social economy enterprises, health insurance services, local employment agencies, municipalities, local welfare offices and social profit enterprises.

Which workers?

In order to provide the services requested by the users, the recognized company must hire staff. There are no specific prior requirements as far as the hired staff is concerned. Anyone is eligible to be put to work within the framework of the service vouchers scheme.

A worker with a “service vouchers employment contract” belongs to one of the following two categories:

- **“A” category workers:** workers enjoying unemployment benefits, minimum income or social financial aid during their employment under the service vouchers employment contract;
- **“B” category workers:** all the other workers put to work under a service vouchers employment contract;

The worker must neither belong to the user’s next of kin up to the second degree or be a member of the user’s family, nor share the user’s residence.

General conditions

Once the user has chosen a recognized company, this latter will delegate a worker to the user’s home in order to perform the requested service. For each hour worked the user will give the worker a dated and signed service voucher. Each service voucher will cost the user 6.70 Euros and will be valid for 8 months. The worker will then pass on the received voucher(s) to his employer (the recognised company), which will pass the voucher(s) in its turn on to the issuing firm (Accor TRC). For the recognized company the vouchers have a validity of 9 months following the issuing date. The issuing firm thereupon will transfer the value of the voucher (6.70 Euros) plus the federal government’s allowance (14.30 Euros) to the recognized company. For every service voucher the recognized company will thus receive 21.0 Euros.



Workers paid with service vouchers have a “service vouchers employment contract”. This is a normal employment contract, showing however some specific features. The employment contract may be fixed-term or open-ended, full-time or part-time.

A worker can serve several successive fixed-term employment contracts with the same employer without this having as a consequence that an

open-ended employment contract be concluded (which is the normal consequence in Belgian labour law). However, this is only possible for a limited period of time varying between six months and three months, depending on whether the worker concerned belongs to the “A” or to the “B” categories.

Just like for all other employees, the wage conditions in the service vouchers scheme are laid down in collective bargaining agreements concluded in the joint bargaining committees competent for the recognized companies.

The practical modalities concerning performances (frequency, time, worker,...) are fixed in common consultation between the recognized company and the user.

Advantage

The service voucher scheme entitles its users to a fixed 30% tax cut. The net cost a 6.70 Euros voucher is therefore only 4.69 Euro.

The recognized company enjoys the following advantages:

- its recognition constitutes in the eyes of its customers a guarantee of professionalism and quality;
- private customers formerly completely out of reach, now become attainable;
- it creates new jobs and develops business;
- it satisfies the needs of families in the field of proximity services.

The worker enjoys advantages too :

- he/she has an employment contract;
- he/she earns a wage corresponding to the legal wage scales;
- he/she builds up rights in the field of social security;
- he/she is insured against industrial accidents.

Since 1 February 2006 female self-employed having given birth are eligible for maternity aid. Via their social insurance fund all self-employed having given birth and satisfying the conditions are eligible for 70 free service vouchers.

Procedure

Accor TBR is in charge of the management of the service vouchers scheme. So in order to be eligible for vouchers the user has to register first with Accor TRB. A registration form can be obtained from the local employment agency or by downloading it from the internet (www.dienstencheques.be). Registration is free.

Then the user contacts a recognized company capable of supplying the requested service. The user thereupon orders (minimum 10) service vouchers with Accor TRB (67.0 Euros)

In mutual understanding with the recognized company the user fixes a date and an hour on which the services will be supplied. The user dates and signs the service voucher(s) and hands one voucher per worked hour over to the worker. The vouchers only can be used to pay for hours worked.

The worker passes the service vouchers on to the recognized company, which in its turn passes them on to the issuing firm in charge of refunding the value of the service voucher to the recognized company.

Since 1 September 2006 the “paper” service voucher scheme has been completed with an electronic version, giving the user and the recognized company a free choice for one of both schemes.