

## LEGAL UPDATE

### **Finally: Compensation for Transition Payment following Long-Term Work Incapacity**

Date: 9 July 2018

The obligation to pay the transition payment (i.e. statutory severance pay) following long-term work incapacity has been the subject of debate for some time. We previously [informed](#) you about the bill that had been drafted to compensate employers for the transition payment they have to pay after dismissing an employee who was on long-term sick leave.

On Thursday 5 July 2018, the bill was finally adopted by the Dutch House of Representatives. Contrary to previous reports, this compensation scheme will enter into force on 1 April 2020 (instead of 1 January 2020). This is because the applications for this compensation must be submitted to the Employee Insurance Agency (UWV), and the UWV needs time to make preparations for this process.

Employers who paid a transition payment in the period from 1 July 2015 to 1 April 2020 can also apply for compensation in the period from 1 April to 1 October 2020. The compensation is therefore provided retrospectively.

This is a Legal update from Anne Haverkort.

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