

February 21, 2021

Director of DAO, Mr. Franklin Kock
L.G. Smith Boulevard 136

Director of SVB, Mr. Edwin Jacobs
Caya Punta Brabo 19

Dear Mr. Kock and Mr. Jacobs,

In July of 2020, the SVB made a public announcement regarding vacation day administration during the months that a company receives wage subsidy. The statement instructed companies to not consider subsidized wage hours as valid hours when deducting vacation time used by an employee. For example, if a company receives 40% of its payroll expense in wage subsidy, the vacation days used would need to be administered as follows: If the employee takes 5 days of vacation, only 3 days (60%) could be deducted as "used vacation days" from the total vacation days that the employee has accrued.

The Aruba Hotel & Tourism Association objects to this interpretation, for the following reasons:

1. As per labor law, vacation days are earned based on the number of days employed and working. There is no mention of vacation days being related to the source of financing for the salary paid to the employees. If the subsidized hours cannot count for vacation days, then adversely it must be true that vacation days are also not accrued for the subsidized hours worked.
2. The subsidy percentage, due to the calculation formula, is often a percentage such as 37.8%. Such a percentage makes the vacation day formula quite difficult to understand. Moreover, with revenue fluctuations, the subsidy percentage changes from month to month. In addition, the calculation is further complicated by the fact that the original subsidy is based on a revenue forecast which then changes once actual results are in. All of this makes it administratively impossible to administer the vacation deduction as proposed by SVB.
3. The intent of the wage subsidy is to partially offset the large financial losses of the companies, so they can remain viable and keep staff employed. With the vacation interpretation of the SVB, however, payroll costs are increased to supplement the work from the many extra vacation days given to employees. This defeats the purpose of the wage subsidy.

Considering the above, we request clarification of the SVB announcement, which we believe is contrary to the rule of "fairness and reasonableness" and adds an unnecessary and heavy burden onto employers.

We appreciate your consideration and look forward to your clarification.

Kind regards,



Tisa LaSorte
President and CEO

cc: Prime Minister of Aruba, Mrs. Evelyn Wever-Croes
Minister of Finance, Economic Affairs and Culture, Mrs. Xiomara Maduro
Minister of Labor and Social Affairs, Mr. Glenbert Croes