Ministry of Social Affairs and Employment

> Return address: PO Box 90801 2509 LV The Hague

The Speaker of the House of Representatives of the States General Binnenhof 1A 2513 AA The Hague

PO Box 90801 2509 LV The Hague Parnassusplein 5 T (070) 333 4444 www.rijksoverheid.nl

Contact person

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Draft STAP allowance scheme

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Re: Draft STAP allowance scheme

At the General Consultation on Lifelong Development of 11 June we discussed our plans for a STAP (Incentive Labour market Position) allowance scheme.¹ Please find attached the draft scheme (as submitted to the public employment service (UWV) for an implementation review) which I am presenting to you on behalf of myself and the Minister for Education, Culture and Science. The scheme is designed to replace the tax reliefs currently offered for course fees. For this reason, it should be considered in conjunction with the bill for the Abolition of Course Fee Tax Reliefs Act, which was submitted to your House by the State Secretary for Finance on 17 September as part of the 2020 Taxation Plan Package. The STAP allowance scheme will allow all people with ties to the Dutch labour market to receive training and education for their personal development and for their long-term employability. The establishment of a budget allowing people to learn and develop may allow us to establish a future-proof scheme that will help us respond to, and make the most of trends in the job market. In the future, if any supplementary budgets are established for certain purposes or for particular target groups, we will be able to incorporate them into the scheme quite easily by amending the scheme.

Further detailing of the scheme

The draft scheme contains a more detailed version of the STAP allowance scheme as drawn up within the scope established in the Minister's letter to the House of Representatives of 3 June. The amount to be granted to each applicant will be capped at $\\eqref{1}$,000 so as to increase the number of people who can benefit from the scheme while minimising the upward pressure on prices resulting from training courses, as well as the risks of abuse and misuse of the scheme. The amount the course attendees will have to pay themselves towards their course fees will not be determined by their income, as with the current course fee tax reliefs, but rather by the fee charged for the training course. If the fee charged for a course does not exceed the aforementioned maximum amount, the course attendee will not incur any out-of-pocket expenses.

The training and education activities that are eligible for a grant under the STAP allowance scheme, as outlined in the aforementioned Letter to the House of 3 June, will be included in a training and education register that will be further detailed in the coming months, in association with the Ministry of Education, Culture and Science and private-sector providers of training courses. In finalising the training and education register, one of the things we will do is draw up a more exhaustive list of those courses that will result in an industry or sector-recognised certificate. In so doing, we will have to strike a proper balance between offering a wide range of training institutes and courses that will improve people's labour market position on the one hand and preventing abuse and misuse of the scheme on the other.

In order to be able to closely monitor the scheme's efficacy and implementation and to check whether all the target groups are benefitting from it, the STAP allowance scheme will be monitored

¹ Parliamentary Papers II 2018-2019, 30012, No 119.

² Parliamentary Papers II 2018-2019, 30012, No 111.

and evaluated closely, partly in response to the motion tabled by Renkema and Smeulders.³ The results of this STAP allowance scheme monitoring may call for interim amendments to the scheme - for instance, if we find that it does not have the intended effect on the labour market. After all, we have not implemented a measure like this on a large scale before. The explanatory notes regarding the draft scheme will provide you with more information on the kind of data we will be monitoring. In order to provide an incentive for targeted use of STAP allowances, we have asked UWV, which is required by law to provide information on the job market, to disclose data on the job market when people apply for a STAP allowance so as to help said people select a training course that will improve their chances in the job market.

Implementation review

During the General Consultation on Lifelong Development of 11 June, I promised your House that you would receive a letter on the findings regarding the STAP allowance scheme implementation review after the summer. Considering the expected scope of the scheme (approximately 250,000 grants awarded each year) and the importance of a thorough assessment of the scheme, UWV has requested more time to analyse certain aspects of the implementation. This analysis will focus in great detail on the prevention of abuse and misuse of the scheme, and will focus particularly on the feasibility of the scheme, partly in response to feedback given by your House during the General Consultation of 11 June and the promise made to CDA MP Van der Molen during the short meeting after the General Consultation of 27 June.

We can already tell that certain risks must be taken into account when the STAP allowance scheme is implemented. These risks will have to be addressed by the Ministry of Social Affairs and Employment and by UWV, both at the design stage and once the scheme has been implemented. UWV believes that there will be risks inherent in the implementation of the scheme, since STAP allowances will be available to anyone with a tie to the Dutch labour market. This may result in the budget being depleted sooner than intended and applicants having to be rejected. In addition, we will try to determine with UWV how to minimise abuse and misuse of the scheme to the maximum extent possible. UWV will indicate in the implementation review whether there are any other risks inherent in the scheme. With respect to feasibility, the implementation of the STAP allowance scheme will pose another challenge to UWV, on top of all the other challenges it is already dealing with. UWV will determine in the implementation review whether the implementation seems likely to affect its other projects, and if so, how. As we have seen with a few other executive agencies, UWV will be hard-pressed to ensure continuity, improve its services and implement a new policy all at the same time. This aspect will be incorporated into the analysis of the executive agencies conducted as part of the 'Werk aan Uitvoering' project.

Your House will receive the results of the implementation review later, at the latest before the sitting in which the Ministry of Social Affairs and Employment will discuss its budget. Certain aspects of the scheme may be revised following the implementation review, the online consultation or the excessive regulations review, before the arrangements are published. The implementation review will also show what the implementation process will be like and when we will be able to start offering STAP allowances. Pursuant to the bill for the Abolition of Course Fee Tax Reliefs Act, the date on which the bill becomes effective will be tied to the date on which the STAP allowance scheme is implemented.

In closing

As announced in the Letter to the House of 3 June, we will continue to finalise the exact rules and organisation of education and training guidance while implementing the STAP allowance scheme, so as to remove barriers for certain groups of people who tend not to get round to attending courses and to help these people apply for a STAP allowance. We will determine for each group which organisation(s) is/are most likely to reach this group. For instance, vulnerable people who currently receive unemployment benefits should probably receive advice on training courses that might help them from UWV. I will incorporate both the motion tabled by Diertens and Sneller⁴ and the motion tabled by Wiersma et al.5 (among other documents) into the updated document on the consultations. In addition, in response to the motion tabled by Wiersma et al., we will ask the Social and Economic Council, in its capacity as the party boosting Lifelong Development, and its social partners to examine how private money and industry-specific schemes can be used to benefit the STAP allowance scheme. Furthermore, partly in response to the motion tabled by

³ Parliamentary Papers II 2018-2019, 30012, No 116. 4 Parliamentary Papers II 2018-2019, 30012, No 118.

⁵ Parliamentary Papers II 2018-2019, 30012, No 113.

Renkema et al., 6 we will draw up a proposal on how to provide vulnerable groups with an incentive to embrace lifelong development so as to benefit the implementation of the STAP allowance scheme.

The Minister for Social Affairs and Employment,

W. Koolmees

6 Parliamentary Papers II 2018-2019, 30012, No 117.