

FOLLOW-UP ON THE EMERGENCY PROGRAM FOR PRESERVATION OF JOBS AND INCOME

Measures adopted to contain the coronavirus pandemic have strongly affected the job market, which could consequently increase mass unemployment. In order to avoid a generalized cut in jobs, the federal government launched the Emergency Program for Preservation of Jobs and Income, which established the payment of the Emergency Benefit (BEm), a financial aid to employees that have agreed on suspending employment contracts or reduce workload and salary.

Between May and July of 2020, US\$3.35 billion were spent with this government action. This amount represents 39% of the available budget.

▪ WHAT HAS BEEN DONE

Risks such as irregular payments, delay on payments, and non-payment of benefits to those entitled led the Federal Court of Accounts to carry out follow-up actions aiming at assessing and helping managers to implement the program. On a collaboration with the Labor Department at the Ministry of Economy (ME), the Court has developed a detailed evaluation on transparency of the program and work processes implemented by the government.

TCU has also used data analysis algorithms to identify irregular payments of benefits and restore to public funds from improper payments.

▪ WHAT HAS BEEN FOUND

TCU concluded that, from May to June of 2020, 12.4 million workers had received benefits, with a total cost of **US\$3.35** billion. Among the agreements, 54.4% referred to the suspension of employment contracts, 44.4% to working reduced hours and salary reduction, and the remaining percentage was related to cases of workers with intermittent contracts.

The average amount of BEm paychecks is US\$158 and most of them (49.2%) are between US\$150 and US\$220.

Even though the Program is considered to be well managed, the Court found problems on the disclosure of data and delay on the implementation of functionalities to request reviews. TCU also identified, through data crossing, about **90 thousand of potential cases of improper payments**, which added up more than **US\$27.6 million of possible irregular payments**.

▪ WHAT HAS BEEN DECIDED

As a result of the findings, TCU recommended that the program's managers should adopt the appropriate measures regarding payments that were identified with possible irregularities. The Court also determined the disclosure of a list of beneficiaries of the program, by state and municipality.

Additional information:

Decision: 2.025/2020-TCU-Full Court

Rapporteur: Ministro Bruno Dantas

Case: TC 016.769/2020-1

Technical department in charge: Department of External Control - Labor and Public-Private Partnership (SecexTrabalho)