

## GOVERNMENT ANNOUNCES A SOCIAL PROTECTION NETWORK STRENGTHENING

On March 22, 2021, through a televised address, the President of the Republic announced the strengthening and extension of the Social Protection Network, destined to mitigate the adverse effects caused by the restrictions due to the COVID-19. These measures are based on 5 pillars:

- Greater protection to the families' incomes.
- Strengthening of the middle-class support.
- Greater job protection.
- Strengthening of the small and middle enterprises ("**Pymes**") support.
- Strengthening of the healthcare plan.

**1. Greater protection to families' incomes:** The emergency familiar income ("**IFE**") shall be extended until June 2021, for families that fulfill the relevant requirements, corresponding the minimum amount to CLP\$25,000 a month per family member, for boroughs in a preparation stage, and the maximum to CLP\$100,000 per month for boroughs that have been in mandatory lockdown by 14 days or more.

**2. Strengthening of the middle-class support:** A "Solidary one-off payment and Loan" shall be created. The one-off payment shall be of up to CLP\$500,000 and all people whose salaries do not exceed CLP\$2,000,000 may be benefit with it. Both a supplementary one-off payment of up to CLP\$250,000 -depending on the family composition- and a special one-off payment for delivery drivers will be in place as well. The Solidary Loan will be granted for up to 100% of the income decrease that may have affected eligible people, with a maximum of CLP\$650,000. It shall no accrue interests, shall be paid in up to 4 years, and the maximum annual repayment shall not exceed 5% of their annual income.

**3. Greater job protection:** The unemployment insurance shall be improved, a new employment subsidy shall be created and the

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subsidy for working fathers and mothers (CLP\$200,000 per each child under 2 years) shall be extended in up to 3 months.

**4.Strengthening of the Pymes support:** The budget for the entrepreneurship subsidy shall be increased in US\$200,000,000, and the access shall be simplified. Additionally, the municipalities shall be vested on authorities to postpone and even to cancel certain municipal contributions. Likewise, BancoEstado shall be empowered to postpone, with zero interests, repayments of installments of loans granted to Pymes, in up to 3 months.

**5.Strengthening of the healthcare plan:** Additional US\$300,000 shall be destined to: (i) strength the primary healthcare network; (ii) strength the testing, traceability and isolation program, and (iii) increase the acquisition of COVID-19 vaccines.

This strengthening to the Social Protection Network involves a disbursement of US\$6,000,000, which shall be added to the US\$12,000,000 Covid Fund approved in 2020.

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