



Bundesministerium

Arbeit, Familie und Jugend

Covid-19-short-time work

Frequently asked questions

Information provided by the
Federal Ministry of Labor,
Family and Youth

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The following explanations refer to the agreements between the social partners. The submitted short-time work applications will be processed promptly. The AMS is working intensively on the technical changes to the previous short-time work model in order to transition to the new one.

What is „Corona short-time work“?

- New, more easily obtainable form of short-time work
- Provisionally for six weeks

What is the aim of short-time work?

- Securing jobs
- Maintaining the liquidity of companies
- Retaining reliable, skilled workers

Is short-time work possible for all companies?

Short-time work is possible for all companies regardless of their size or the kind of business.

What are the necessary steps when a company plans short-time work?

Step 1: Acquire information from labour market services or chamber of commerce (state chamber) or unions; Talk with the works council, if available, otherwise with the employees.

Step 2: The employer must fill out the following documents or conclude the corresponding agreements:

- a) Signed by the employer and the works council (in the absence of a works council: by all the concerned employees).
 - “Social partner agreement - company agreement” or
 - "Social partner agreement - individual agreement".

Still without the signature of the social partners:

- b) Labour market services application form (Corona).
- c) Justification for economic difficulties (reference to Corona and follow-up consequences).

Step 3: Submission of these documents by the employer to the labour market services (via electronic labour market services (eAMS) account or by email)

How to contact the Public Employment Service (AMS)?

Contact the AMS by e-mail or phone.

Which information does the AMS need?

- Exact number of employees
- Planned period of short-time work
- Number of employees affected by short-time work
- Average income within the respective income brackets
- Maximum planned reduction of working hours

Is it possible to reduce short-time work to 0 hours?

- Working hours can be reduced by a maximum of 90 percent in the entire calculation period. This also reduces wage costs up to 90 percent.
- Longer periods with 0 hours worked per week can be agreed on. The reduced working hours only have to be achieved on average: e.g. 6 weeks of short-time work consisting of 5 weeks of 0 hours and 1 week with 60%.
- The calculation period cannot be longer than the period of short-time work granted.

Does the employee need to use up all their holiday and compensatory time-off?

- On the Corona short-time programme the employees have to use up all their holiday and compensatory time-off from previous years in agreement with the employer.
- If the short-time work lasts more than three months, another three weeks of holiday has to be consumed.
- The holiday remuneration is based on the income before the short-time work started, and is to be paid by the employer.

How much money does the employee get? How high is the net replacement rate?

The short-time work allowance is based on the employee's net income before the short-time work started, and guarantees a minimum income:

Up to a gross salary of € 1,700, the remuneration amounts to 90% of the previous net salary.

Up to € 2,685 gross salary the remuneration amounts 85% of the previous net salary. For a gross salary of € 2,686 or above, the remuneration amounts to 80% of the previous net salary.

For incomes up to the maximum contribution basis, the AMS is reimbursing the employer for the additional costs that result over and above the hours actually worked, though not for the part of the income above.

Does the employer have to carry on paying the social insurance contributions?

The employer's social insurance contributions are based on the remuneration of the short-time work. In the new short-time work model, these increased contributions will also be borne by the AMS **from the first month on**.

How quickly can the short-time work model be agreed on?

The social partners have agreed to make a social partners' arrangement possible within 48 hours of the completion of the negotiations on the company level (with a company agreement/individual agreement ready to be signed).

How long will the funds be provided for?

At first for three months, if needed the model can be extended by another three months.

Is it possible for employers to lay off employees during the short-time work programme? How long does the employer have to keep employees on after the short-time work period ends?

According to the social partners' arrangement the employer is obliged to maintain the same level of employment during the short-time work period and up to a month after the period ends. In special circumstances, the dropping of the retention period can be negotiated.

Do I get a grant for special payments?

The flat-rate of the labour market services also includes the proportional special payments.

How and when does the billing take place?

A payroll list, for the employees that are included in the short-time work, must be submitted for each calendar month by the 28th of the following month.

The short-time work allowance is paid retrospectively per calendar month after submission and verification of the partial invoice.

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