

Job retention schemes in Europe

Austria

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Note on ETUI classification of job retention schemes (JRSs): All job retention schemes (JRS) share the objective of preserving the ties between companies and their employees in times of temporary economic difficulties. They support incomes of workers who keep their employment contract even if the work is fully suspended. Depending on the primary objective and the nature of support, three different categories of JRS can be distinguished:

(1) Short-time Work Scheme (STW): The key objective of STW schemes is to provide support to companies to retain their employees in times of economic difficulties. The company receives financial support for the employees' wages paid for the time not worked. The extent of working time reduction can vary, including also a full work suspension.

(2) Furlough Scheme (FS): FSs can be best understood as temporary unemployment. The financial support is thus paid directly to the worker for the period of partial or full working time suspension. The aim of a FS is to enable companies to reduce their wage bill by temporarily laying off (parts of) their workforce. While retaining the ties with the employer, workers on the FS scheme are available to seek alternative employment. Integrated into the existing system of unemployment insurance, FSs can be seen as a tool to facilitate the transition towards a new job.

(3) Wage Subsidy (WS): The main objective of WS is to preserve employment through subsidizing companies' wage bills. For this purpose, a company in temporary financial difficulty receives financial support per employee, regardless of whether or not working time of specific employees is reduced. The employees keep receiving their wages. Permissible wage adjustments are not directly related to working time reductions.

Key characteristics of the job retention scheme

ETUI classification of the job retention scheme (JRS)	Short-time work scheme (STW)
Name of the scheme	<i>Kurzarbeitsbeihilfe</i> (Short-time work allowance)
Start date of the implementation of the special Covid-19 JRS rules	<p>On the basis of a collective agreement a Corona STW scheme was introduced in March 2020. Since then the Corona STW scheme has been extended three times. The extension of the STW II scheme, which was scheduled to expire on 30 September 2020, took place on 29 July 2020. STW phase III started in October 2020 and expires on 31 March 2021.</p> <p>The Corona STW scheme amended the regular STW scheme in two ways: first, the procedure for approval of applications was streamlined and simplified; second, under the Corona STW scheme, the state covers the employers' social security contributions for the hours not worked from the start, whereas under the regular STW scheme, employers had to pay social security contributions for the hours not worked for the first four months of STW.</p>

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Eligibility	<p>In order to receive STW support the following three criteria need to be met:</p> <ul style="list-style-type: none"> (i) explanation of the firm's economic difficulties and presentation of a plausible link with the Covid-19 virus; (ii) conclusion of a social partner agreement which regulates the framework conditions for STW in the company and must be approved by the respective bodies entitled to conclude collective agreements (typically trade unions and chambers of the economy); (iii) application for Covid-19 STW allowance to the Austrian Public Employment Service (AMS, Arbeitsmarktservice). <p>The minimum and maximum time to be worked to be eligible for STW support has been changed from 10–90% of regular working time to 30–80% under the STW III scheme. Further working time reductions need to be agreed in a company agreement.</p> <p>Companies that were directly affected by the second lockdown in November 2020 (for example, restaurants and hotels) could reduce working hours to zero in November 2020 or for the duration of the lockdown.</p>
Exceptions (category of workers or companies excluded from support)	<p>Mini-jobbers (<i>geringfügig Beschäftigte</i>) and civil servants (<i>Beamte</i>) are excluded from the regular STW scheme, as are employees of public institutions and political parties.</p>
Duration of support (maximum duration for which JRS support is paid)	<p>Six months (compared with 3 months previously) – initially, approval for 3 months with the option of a prolongation for a further 3 months, and under STW phase II the possibility of an extension until the end of September 2020. In STW phase III (starting in October 2020) applications for STW are possible until 31 March 2021; retroactive applications were/are possible (in 'normal times' applications for STW have to be submitted before the actual start of STW). In January 2021, negotiations for a further prolongation of the Covid-19 STW scheme started.</p>
Level of support for employees (percentage of gross or net wage, please also specify whether social security contributions are covered)	<p>The level depends on the original wage:</p> <ul style="list-style-type: none"> (a) 90% of the net wage if the gross wage was €1,700 or less; (b) 85% of the net wage if the gross wage was between €1,700 and €2,685; (c) 80% of the net wage if gross wage between €2,685 and €5,370. <p>Apprentices get 100% of the net wage.</p> <p>The employer guarantees this amount to the employees. The employer has to bear the costs for the hours worked and receives the STW allowance for hours not worked.</p> <p>The calculation of support is based on average net wages of the previous 13 weeks/3 months before the start of STW (including all wage supplements).</p> <p>For the insurance contributions, the same principle applies as for the regular STW scheme: the government pays all the contributions for the hours not worked, while the employer pays contributions for the actual hours worked – with the exception that in the regular STW scheme, the employer also had to pay social insurance contributions for the hours not worked for the first four months of STW.</p> <p>In view of the renewed lockdown measures in November 2020, employees in the HORECA sector, as well as in the cosmetics, hairdressing and massage sector will receive an additional €100 net per month as a bonus for November 2020 or for the period of the lockdown.</p>
Cap on support (maximum amount of JRS support payable)	<p>The maximum amount of the monthly gross wage taken into consideration for the calculation of the STW allowance is €5,370 (<i>Höchstbeitragsgrundlage</i>). In case of a 100% working time reduction the maximum amount actually paid is 80% of the net wage left from the €5,370 gross wage (plus social security contributions and – as is common practice in Austria – special payments). All in all, the maximum payment would be €6,814.14 for a month with a 100% working time reduction.</p> <p>Link to the Kurzarbeitsbeihilfenrechner of the Public Employment Service (AMS): https://www.ams.at/unternehmen/personalsicherung-und-fruehwarnsystem/kurzarbeit/rechner-fuer-kurzarbeit</p>
What share of the support is covered by the state and by the employer?	<p>The state covers 100% of the STW allowance.</p> <p>The employer has to bear the labour costs corresponding to the actual hours worked.</p>
Dismissal protection	<p>Duration of STW plus one additional month – the length of dismissal protection is part of the obligatory social partner agreement; in well-grounded, justified exceptional cases a deviating length could be agreed.</p>
Role of collective bargaining in the adoption and implementation of JRS support	<p>The whole operation of STW depends on a social partner agreement which regulates the framework conditions for STW at company level.</p>

Special conditions for support to avoid misuse of the system (for instance, ban on paying out dividends or bonuses; ban on share buybacks or operating from tax havens)

There are no bans on paying out dividends or bonuses or on share buybacks or operating from tax havens. But the public employment service is responsible for examining firms' applications and actual time worked while on STW, in case there is a suspicion of misuse.

Special provisions as regards training/ requalification/ reorientation of employees on JRS

The STW III scheme foresees an obligation for workers on STW to undertake any training courses that employers may offer during the hours not worked. But the employers are not obliged to offer such training.

Only a small number of applications have been received from firms for this qualification measure.

Quantitative data

How many workers were on JRS each month? (Please indicate whether these are applications for JRS or the actual numbers of workers on JRS)		Actual numbers of workers on STW	Applications for STW
	March 2020	513,831	102,186
	April 2020	1,042,691	1,226,208
	May 2020	897,472	1,308,920
	June 2020	679,537	750,156
	July 2020	340,803	476,094
	August 2020	288,331	452,504
	September 2020	232,441	295,253
	October 2020*	130,271	82,139
	November 2020*	356,165	276,372
	December 2020*	380,370	417,088

Source: AMS Data Warehouse, BMAFJ 2021. Note: *preliminary data.

In STW period I+II (March – September) about half of the money the firms had applied for was actually paid as STW allowance (€5.256 billion in comparison with more than €11 billion).

Which sectors were most affected at the beginning of the pandemic in March/April and towards the end of the period studied in November/December? (as a percentage of overall number of workers on JRS)	Sector	April 2020		November 2020	
		Total number	% of total	Total number	% of total
	A Agriculture, forestry and fishing	2,935	0.3	553	0.2
	B Mining and quarrying	1,147	0.1	97	0.0
	C Manufacturing	241,346	23.4	62,497	22.7
	D Energy supply	1,175	0.1	220	0.1
	E Water supply, sewerage, waste management and remediation activities	3,899	0.4	125	0.0
	F Construction	87,440	8.5	5,264	1.9
	G Wholesale and retail trade; repair of motor vehicles and motorcycles	257,761	25.0	57,785	21.0
	H Transport and storage	52,833	5.1	20,182	7.3
	I Accommodation and food service activities	97,255	9.4	67,202	24.4
	J Information and communication	21,957	2.1	4,406	1.6
	K Financial and insurance activities	6,792	0.7	560	0.2
	L Real estate activities	9,839	1.0	1,528	0.6
	M Professional, scientific and technical activities	55,916	5.4	8,363	3.0
	N Administrative and support service activities	61,983	6.0	17,003	6.2
	O Public administration and defence; compulsory social security	455	0.0	5	0.0
	P Education	15,488	1.5	1,698	0.6
	Q Human health and social work activities	58,653	5.7	3,511	1.3
	R Arts, entertainment and recreation	23,218	2.2	7,535	2.7
	S Other service activities	30,858	3.0	11,658	4.2
	T Activities of households as employers; undifferentiated goods- and services producing activities of households for own use	86	0.0	1	0.0
	U Activities of extraterritorial organisations and bodies	1	0.0	0	0.0
	X Others	3,109	0.3	5202	1.9
	Total*	1,032,204	100.0	275,395	100.0

Source: AMS Data Warehouse; BMAFJ 2021.

* The sum of the sectors column shows discrepancies from totals displayed per month because statistics on the total number are more frequently updated than the sectoral data.

Is there any data on how many workers lost their job after STW expired?

About 94,5 % of the people who used STW in April were still employed in October 2020.

Source: Die Presse 12.01.2021. Available at: <https://www.diepresse.com/5921496/arbeitsminister-kocher-kurzarbeit-ist-kein-dauerinstrument> [27.01.2021]

Is there any data on how much money the state spent on JRS and over time? (in absolute figures and as a percentage of GDP)		Absolute	% of GDP
	March 2020	1,002,723	0.0003
	April 2020	38,755,342	0.01
	May 2020	685,811,761	0.18
	June 2020	2,912,062,498	0.78
	July 2020	4,030,594,146	1.07
	August 2020	4,507,482,486	1.20
	September 2020	4,826,908,352	1.29
	October 2020	5,104,780,943	1.36
	November 2020	5,255,777,348	1.40
	December 2020	5,495,735,705	1.46

Source: AMS, Wilk 2021.

Information on non-standard workers and JRS²

Do non-standard workers (NSW) have access to the regular JRS scheme or are there other support schemes, for instance for the self-employed? ³	<p>Workers with a temporary work contract can be included in the STW agreement. Also temporary agency workers (<i>LeiharbeiterInnen</i>) can use this instrument (the temporary work agency has to apply for STW allowance).</p> <p>In the meantime, several assistance schemes and subsidies for firms and self-employed have been created. See for an overview: https://www.bmdw.gv.at/Themen/International/covid-19/Unterstuetzung-fuer-Unternehmen.html</p> <p>One key measure was the establishment of a so-called 'hardship fund' (<i>Härtefall-Fonds</i>). Solo self-employed, new self-employed persons (such as artists and journalists), freelancers and micro-entrepreneurs (up to a maximum of ten employees) are provided with payments from the hardship fund. The aim is to cushion cases of hardship caused by Covid-19 with grants to cover personal living expenses. In Phase 1, €500 or €1,000 will be paid out immediately. In Phase 2, pay-outs are made in the amount of 80 per cent of lost income up to a maximum of €2,000 per month for a maximum of three months. (So there is a total of up to €6,000 in three months). At the end of April 2020, the number of eligible months was increased from three to six months and the period under consideration was extended from six to nine months (16 March–15 December).</p>
What are the eligibility criteria?	<p>Support from the hardship fund is available in the case of an economically significant threat posed by Covid-19, namely if:</p> <ul style="list-style-type: none"> – running costs can no longer be covered in the period under consideration and this is due to the Covid-19 crisis; – in the period under consideration there is at least predominantly an officially ordered ban on entering the premises due to Covid-19, by which the company is directly affected; or – there is a drop in turnover of at least 50% compared with the same period of the previous year.
How is the financial support for non-standard workers calculated?	<p>On one hand, compensation of the fixed costs of these enterprises, on the other hand subsidies to compensate shortfalls in receipts (in relation to turnover in the previous year).</p>
Which sectors were most affected in terms of providing support to non-standard workers?	<p>Freelance work und one-person businesses are typical of sectors such as:</p> <ul style="list-style-type: none"> – arts, entertainment and recreation; – administrative and support service activities; – information and communication; – transport; – other service activities (for example, hairdressers, beauty salons, fitness trainers); – physiotherapists and similar human health/social work activities.
Are there any measures for training/requalification/reorientation for non-standard workers?	<p>No.</p>

2. Non-standard workers include workers with a temporary work contract, platform workers, temporary agency workers, multiparty employment, disguised employment/dependent self-employment, freelance workers, etc.
3. The following questions refer to any existing schemes for non-standard workers.