

Germany: law to facilitate short-time working measures adopted by the Bundestag with retroactive effect from 1 March

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The law, which extends and facilitates access to short-time working measures to help businesses manage the Covid-19 crisis, was passed by the Bundestag on Friday 13 March, having been urgently adopted by the federal cabinet two days earlier. The provisions of the law, which also lightens the financial burden on businesses, are valid retroactively from 1 March. This means that requests can be taken into account as soon as they are submitted to the Federal Employment Agency, which monitors and funds the system.

The two objectives set by Hubertus Heil, Germany's minister for employment and social affairs, who submitted his draft law to 'improve conditions for access to short-time working' to the cabinet on Wednesday 10 March, are to protect the health of citizens and employees and to support businesses by helping them protect jobs. After adoption, the text was urgently passed by the Bundestag on Friday 13 March, at the request of all political parties and business circles.

On the issue of emergency measures for short-time working, the new text introduces the following changes:

- The provisions of the law on short-time working are valid retroactively from 1 March to 31 December 2021. Companies can therefore already submit their requests.
- Companies will be able to benefit from this system as soon as 10% of their staff is affected by a marked drop in activity (30% at present).
- For the time being, short-time working measures can currently last up to a maximum of 12 months. The minister for employment may extend this period to 24 months by order.
- Companies will be entirely exempt from paying social charges on hours not worked during periods of short-time working. In 2019, these contributions were entirely the responsibility of employers. However since 1 January 2020, and following the crisis in the automobile industry and the machine tool sector, the state has agreed to cover 50% of such charges.
- Temporary workers are also eligible for short-time working.
- In companies with working time corridor arrangements backed up by time savings accounts with negative counting of hours, it will not be compulsory to wait for the hours accumulated to reach negative for short-time working to be applied.
- As a reminder, it should not be forgotten that the request for short-time working cannot be made solely by company management and must be negotiated and approved by the works council as part of a specific company agreement.

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