

Austria: PRO-GE update

Austria is witnessing the biggest crisis since the Second World War with consequences more dramatic than the economic crisis of 2008/2009. On 18 March, the government announced a package of 38 billion euro comprising relief measures for companies (in particular SME's and single-person establishments), in order to prevent insolvencies, mass unemployment and to sustain the national economy. These measures contain emergency funds for the hardest hit sectors, credit extensions and tax deferrals.

On 15 March, the Austrian Parliament decided on the necessary legal provisions and financing of special short-time work schemes (400 million euro) for companies affected by the COVID-19 crisis. Publicly financed short-time work schemes have proven to be effective measure to avoid unemployment during crises and retain staff during temporary economic difficulties. These measures have already been used during the previous economic crisis in 2009-2010. In Austria, short-time work schemes must be implemented through social partner agreements in individual companies.

Below are the key regulations of the so called "Corona Short-Time Work Scheme":

- immediate and complete consumption of time credits and rest holiday before short-time work can apply;
- depending on the income, net wage compensation rate will vary between 80-90 % (90% for gross wages below 1.700€);
- holiday remuneration and continued pay during sickness will be calculated on working time prior to the short-time work scheme;
- social insurance contributions will be taken over by the state from the first month of short-time work scheme;
- one month retain period for workers on short-time work;
- working time can be reduced to 0%;
- ready-to be signed short-time work agreements between individual employer and works council must be signed by the social partners within 48 hours;
- short-time work agreements can be concluded for a maximum three months' period and, if necessary, prolonged by a further three months' period.

PRO-GE welcomes these measures, especially the validity of the short-time work scheme for temporary agency workers. However, PRO-GE demands the following necessary improvements:

- small companies with a maximum to 25 employees should be eligible for immediate compensation to avoid mass insolvencies and mass redundancies;
- special leave for parents to take care of their children during the current temporary closure of schools must be refunded 100%;
- companies that will benefit from public financing should be obliged to a mandatory workplace guarantee.

Further useful information can be found under www.jobundcorona.at , which is a special website created by the social partners (experts from the trade union confederation ÖGB, the Chamber of Labour-AK and the employers' association WKÖ).

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