

Austria: Federal government announces Covid-19 support including 'partial unemployment'

Planet Labor, 17 March 2020, n°11724 - [www.planetlabor.com](http://www.planetlabor.com)

**On 13 March, Austria's government announced €4 billion would be directed to support independent workers, maintain employment, and help businesses avoid insolvency in the face of the Covid-19 pandemic. Finance for partial unemployment measures will rise from €20 million to €400 million, along with less stringent rules applying for 'Covid-19 partial unemployment' which will be accessible as of 23 March. Planet Labor will keep you abreast of these rules and regulations as they come on-stream in the upcoming days.**

On Friday 13 March, Austria's Finance Minister Gernot Blümel stated that the health of the nation's citizens and support for business were more important issues than fiscal equilibrium. The Minister announced a €4 billion support package for businesses, especially in the tourism industry that are facing cash flow problems and struggling to maintain employment. The package includes supports for company payments problems as well as urgent credit extension guarantees to facilitate bank lending to businesses.

In terms of the partial unemployment provision, the Federal Council of Ministers gave the go-ahead to a new partial unemployment format called 'COVID-19-Kurzarbeitsmodell' (COVID-19 partial unemployment model) that was designed in conjunction with input from the social partners. Below are its key features:

Should a company's economic situation require, employees' working times can be reduced on average from between 10% and 90%. Over this period, temporary reductions of up to 100% will also be possible.

- Austria's employment agency (Arbeitsmarktservice – AMS) will both cover between 80% and 90% of employees' net salary and employers' social contributions.
- Prior to accessing partial unemployment provisions, employees must take any outstanding leave period and use up their time bank accounts
- All businesses undergoing difficulties can request partial unemployment for their staff including both permanent and interim workers.
- This new measure is valid from 01 March 2020 and new forms will be available online from 18 March 2020
- These COVID-19-Kurzarbeitsmodell measures are valid for three months and potentially further, if the crisis continues
- All measures associated with partial unemployment must be part of a company agreement with the WC
- The Austrian Federal Economic chamber (WKO) has published a great deal of information online with links to help companies deal with the current situation, accessible here:  
[https://www.wko.at/service/aussenwirtschaft/coronavirus-wirtschaftskammer-als-anlaufstelle.html?shorturl=wkoat\\_corona](https://www.wko.at/service/aussenwirtschaft/coronavirus-wirtschaftskammer-als-anlaufstelle.html?shorturl=wkoat_corona)

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