

Update from PRO-GE, Austria: New approach agreed by the social partners and the labour market service to facilitate a swifter and easier access short-time work

Since 16 March, when the Austrian government announced drastic measures to prevent an increase of infections and a collapse of the health system by putting the economy in emergency mode, unemployment has been rocketing. At the end of March, 560.000 jobless were registered (+50% compared to last year) and the highest unemployment since 1946. To prevent an explosion of unemployment figures, government and social partners try to persuade companies to apply for short-time work. By the end of March, over 20.000 companies had applied and over 250.000 workers/employees were on short-time work.

The social partners (branch unions; employers' association -WKÖ) got swamped with applications from companies, which are supposed to be checked first by the social partners (trade unions, employers' association) in order to receive the approval from the labour market service (AMS) for short-time work. Therefore, a change was necessary to facilitate a swifter and easier access for companies.

As of today, i.e. 2 April 2020, a new approach has been agreed at social partner level and the labour market service (AMS) for the applications:

- The company submits the application directly to the AMS with the request form and the respective social partner agreement (general social partner agreement).
- The AMS immediately processes the application with a provisional approval.
- Social partners receive a list of applications submitted 1 x a day with an option to check essential points (duration of short-time work, retention period, overtime, vacation, etc.)

This change has become necessary because many companies have liquidity difficulties and banks only lend money if the AMS has a short-time allowance.

PRO-GE has requested to check the following companies from the list from the AMS:

- all temporary agencies
- all companies that have a works council and fall in the domain of PRO-GE; if the works council consults us in advance, it requests the social partner agreement so that we can assess it in advance
- Companies with more than 30 employees (provisional)

In addition, the government decided to increase the financing of short-time work from 400 Million Euro to 2 billion Euro.