

Short-Time Work

Short-time work refers to a temporary reduction of working hours in a company. In order to avoid dismissal and to ensure that your company and the economy can cope with the Corona crisis, the social partners, consisting of the Chamber of Labour, trade unions and the Chamber of Commerce, have negotiated a special model: Your working hours can be reduced to zero hours. Nevertheless, you will continue to be paid almost up to 90% of your wage or salary.

If you are offered the (temporary) termination of your employment relationship, you should make your employer explicitly aware of this alternative!

1. How do I profit from the corona short-time work?

Your working hours are reduced, and you can keep your job. Your employer continues to pay you 80-90% of your previous income. In return, your employer receives a subsidy from the AMS, that compensates the employer for the hours you did not work.

Additionally,

- You are protected against dismissal during short-time work and one month afterwards.
- Corona short-time work is also possible in companies without a works council.
- Corona short-time work is also possible in companies that are shut down in full.

2. How much pay or salary do I receive during short-time work?

The AMS short-time work allowance is calculated on the basis of your gross wage or net salary before (including bonuses, supplements and regular commissions, but excluding expense allowances (diets, daily allowances, distance allowances,...) and overtime pay.

Your employers pays you a monthly short time work remuneration (net replacement rate), that is calculated as follows:

- Up to a gross remuneration of € 1.700,-, during short-time work the remuneration amounts to 90% of the previous net remuneration.
- Up to a gross remuneration of € 2.685,-, during short-time work the remuneration amounts to 85% of the previous net remuneration.
- Above a gross remuneration of € 2.686,-, during short-time work the remuneration amounts to 80% of the previous net remuneration.
- There is no remuneration for income shares above € 5.370,-, i.e. the remuneration is capped at this amount.
- For apprentices the remuneration during short-time work amounts to 100% of the previous apprenticeship compensation.

You will therefore receive 80, 85 or 90 percent of your previous income from your employer each month. It does not matter how many hours you work in each week during short-time work. During short-time work, your working hours are calculated continuously. The result of the calculation, i.e. whether the reduction in working hours reported by your employer to the AMS is actually achieved, can therefore only be determined at the end of short-time work.

The employer commits to the AMS to ensure that your short-time working remuneration (net replacement rate) during short-time working is not less than the value of your actual hours worked: If you therefore have a net replacement rate of 80%, but have worked more than originally declared during your entire short-time work, your employer must also pay more.

Tip: Record precisely how many hours you actually work. This makes it easy for you to check whether you have been paid for all hours. The AK offers its an app for this purpose, in order to record working hours comprehensibly and without gaps: <https://ak-zeitspeicher.at>.

3. I have an all-in contract or an overtime lump sum agreement. Do these count for calculating income during short-time work?

If your employment contract states that your overtime lump sum can be cancelled, the overtime lump sum is unfortunately not taken into account in the calculation of your income during short-time work.

If your employment contract does not state expressly that your overtime lump sum can be cancelled or if you have an all-in contract, your income during short-time work will be calculated with overtime lump sum or your all-in wage or salary.

4. Do I have to use up vacation and time credits before going on short-time work?

The directive on corona short-time work states that holidays from previous years and time credits are to be reduced "if and as far as possible", where reasonable, before or during short-time work. Therefore, if your employer requests that you take vacation or reducing time credits, the request must be complied with. In return, the AMS provides particularly generous wage compensation (80-90%). However, an advantage of taking vacation or reducing time credits first is that you receive your full wage or salary for this period of time. For this reason, short-time work should not be allowed to fail because of the question of holiday consumption. The advantages of short-time working are far too significant for that.

Note: Your holiday year usually starts with your first day of work in your company. You will find this date in your employment contract. In some contracts, the holiday year is also changed to the calendar year from 1 January. Please take a look at your employment contract. If there is a works council, ask about it.

5. How and when can Corona short-time work be introduced in a company?

The introduction of Corona short-time work is possible regardless of the size of the company and regardless of the industry. It is also possible to introduce Corona short-time work in associations and legal entities under public law that participate in working life (e.g. public museums). If your company is interested in introducing Corona short-time work, AMS has to be contacted as the first step. This can be done via e-mail or telephone.

In companies with a works council, negotiations at the company level are taking place at the same time in order to sign a works agreement.

In companies without a works council, agreements have to be reached at individual level with each employee. In order to simplify this procedure, these agreements are collected in a single document and all the employees sign this document at the last page. This saves time and minimizes bureaucracy.

Then the agreements will be signed by the social partners (trade unions and representation of the employer, that is mostly the chamber of commerce) within 48 hours. In a last step the employer submits the agreement to the AMS. This is possible via the online eAMS accounts and via e-mail.

6. How can the works council be involved in short-time working?

Your works council can be important in ensuring that negotiations on short-time work are held in the first place. In any case, he must be involved from the outset in the negotiations on the introduction of short-time work. This concerns negotiations between the employer and the AMS on the conditions necessary for receiving the short-time work allowance, the negotiations on the short-time work agreement, and negotiations on the works agreement between the works council and the employer. If there is no works council in your company, trade unions will help you instead.

7. Are there any drawbacks from the perspective of the companies?

No. At the insistence of the social partners, Corona short-time work was made even more attractive for companies. The federal government covers all the social security contributions for employees in Corona short-time work, from the first day. This agreement, reached in the night of 17 March, represents a package that provides the largest financial support for businesses. From the current perspective, there is no reason to dismiss employees.

8. My employment relationship was unfortunately terminated before the introduction of Corona short-time work. Can I still take advantage of short-time work?

In order to receive a short-time work allowance, the AMS requires that you have been employed by your employer for at least one month without interruption. This full month is then the basis for calculating your allowance.

For you this implies:

- If you have already been deregistered by the health insurance fund (ÖGK) and are officially unemployed, you can return to your employer - but your employer would not receive any allowance from the AMS for the first month. You would therefore only start short-time in the second month.
- If you have not yet been deregistered by the health insurance fund (ÖGK) (for example, because you are still in the period of notice), you can reverse the termination in agreement with your employer and start working reduced hours immediately.

In principle, there is no minimum period of previous employment. You can therefore reverse the termination of your contract in agreement with the employer, i.e. re-enter the employment relationship and then go on short-time work.

9. How long can Corona short-time work last?

Initially, the duration for Corona short-time work is limited to three months. If necessary, short-time work can be extended by a further three months.

10. How can I reduce my working hours?

During the entire period of short-time work (e.g. 3 months) you have to work at least ten percent of your previous working hours. However, the working time can also be divided up so that you work perhaps zero hours per week at the beginning, and then later correspondingly more.

Example:

A company introduces short time work for three months (13 weeks). This also affects a full-time employee with 38.5 hours of normal working hours per week.

10 % of 38,5 hours a week are equal to 3,85 hours a week. Multiplied by 13 weeks (the duration of short-time work) results in 50,05 hours, i.e. the full-time employee has to work for at least 50,05 hours (50 hours and three minutes) during the entire short-time work period.

However, when those 50 hours and three minutes have to be worked, will be determined by the employer and depends on how the pandemic develops.

It would therefore be possible not to work at all during the first 11 weeks. In return, the full-time employee would receive 80-90% of his or her previous income from AMS, and the employer would have no personnel costs at all for 11 weeks.

In the 12th week, for example, 11 hours and 33 minutes could be worked, and in the last week 38.5 hours could be worked as usual.

11. What happens to my special payments (holiday allowance) during

Special payments (holiday allowance and Christmas bonus) will be funded, independent of your net replacement rate (80-90%), in full by the AMS. In 2020, you will therefore receive your "full" holiday and Christmas bonus from your employer on the respective due date.

12. Does the reduction of my working hours count as free time?

In principle, the time freed up is considered free time and is at your free disposal. During this time, you are allowed to work in another job to earn extra money. In this context, however, please observe the legal and individual contractual prohibitions of competition!

13. Can I be dismissed during Short Time Work?

Dismissals due to reasons related to the particular person are always possible. But the employer is obliged to keep the number of persons employed at the previous level by hiring new employees.

During the period of Short Time Work the number of employees within the affected part of the Enterprise has to be maintained. Reductions of the number of Employees for economic reasons are possible only after the period of further employment ends. Only under special circumstances, the Labour market Service can grant exemptions from this rule.

However, terminations specific to the individual are possible. The employer has an obligation, to justify the termination of the specific employment relations at the AMS and the employ another employee instead in order to keep the number of persons employed constant.

If you terminate your employment yourself, or in the event of an amicable resolution of employment relationships, there is no obligation for the employer to replenish the workforce. This does hold as well if the conditions for a premature termination of employment by the employer (fristlose Entlassung) are met. In case of a amicable solution you have to be give the verifiable opportunity of being advised by the works council, the trade union or the Chamber of Labour.

14. Is there protection against dismissal after the short-time working phase?

The short-time working agreements stipulate an obligation not to dismiss employees during the first months after short-time work. This applies only to those employees that were affected by the short-time work agreement.

15. Can I terminate my contract during short-time work?

You are allowed to terminate your employment contract during short-time work, given you comply with the statutory periods of notice, or you can suggest an amicable solution. In the latter case, the amicable solution of your employment contract does hold only in case you have had the demonstrable opportunity of taking advice from your works council or trade union.

16. Can I go on short-time work with a fixed-term employment contract, as temporary worker, part-time worker or as an apprentice?

Yes. If you are working part-time, you have to reduce your working hours as well.

If you are in partial-retirement, your already reduced hours will be reduced even more. You will continue receive the income compensation for your partial-retirement. Your company pays you for those hours, you continue to work. For the remainder, up to 90%, will be paid by the AMS.

Temporary workers are allowed to go on short-time work.

On the one hand, your temporary employment agency (i.e. your employer) may introduce short-time working, which will then apply to temporary staff who are not currently on temporary assignment.

On the other hand, your employer company, which wants to introduce reduced hours for permanent staff, can also include its temporary employees if it concludes its own reduced hours agreement with its temporary employment agency (i.e. your employer).

Important: The temporary agency can not post you to another company during the reduced hours.

As apprentice, you will be compensated in full!

17. I'm marginally employed. Does short-time work apply to me as well?

Corona short-time is for those who have paid into unemployment insurance. Therefore, those who are only marginally employed cannot apply for Corona short-time work.

Unfortunately, marginally employed persons are not insured. However, your boss may not simply dismiss you. The periods of notice according to the collective agreement apply to you as well. In the hospitality sector this period is 14 days. At least for the period of notice the boss must continue to pay your salary.

18. Can I work overtime during short-time work?

Yes, if this was agreed on in the short-time work arrangement with your company. This agreement has to list those parts of the company, where workers are allowed to work overtime.

It is possible to work, during selected weeks of the short-time work period, to work more than the reduced hours. For these extra hours you have to be compensated with the net wage that applies during short-time work. The short-time work allowances your employer receives, will be adjusted in the monthly settlements by the AMS, this means reduced or increased, such that it is in accordance with the number of hours you actually worked.

19. What happens if I get sick during short-time work?

If you are getting sick ill, you will of course receive your continued payment, as usual, from your employer in accordance with your net replacement rate (80/85/90 percent).

20. Can I go on vacation during short-time work?

Yes, this is possible. Most agreements provide for full pay during the holiday, as if there were no short-time work. However, it is not possible to consume only those days of holiday during which work is being done and not for the days when work is cancelled. It is therefore not possible, for example, to get a whole week off with three days of holiday.

21. Can associations introduce short-time work? Who is the contact person?

If you have a job in an association, you can arrange short-time work. The contact person for the managing director of the association is the Chamber of Commerce, but for employees and the works council it is the responsible trade union.

22. What happens if my employer becomes insolvent during short-time work?

In this case, short-time work will be terminated. Please contact the Chamber of Labour and declare yourself as ready to work.

If you want to know more: [Here is further information](#) about short-time work and how you can agree on short-time work in a company with or without works-council.