FAGBEVÆGELSENS HOVEDORGANISATION

**> FH – Danish Trade Union Confederation is the largest national trade union confederation in Denmark and is recognised as the most representative workers' organisation in both the private and the public sector.**

In this paper, you will find an overview of the Danish response to mitigate the financial impact of the COVID-19 pandemic. The overview covers initiatives taken by the Danish government in support of companies, workers, self-employed, freelancers etc.

It is a dynamic document. It will be updated continuously according to new initiatives taken by the Danish government, social partners, enterprises etc.

[Last edited: 31 March 2020]

**Tripartite agreement on temporary wage compensation**

**Tripartite agreement on temporary wage compensation for private sector employees**

On 14 March, the Danish government and the social partners concluded a tripartite agreement on temporary wage compensation.

Already on 30 March the agreement was strengthened.

The agreement covers employees working in private companies that are particularly economically affected as a consequence of COVID-19 and therefore facing having to give notice of redundancies of a minimum of 30 percent of their employees or more than 50 employees.

The companies can use the new wage compensation scheme if they opt out of the existing possibilities for temporary laying off employees without pay.

The companies in the private sector continue to provide full pay for their employees during the compensation period, even though they may be severely economically affected due to COVID-19. The employees who are at risk of redundancy cannot work, but are laid off temporarily with full pay during the compensation period.

At the same time, it is a precondition for wage compensation that, for the duration of the wage compensation period, the company refrains from dismissing employee for economic reasons.

The individual worker for whom the company seeks wage compensation must take holiday or time off in lieu amounting to a total of five days in connection with the compensation period. If the employee has no holidays, time off in lieu etc. of a duration of five days, he or she must take leave without pay or holidays from the next holiday year. The companies cannot receive wage compensation for these days.

The state wage compensation for employees who are at risk of redundancy will constitute 75 percent of the wage bill for the monthly salaries of the employees covered by the scheme, however not exceeding DKK 30,000 per month for a full-time employee covered by the scheme. For non-salaried employees, the state wage compensation may amount to 90 percent

The companies can only be comprised by the scheme for a maximum of three months.

The temporary compensation scheme will be effective from 9 March 2020 and until 9 June 2020.

**Many companies apply for wage compensation**

Since the application system came into function, more than 10,000 companies have applied for wage compensation.

**Financial assistance to companies**

Package providing financial assistance to organisers forced to cancel or postpone concerts and other cultural events with more than 1,000 participants (and smaller arrangements targeting people in particular risk of COVID-19, like elders and people with health issues).

Postponement of payment of VAT and other taxes for SME's. Expected outcome is strengthening of the liquidity with 40 billion DKK.

This comes on top of other initiatives, which in total will improve liquidity with around 165 billion DKK.

**Government guaranteed loan options**

Options for a government guarantee for companies experiencing a drop in their turnover of a minimum of 30 percent.

**Public procurement**

Options for public institutions to prepay goods and services.

**Advancing public construction projects**

The government, Local Government Denmark and Danish Regions have reached an agreement to allow municipalities and regions to advance construction projects originally scheduled for 2021.

**Sickness pay**

Suspension of the qualifying period securing reimbursement to companies of sickness benefit from day 1 for employees in quarantine or on sick leave due to COVID19.

**Unemployment benefits**

Suspending the maximum unemployment benefits period (24 months) for unemployment benefits received in a 3 months from 9 March 2020.

A similar suspension will secure people on sickness pay to have the pay expanded by three months.

**Support for students**

Many students will lose their part time jobs. It will be possible to obtain student loans on top of existing loans and scholarships

**Self-employed and freelancers**

Direct financial assistance for self-employed who due to COVID-19 will see their turnover plummeting with more than 30 percent. The compensation will cover 75 percent of the expected loss in the turnover (with a monthly maximum of 23,000 DKK).

More or less the same form of assistance will be offered to freelancers who see their working opportunities disappearing.

**Financial assistance to companies**

Direct financial assistance to compensate companies for fixed expenditures (rent and other expenditures like leasing contracts) in situations where the turnover is plummeting.

The compensation can be up to 80 percent depending on the loss of turnover.

Business owners forced by the authorities to close their business will be able to receive a compensation of 100 percent of their fixed expenditure.

**Upgrading instead of dismissal**

The COVID-19 crisis has hit the tourism industry extremely hard. Restaurants, cafés and bars have been forced to shut down and hotels are more or less empty. The serious situation has paved the way for a new agreement between the social partners 3F and HORESTA together with the Danish Agency for Labour Market and Recruitment.

Concisely, instead of dismissal the employers can offer 30 days targeted online training. The company will receive a reimbursement of the salary through different funds and the only expense for the company is the participation fee.

**Figures for new unemployed is exploding**

Despite all efforts taken to handle the negative consequences of the COVID-19 crisis Denmark has experienced a high rise in the number of newly registered unemployed.

Since Monday 9 March, 55,000 have registered themselves unemployed.