

Corona: short-time work package secures employment Social partners negotiate 400 million euros for short-time work

The Austrian Trade Union Federation (ÖGB), its trade unions and the Austrian Chamber of Labour (AK) have called for an aid package for workers, which has now been put together jointly by social partners and the Federal Government: For the short-time work, which will help many companies through the Corona crisis, 400 million Euros of immediate aid are available. A crisis fund to "secure business and employment" will have a total volume of 4 billion euros.

*„We are talking about people's lives, about existences."
Wolfgang Katzian, ÖGB President*

"It is not about compromises, it is about fates, about existences", emphasised ÖGB President Wolfgang Katzian at the presentation of the short-term aid package as part of the Federal Government's measures for location and employment on 14 March. "This short-time work emergency aid package is a first important step."

Social differentiation

If working hours have to be reduced, they can even be down to zero working hours - in contrast to the short-time work model of 2008. The net replacement rate has been socially staggered: this means that employees are paid 80 to 90 percent of their wage or salary while they are on short-time work. "This way we ensure that people can pay their rent and cover other living costs even in this exceptional situation", says the ÖGB President.

Fast and unbureaucratic processing

The aim is to implement short-time work quickly and unbureaucratically in close coordination with the social partners. Following the political agreement, ÖGB, trade unions and AK are working tirelessly to clarify technical details.

The ÖGB wants to make sure there is a rescue umbrella over employees, said the ÖGB President: "This is a first important step in this crisis, it shows how important a strong state and welfare state are. I call on companies to fall back on this short-time work program and keep their employees in employment - this will secure jobs and thus purchasing power".

The scale of net replacement rates:

80 % net replacement rate if the gross pay before short-time work exceeds 2,685 euros,
85 % for gross monthly pay between EUR 1 700 and EUR 2 685,
90 % for a gross remuneration of up to 1,700 euros.

The net replacement rate is the amount employees receive when they have to go into short-time work. It includes the wage or salary reduced by the working time and the support/aid payment. It is financed by the AMS (Public Employment Service).

Examples of the Corona emergency aid flexible short-time work assumption:

Working time 38.5 h/week; 2 children, sole wage earner, working time reduced by 50% in the event of short-time work

First case: gross income 1.700€
Net replacement rate therefore 90%

Employer		Employee	
Gross personnel expenses	2.210,60€	Net salary before short-time work	1.442,90€
Gross personnel expenses short-time work	1.091,00€	Net salary for short-time work	712,11€
Aid short-time work (AMS)	643,30€	Payment for net replacement rate (federal)	586,55€
Net personnel expenses for short-time work	447,70€	Net replacement payment	1.298,60€

Second case: gross income 2.000€
Net replacement rate therefore 85%

Employer		Employee	
Gross personnel expenses	2.570,20€	Net salary before short-time work	1.657,60€
Gross personnel expenses short-time work	1.268,40€	Net salary for short-time work	837,70€
Aid short-time work (AMS)	728,90€	Payment for net replacement rate (federal)	571,20€
Net personnel expenses for short-time work	539,50€	Net replacement payment	1.408,90€