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Factsheet for case **DK-2020-11/633**

Tripartite agreement on wage compensation in the private sector

Factsheet generated on 05 May 2020, 20:10

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|--------------|---|
| Country | Denmark, applies nationwide |
| Time period | Temporary, 09 March 2020 - 08 July 2020 |
| Type | Tripartite agreement |
| Category | Employment protection and retention – Income support for people in employment (e.g. short-time work) |
| Case created | 15 April 2020 (updated 02 May 2020) |

Background information

The aim of the tripartite agreement is to secure employment for employees who otherwise would be dismissed as a result of the severe consequences for the companies due to COVID-19. Thus, the agreement offers a fixed wage compensation of 75% to the companies covering the employees that instead of losing their job are send home from the company with the possibility to return. The measure applies to all companies in the private sector.

Content of measure

The agreement covers all companies that due to the severe consequences of COVID-19 have to dismiss 30% of the employed or minimum 50 employees from the company. The government offers wage compensation to the companies for the employees that were to be dismissed but instead, according to the agreement, will be send home with a perspective to return. The compensation for a (monthly paid) salaried employee is 75% of the wage or maximum of DKK 30,000. For an hourly paid employee the compensation is 90% or a maximum of DKK 30,000.

This agreement was concluded on 30 March 2020 and is an amendment of a first agreement from the 12 March 2020. In the first agreement the compensation for salaried employees were 75% but maximum DKK 23,000. For hourly paid employees, the compensation were 90% with a maximum of DKK 26,000. With the

amendment, the maximum amount for both is DKK 30,000. The aim of the increased amount is to make it possible for more companies to participate.

Use of measure

All companies on the private labour market are eligible. The estimated number of employees covered is not yet known. The number still accumulates.

Actors, target groups and funding

| Actors | Target groups | Funding |
|---|----------------------------|----------------|
| National government Social partners jointly Company / Companies | Employees All companies | National funds |

Social partners

| | |
|-------------------------|---|
| Role of social partners | Negotiated |
| Form of involvement | Bi-or tripartite social dialogue bodies |

The social partners were involved at confederation level - in accordance with normal practice regarding tripartite negotiations.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 15 March 2020: Trepartsaftale skal hjælpe lønmodtagere (www.fm.dk)
- 30 March 2020: Trepartsaftale om midlertidig lønkompensation for fyringstruede lønmodtagere på det private arbejdsmarked (www.fm.dk)