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European Monitoring Centre on Change

Austria: Working time flexibility

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Austria

Phase:

Management

Type:

Working time flexibility

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Native name:

Arbeitsmarktservicegesetz (AMSG); Arbeitszeitgesetz (AZG)

English name:

Public Employment Service Act (AMSG); Working Times Act (AZG)

Article

37b (AMSG); 4 and 9 (AZG)

Description

Working time flexibility

In Austria, standard maximum working time is limited to 12 hours per day and 60 hours per week (*Arbeitszeitgesetz*, [AZG §9 \(1\)](#)). Moreover, a 48-hour per week average needs to be maintained over a 17-week reference period. However, collective agreements can extend the reference period up to 26, and in special cases up to 52 weeks. Derogations from the statutory standard working time are only allowed within certain limits clearly set out by the AZG, and need to be settled in collective or works agreements.

However, there are some cases where an extension of the standard working time (8h/day; 40h/week) is possible without further agreements by social partners (see list of regulating instruments from the [Austrian Labour Inspectorate](#)):

1. If the standard working time is distributed differently during the week to gain more free-time (for instance before the weekend) the daily working time can be extended up to 9 hours.
2. Working hours for sales personnel can be extended to 44 hours within a period of four weeks as long as on average 40 hours per week and 9 hours per day are not exceeded.
3. In flexi-time arrangements a maximum of 10 hours per day are allowed. An extension to 12 hours may be permitted if a time credit system is in place.
4. To gain more free time before public holidays working time can be dispensed over a period of 13 weeks to a maximum of 10 hours per day.

Collective agreements can generally allow fluctuating standard working times ([AZG § 4\(6\)](#)). The underpinning idea is that companies should have more flexibility to deal with fluctuations in production. Collective agreements define the overall framework and leeway for so-called ‘bandwith models’ (*Bandbreitenmodelle*). At company level a work agreement is required to establish this flexi-time model, which allows companies to extend working time in times of high work demand and reduce it at other times, as long as on average standard working time is maintained over the reference period (maximum is set to one year). However, standard maximum working time is limited to 10 hours per day and 48 hours per week (the extension of up to 50 hours per week is only permissible for a reference period of 8 weeks) ([AZG § 4\(6\)](#)). Moreover additional conditions as set out in the collective or work agreements must be met (for example, notification of changes within a certain period of time and rules on how time credits are to be deducted).

Short-time working

Short-time working in Austria refers to the temporary reduction of working hours based on a social partner agreement. Employees receive short-time working support (*Kurzarbeitsunterstützung*) from their employer for the non-worked hours in order to bring their income closer to their normal wage level. In order to do so, the employer receives a short-time working subsidy (*Kurzarbeitsbeihilfe*) from the Public Employment Service (*AMS*). As of 2018, short-time working subsidies are limited to six months. If the overall situation of the company has not changed, the eligibility time can be extended to a maximum of 24 months (in events of special circumstances also beyond). Employers must report the numbers of non-worked hours per short-time worker and the amount paid to the AMS on a monthly basis. They must also confirm that no short-time workers have been dismissed.

The short-time working subsidy amounts to the level of unemployment benefits (including social security contributions) for the non-worked hours (about 55% of the net wage); in this way, lump sums per non-worked hours are determined. This lump sum is based on the normal (legal or collectively agreed) working time, the worker's monthly gross wage (including pro rata holiday and Christmas remuneration) and the number of children the employee has to care for. Increased rates are provided if training is conducted while employees are not working.

The social security contributions (and benefits) paid during short-time working are based on the previous full-time wage before short-time working commenced. Periods of short-time working are considered as normal/full-time working time regarding qualification periods for unemployment benefits. Furthermore, if unemployment occurs immediately after short-time working, unemployment benefits are calculated on the basis of the previous full-time wage (rather than the reduced income during short-time working). In most cases, however, the social partner agreement states that companies must not make employees redundant for a stated period following short-time working; this ranges from one to four months. Companies must apply for short-time working support six weeks before they initiate the measure (or four weeks before extending it). They must also take part in a consultancy session (involving the works council) with the aim of identifying potential alternatives to short-time working.

Coverage relates to temporary economic difficulties, resulting from a drop in production/supplies or sales/demand (which are not related to seasonal changes) or caused by natural catastrophes, such as avalanches or floods, but also other disasters. Before introducing short-time working, other options need to be exhausted, such as the reduction of overtime, vacation entitlements and working time accounts.

Companies are required to establish an agreement with social partners which addresses the terms and conditions of the short-time working arrangement, more specifically, the section of the company that has been affected, the duration of the short-time working, the maintenance of the number of employees, the extent of short-time working payments, the level of decreased working time and educational measures (if applicable).

All employers are eligible except those in the public sector and political parties. Temporary work agencies can only avail of this support if they can prove that workers sent to specific companies cannot be redeployed in other companies and that the company in which the workers have been employed has registered its core staff for short-time working with the Public Employment Service (AMS). In such cases, additional requirements have to be met (for example, special agreements among social partners).

All employees are eligible for subsidies except for CEOs, board members, apprentices, and employees who work such a low number of hours that they are not obliged to make social security contributions (marginal employees, 'geringfügig Beschäftigte').

COVID-19 response

Between March 2020 and March 2021, a special 'Corona short-time working scheme' is operational. The reduced working hours must on average be between 10% and 90% of the collectively agreed standard working hours, but can also temporarily be zero.

The employer is obliged to maintain the employment level of the starting point of the short-time working period. Dismissals for economic reasons are possible on approval of the Public Employment Service, trade union and works council. Dismissals for personal reasons require the recruitment of another worker to maintain the total employment numbers.

From October 2020 to March 2021, the working time has to be between 30-80%. Temporarily, during the renewed lockdown starting early November 2020, those companies directly affected by the governmental decree may refer to working time of less than 30%, up to zero. The subsidy can be granted for 3 months, with a possible extension of another 3 months upon consultation of social partners.

Salaries of apprentices will be subsidised to 100% by the public employment service, monthly gross salaries below € 1,700 are subsidised by 90% of the net wage, monthly gross salaries between €1,700-2,684 by 85% and those between €2,685-5,369 by 80%. The employer pays for the actually realised working hours, AMS covers the difference.

The employer's share of social security contributions is also covered by the state. Employees can be put on short-time working for up to three months (with the possibility of an extension for another three months). The employment level must be maintained in the company during the scheme, and for one month beyond. Applications for short-time working allowances are handled with 48 hours.

Since October 2020, if the employer offers training during short-time working, employees are obliged to participate. AMS supports 60% of the training costs.

Working parents

In March 2020, an amendment to the employment contract law (Arbeitsvertragsrechts-Anpassungsgesetz, AVRAG) provided for a special care time of up to three weeks for working parents with children up to the age of 14 and children with disabilities (without age limit). This was later extended to workers with care responsibilities for older people. The employer needs to consent to this leave. The special care leave is not to be offset against regular holiday entitlements or claims for time off or flexitime credits. The costs for the leave are shared between the state (covering one third) and the employer (covering two thirds). The special leave is only possible for workers with a monthly wage up to € 5,370 whose work is not essential for business continuity and who do not have other care opportunities.

Leave

In March 2020, the COVID-19 measure law (VO 96/2020) stipulated that while normally agreement between the employer and employee is required as regards the use of holidays, the employer can now unilaterally order leave or time off if restrictions are set to enter premises and services cannot be provided. The employer can order the consumption of leave entitlements from previous years in full, from current leave year to a maximum of two weeks, and in total a maximum of eight weeks.

Entrepreneurs

In the framework of the COVID-19 crisis fund ('Nothilfefonds'), between April and December 2020, entrepreneurs fulfilling the above criteria can claim a subsidy for their own monthly salary up to a maximum of €2,000. Companies fulfilling the following criteria are eligible to a subsidy for fixed costs, including the wage of the entrepreneur:

- management or permanent establishment in Austria
- fixed costs arising from the operating activities in Austria
- economically healthy before the crisis
- loss of turnover of at least 50% caused by the crisis (compared to the same month of the last year or a third of the respective quarter of the last year)
- all reasonable measures to achieve sales to reduce fixed costs and to maintain jobs in Austria taken

Comments

In 2016, public support was extended to 2,400 workers (14% female) - compared with 4,399 people in 2015 - resulting in public subsidies of

over €4.6 million. In 2016, the average consumption period of short-time working subsidies was 92 days ([Sozialministerium, 2018](#)).

The combination of subsidies with training increased the attractiveness of the scheme. It remains a cheaper option for the state than unemployment. The employer avoids firing-and rehiring costs and is given some time to improve company strategies. The wage decrease is lower than the proportion of working hours lost. Moreover, employees avoid unemployment and they also maintain social security levels. The scheme is very targeted but is available to many employees. It also represents a comparatively fast response to crisis situations.

The Austrian Federal Economic Chamber ([WKO](#)) notes that short-time working is mostly applied for by production companies. It also concludes that both service companies and smaller enterprises find it difficult to access this measure, due to the complex preconditions and administrative burden involved. Issues are also present in terms of its administration and calculation of pay; the latter requires a software programme as soon as a certain number of employees are affected. The necessity of involving different stakeholders can also pose a barrier for some companies. Not all associated costs, for employers and employees, are covered by the subsidies; dismissal protection can be a significant burden for the employers. Finally, it can be difficult to arrange training during short-time working as meaningful training might not be available during the short-time working period and employees might prefer leisure time to training.

Cost covered by

Employer
National government

Involved actors other than national government

Employer organisation
Public employment service
Trade union
Works council

Thresholds

No, applicable in all circumstances

Sources

- [ERM database on restructuring support instruments - Austria: Short-time working support](#)
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- [Eurofound \(2010\), Extending flexicurity – The potential of short-time working schemes: ERM Report 2010](#)
- [Atzmüller, R. and Krischek, C. \(2009\), National background paper Austria - Anticipating and managing restructuring in enterprises: 27 national seminars, ARENAS Report, European Commission, Brussels](#)
- [Arbeitsmarktservicegesetz § 37b](#)
- [Arbeitszeitgesetz \(AZG\)](#)
- [Arbeitsmarktservice Österreich \(AMS\)](#)
- [Arbeiterkammer Österreich \(Federal Chamber of Labour\) - Kurzarbeit \(DE\)](#)
- [Arbeitsmarktservice Österreich \(2017\), Kurzarbeitsbeihilfe \(DE\)](#)
- [Sozialministerium \(Federal Ministry of Social Affairs\) \(2017\), Aktive Arbeitsmarktpolitik in Österreich 2016 \(DE\)](#)
- [Arbeitsinspektion - Arbeitszeitgrenzen \(DE\)](#)
- [Arbeitszeitgesetz § 4](#)
- [Arbeitszeitgesetz § 9](#)
- [Working Time Act \(English Translation\)](#)
- [Sozialministerium \(Federal Ministry of Social Affairs\) \(2019\), Aktive Arbeitsmarktpolitik in Österreich 2014-2019, Wien \(DE\)](#)
- [FAQ: Special care time](#)
- [Special care time now also per day](#)
- [Bundesministerium für Arbeit, Familie und Jugend](#)
- [WKO Corona Kurzarbeit](#)
- [608 000 short time work applications, funds increased from 3 to 5 bio euros](#)
- [OECD overview of policy responses to COVID-19](#)
- [ILO overview of policy responses to COVID-19](#)
- [Härtefall-Fonds Förderrichtlinie Phase 2](#)

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