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Factsheet for case DK-2020-11/625

# Expanded entitlement for employer for reimbursement and for self-employed for sickness benefit

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Factsheet generated on 05 May 2020, 20:08

| Country      | Denmark, applies nationwide  |  |
|--------------|--|--|
| Time period  | Temporary, 12 March 2020 - 01 January 2021                                 |  |
| Туре         | Legislation or other statutory regulation                                  |  |
| Category     | Supporting businesses to stay afloat  – Direct subsidies (full or partial) |  |
| Case created | 15 April 2020 (updated 02 May 2020)  |  |

# **Background information**

The government proposes a bill that employers are granted an extended right to reimbursement for wages or sickness benefits that are paid to employees who are absent as a result of covid-19. It is also proposed that self-employed persons receive an extended right to sickness benefits for absence due to covid-19. The purpose of the bill is to mitigate the negative financial consequences for employers as a result of the spread of covid-19.

## **Content of measure**

The law will allow reimbursement to employers for paid wages and sickness benefits to employees who are absent for the first 30 days of the sickness period – the so-called the employer period. In addition, self-employed workers can receive sickness benefits from the first day of absence instead of after the usual self-employment period of two weeks. As the rules are today, employers have a duty to pay wage expenses during sickness or sickness benefits for 30 days. The bill will suspend the obligatory 'employer period'

regarding employees who are infected or quarantined due to COVID-19, but will continue to apply to persons and employees who are on sick leave for any other reason.

The compensation measure will be in effect from 27.02.2020 until 01.01.2021

## Use of measure

The proposal is expected to result in considerable public expenditure in the order of DKK 1,650 million. The cost of the proposal will largely depend on the development in the number of COVID-19 infected.

# Actors, target groups and funding

| Actors                                     | Target groups                                  | Funding        |
|--|--|----------------|
| National government<br>Company / Companies | Self-employed Solo-self-employed All companies | National funds |

# **Social partners**

| Role of social partners | No involvement |
|-------------------------|----------------|
| Form of involvement     | No involvement |

Since the government intended to rush the bill through Parliament, the social partners were not informed or consulted the regular way. However, reimbursement regarding sickness is a firstly

# **Sectors and occupations**

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 12 March 2020: Coronavirus: Regeringen vil give virksomheder refusion fra dag et (ekstrabladet.dk)
- 17 March 2020: LOV nr 212 af 17/03/2020 (www.retsinformation.dk)
- 18 March 2020: Visse typer af fravær, der skyldes COVID-19, giver udvidet ret for arbejdsgivere til refusion og for selvstændige erhvervsdrivende til sygedagpenge (star.dk)