

Disclaimer: This factsheet has not been subject to the full Eurofound evaluation, editorial and publication process.

Factsheet for case **SE-2020-12/564**

Short-time work allowance newly introduced

Factsheet generated on 28 April 2020, 15:29

| | |
|--------------|--|
| Country | Sweden, applies nationwide |
| Time period | Temporary, 16 March 2020 - 31 December 2020 |
| Type | Legislation or other statutory regulation |
| Category | Income protection beyond short-time work – Income support for people in employment (e.g. short-time work) |
| Case created | 13 April 2020 (updated 26 April 2020) |

Background Information

Starting 7 April, it will be possible for employers to apply for financial support for short-time work. The new system means that individual employers affected by temporary and serious financial difficulties that could not reasonably have been foreseen or avoided will be able to receive support for a limited period of time. The aim of the measure is thus to dampen the effect of the ongoing health crisis and save jobs by easing the financial burden of wage costs for companies experiencing difficulties.

Short-time work (also known as short-time layoffs) is regulated in the Act (2013:948) on short-time work (Lag (2013:948) om stöd vid korttidsarbete).

NB! This measure is likely to be changed in the coming days/weeks, whereby the opportunities for short-time work will become more generous.

Content of measure

Short-time working means that employers can reduce their employees' working hours and receive financial support from the central government to compensate for a significant part of the costs for retaining the employee.

Working-time can be reduced by up to 60% (although this is likely to shortly be extended to 80%). The support is intended to correspond to 75% of the employer's costs after the reduced working hours. The basis of calculation is ordinary salary (or wage for hourly employees) excluding the employer's social insurance contributions, however to still take the statutory employer's social insurance contributions of 31.42% into account, the share of support will be 98.6%, i.e. $75\% \text{ of } 1.3142 = 98.565\%$

The application to receive such support opened on April 7 but will be retroactively applied to as early as from 16 March.

Employers wishing introduce short-time work must first ensure that they have the possibility for short-time working in their central and local collective bargaining agreement. Employers whose employees are not covered by a collective bargaining agreement must instead sign an agreement for short-time working covering at least 70 percent of the employees at the operating unit.

Use of measure

The use of short-term work is likely to be widespread. One day after the application opened, the administrating authority The Swedish Agency for Economic and Regional Growth had already recieved 15,000 applications.

Actors, target groups and funding

| Actors | Target groups | Funding |
|---------------------|----------------------------|----------------|
| National government | Employees All companies | National funds |

Social partners

| | |
|-------------------------|----------|
| Role of social partners | Informed |
| Form of involvement | Unknown |

N/A

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 06 April 2020: Short-Time Work Allowance (tillvaxtverket.se)
- 14 April 2020: Förslag till ändringar gällande korttidsarbete (tillvaxtverket.se)