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Factsheet for case **DK-2020-9/787**

Special Act on sickness benefits and flexible distribution of work

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Country	Denmark, applies nationwide
Time period	Temporary, 27 February 2020 - 01 January 2021
Type	Legislation or other statutory regulation
Category	Income protection beyond short-time work – Paid sick leave
Case created	25 April 2020 (updated 07 May 2020)

Background information

The Parliament has passed a special law granting employers and self-employed state reimbursement from the first day of sick leave for those infected or quarantined by COVID-19.

In addition, the government has decided to make the division of labor more flexible, so that companies can adapt quickly and avoid layoffs of employees. The scheme is based on the fact that, in order to avoid redundancies, companies can reduce employees' working hours for a temporary period during which they can then receive supplementary unemployment benefit.

Finally, if necessary, the government will temporarily expand the pool of funds for financing measures targeting layoffs by DKK 10 million this year. The money will be able to ensure quick and targeted action for people who lose their jobs as part of major layoffs caused by COVID-19.

It is proposed that the Bill will come into effect retroactively with effect from February 27, 2020.

Content of measure

Both employers and self-employed are entitled reimbursement from the first day of sickness of a worker. The measure to increase sick payment entitlements is expected to result in considerable public expenditure, estimated at around DKK 1,650 million. The cost of the proposal will largely depend on the decline in the number of COVID-19 infected.

The funds additional funds to the "layoffs pool" are to be used case of major business closures or redundancies of great importance to a local area. The funds can be used by the Regional Labour Council to grant funds for initiatives targeting laid off workers.

Use of measure

Unknown

Actors, target groups and funding

Actors	Target groups	Funding
National government	Self-employed All companies	National funds

Social partners

Role of social partners	No involvement
Form of involvement	No involvement

No involvement

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 13 March 2020: L 135 Forslag til lov om ændring af lov om sygedagpenge. (www.ft.dk)
- 14 April 2020: Arbejdsfordeling som alternativ til afskedigelse (star.dk)
- 25 April 2020: COVID-19 overview page Ministry of Labour (bm.dk)