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Factsheet for case **DE-2020-10/541**

Easier access to short time work

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Country	Germany, applies nationwide
Time period	Temporary, started on 01 March 2020
Type	Legislation or other statutory regulation
Category	Employment protection and retention – Income support for people in employment (e.g. short-time work)
Case created	13 April 2020 (updated 05 May 2020)

Background information

The Federal Government eased up rules on short time work, in order to support workers and companies alike during the COVID-19 crisis. Employees on short time work will receive public money to support their livelihood when not working. Companies on the other hand will not have to pay wages for hours not worked and still be able to keep their workers on board and not lay them off. Changed rules on short time work were implemented by a government ordinance based on the act to enhance the regulations governing short-time work allowance for a limited period as a result of the crisis (Gesetz zur befristeten krisenbedingten Verbesserung der Regelungen für das Kurzarbeitergeld). The improved short-time working scheme is part of a broader rescue package adopted by the Federal Government at the end of March 2020, in order to cushion the negative economic impact of the COVID-19 outbreak and the closure of many businesses. The rescue package also includes other measures, such as easier access to loans for companies, eased up tax and insolvency rules, financial assistance for solo- or micro-entrepreneurs, support for hospitals and other critical infrastructure.

Content of measure

The new rules took effect in retrospect on 1 March 2020. Companies that are faced with a decline in orders due to the negative impact of the COVID-19 outbreak and shut-down of businesses, can apply for short time work, if at least 10% of its workforce could be affected by the lack of work. This limit was lowered from 30%. Before short time work can be granted, any remaining hours on workers' working time accounts have to be depleted. If short time work is granted, employees will receive 60% of their net income (67% if having

children) for all hours not worked. The short-time working allowance is paid by the local employment agency for a maximum of 12 months. To lower the remaining costs, the federal government also decided that social insurance contributions usually paid by employers for their employees, will be fully reimbursed by the Federal Employment Agency. The new rules apply to dependent employees and will also be made available to temporary agency workers.

Use of measure

The application of this measure is still going on.

Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies Public employment service Social insurance	Employees Workers in non-standard forms of employment All companies	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Other

German social partners are usually consulted by the Federal Government on broader measures, though no formal tripartite social dialogue structure exists in Germany at the federal level.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 23 March 2020: Easier access to short-time work allowance (www.bundesregierung.de)