

Austria

Key legislative amendments and new measures reforming labour law have come into force on 1st January 2013, following the so-called “Stability Acts” (*1. und 2. Stabilitätsgesetze*) adopted in spring 2012. This reform includes, among others, the new law on equal treatment for agency workers, the introduction of a layoff tax of €113 to fund unemployment insurance. Construction firms will not have to pay until 1st July 2013. If an employee resigns or leaves after a trial period, the tax won't apply.

Furthermore, as anti-crisis measures already in place in 2009 and 2010, amendments to the Short-time Working Act have come into force on 1st January 2013 so as to make it easier to employers to have recourse to short-time working schemes thus avoiding lay but mostly seen as a precaution to face an economic slowdown: employers' social contributions will be due after the 5th month of short-time working instead of the 7th as used to be the case; adding subsidies for training to the short-time working measures, while however, removing the obligation to get the consent of the works council in order to rend the procedure less complicated and time consuming. On the other hand, the statutory obligation for employers to negotiate a company agreement on short-time working with the social partners is maintained.

The Austrian Council of Ministers of September 4 adopted the bill amending Austrian temporary work regulations (*Arbeitskräfteüberlassungsgesetz – AÜG*), it passed Parliament on 16 October and the Federal Assembly on 31 October. It will enter into force on 1 January 2013, i.e. one year after the deadline for transposing the directive. It contains numerous provisions improving information, protection and training for agency workers. Employers now have the obligation, to tell temporary workers what wage category they belong to in the pay scale negotiated in the sectoral or company collective agreement. On the payroll, the company expressly has to state basic pay as well as bonuses and other remuneration elements. Via a specific note, workers will also be informed about the ballpark duration of their assignment and a description of the tasks to perform. The possibility and nature of professional risks will also have to be notified. Prior to recruitment, the employer has to send all official documents on the protection of work on the site to the temporary work agency. The Public Fund against Industrial Accidents (AUVA) claims that temporary workers are twice as much affected by industrial accidents than permanent workers. This information obligation will also cover agency workers from a non-EU country. Their wages and working conditions will have to be in line with Austrian laws and collective agreements. A “Social Vocational Training Fund” will be created for agency workers only to give financial support to unemployed temporary workers and let them attend vocational training. The Fund will start operating on January 1, 2014. As early as 2013, temporary work agencies will pay 0.25 percent of their payroll to the Fund, a rate which will gradually increase to 0.8 percent by 2017. In the long run, the Fund should have a budget of €10 million. The existing training fund, which has an annual budget of

€1m, is going to be included in the new fund. For the system to work from the beginning, the Federal government announced that it would help financially for the first 3 years, up to €2-3m. However, this money will only be available for training. A working group will determine the amount and modalities of single financial grants the fund can give in cases of unemployment. For their part, agency workers may call on the fund to choose new training sessions or improve others. As for equal treatment, agency workers will receive the same social benefits as permanent employees, e.g. corporate childcare, cafeteria, social welfare or additional breaks. After more than 4 years, they will also be entitled to corporate supplementary pension. Besides, if the company is looking for someone to fill in a vacancy, it will have to inform its temporary employees first. Finally, and since agency workers are discriminated against more often, the new law states that faulty employers will have no protection. Monetary penalties will increase by 40 percent (€1,000-€5,000 per offense and €2,000-€10,000 for second offenses).

Already following the recommendation of the European Commission in the frame of the country specific recommendations¹, Austria has and will continue to undertake reforms until 2016, as to be found in its 'Austrian Stability Programme Update for the period 2011 to 2016' in the areas of:

- pensions and labour markets so as to counteract the trend to early retirement:
- The harmonisation of pension systems will be accelerated and the advantages of the pension account such as transparency, clarity, fairness and incentives for later retirement will come into effect immediately.
- Entry into the corridor pension scheme or early old-age pension for long-term contributors will become more difficult as a higher number of insurance years will be needed.
- Old-age part-time regulation: In the future, block time arrangements will only entitle to old-age part-time pension, if a previously unemployed worker or an apprentice is hired instead. The possibility to make use of the old-age part-time scheme until the statutory retirement age (60/65 years) is reached contributes to increasing the effective retirement age.
- Large inflows into invalidity pensions shall be limited by increasing the age- limit relevant for activity protection (Tätigkeitsschutz) from 57 to 60 years.
- The criteria for entitlement to advanced pension pay-outs will be changed so that persons who are able to work will rather receive unemployment benefits or social assistance, thereby supporting their faster re-integration into the labour market.
- Temporary invalidity pension for below 50-year olds will be transformed into a rehabilitation payment.
- Adjustments to pension payments will be moderate in the years 2013 and 2014.
- Pension insurance contributions for farmers and self-employed will be increased.
- The cap on earnings relevant for social insurance contributions will be raised beyond the usual annual adjustment. Contributions to unemployment insurance will again have to be paid until the right to a pension can be claimed.

¹ http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

In the area of federal public administration, about 2.5 bn € will be saved via more restrictive personnel policy, measures to increase administrative efficiency and through merging and closing down administrative entities:

- A hiring freeze is in place until 2014, and in 2015 and 2016, only half of the retirees will be replaced. Exceptions exist for teachers, police, judiciary services and financial police.
- There will be a pay freeze in 2013 and an only moderate pay increase in 2014.
- Smaller District Courts will be merged, and the Federal Army's medical service restructured and downsized.

References/sources

Electronic newsletters/websites

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EIROOnline: <http://www.eurofound.europa.eu/eiro/>

Epsucob@NEWS – Collective Bargaining in the Public Services: <http://www.epsu.org/>

ETUI-AIAS Collective Bargaining newsletter:

<http://www.etui.org/E-Newsletters/Collective-bargaining-newsletter>

ETUC website section on economic and social crisis: <http://www.etuc.org/r/1378>

ETUI website section on crisis: <http://www.etui.org/Topics/Crisis>

European Labour Law Network (ELLN) - <http://www.labourlawnetwork.eu>

Periodicals

Liaisons sociales Europe

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Other

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Contributions by ETUC affiliated organisations:

ETUC Litigation network (meetings 29 June 2012 and 10 December 2012)

ETUC Social Policy and Legislation Ad hoc working group (Meetings 13 November 2011, 5 April 2012, 24 October 2012).

ETUC Legal Experts Network NETLEX (Annual Conference 1-2 December 2011, 11–12 December 2012)