

Job retention schemes in Europe

Denmark

Trine P. Larsen and Anna Ilsøe¹

Note on ETUI classification of job retention schemes (JRSs): All job retention schemes (JRS) share the objective of preserving the ties between companies and their employees in times of temporary economic difficulties. They support incomes of workers who keep their employment contract even if the work is fully suspended. Depending on the primary objective and the nature of support, three different categories of JRS can be distinguished:

(1) Short-time Work Scheme (STW): The key objective of STW schemes is to provide support to companies to retain their employees in times of economic difficulties. The company receives financial support for the employees' wages paid for the time not worked. The extent of working time reduction can vary, including also a full work suspension.

(2) Furlough Scheme (FS): FSs can be best understood as temporary unemployment. The financial support is thus paid directly to the worker for the period of partial or full working time suspension. The aim of a FS is to enable companies to reduce their wage bill by temporarily laying off (parts of) their workforce. While retaining the ties with the employer, workers on the FS scheme are available to seek alternative employment. Integrated into the existing system of unemployment insurance, FSs can be seen as a tool to facilitate the transition towards a new job.

(3) Wage Subsidy (WS): The main objective of WS is to preserve employment through subsidizing companies' wage bills. For this purpose, a company in temporary financial difficulty receives financial support per employee, regardless of whether or not working time of specific employees is reduced. The employees keep receiving their wages. Permissible wage adjustments are not directly related to working time reductions.

Key characteristics of the job retention scheme

ETUI classification of the job retention scheme (JRS)	Short-time work (STW) scheme	Part-time furlough scheme (FS)
Name of the scheme	<i>Lønkompressionsordningen</i>	<i>Arbejdsfordeling</i>
Start date of the implementation of the special Covid-19 JRS rules	Based on a tripartite agreement concluded on 14 March 2020 between the Danish Social Democratic government, the trade union FH and the employers' association DA. The tripartite agreement introduces temporary wage compensation to crisis-ridden private companies at risk of laying off workers. The scheme aims to safeguard jobs by providing financial support for crisis-ridden companies to cover part of their affected workers' wages, provided they do not lay people off. The wage compensation scheme has been extended on several occasions. It was first extended on 5 June 2020 through a tripartite agreement until 29 August 2020, when the scheme would be phased out. On 10 December and 20 December 2020, the government, together with FH and DA, decided to reintroduce the temporary wage compensation scheme when the second national lockdown and containment measures were introduced. The scheme was further extended in January 2021 and was set to remain in force until the end of March 2021.	The FS scheme (<i>Arbejdsfordeling</i>) is aimed at safeguarding jobs when companies are in financial difficulties by allowing more flexible work organisation, provided the affected companies do not lay people off. The FS scheme has existed for years; under it, social partners in different sectors have agreed to include FS arrangements in their sectoral and local company-based collective agreements. Companies without collective agreements also have the possibility to introduce FS schemes, provided management and workers agree and sign a local agreement on this. In March 2020, the government, together with the Danish trade union FH and the employers' association DA, agreed in their tripartite agreement to relax the rules and regulations for the use of the FS scheme (<i>Arbejdsfordeling</i>). The rules concerning the FS scheme were further extended and amended in September 2020, December 2020 and most recently on 19 January 2021. In September 2020, the government introduced by law a temporary Covid FS scheme, which co-exists alongside the

1. FAOS – University of Copenhagen.

The temporary wage compensation scheme has been extended on several occasions, most recently in January 2021. Some of the key changes are:

31 March 2020: level of wage compensation was increased from DKK 23,000 (approximately €3,093) for white-collar workers and DKK 26,000 (approximately €3,436) for non-white collar workers to DKK 30,000 (approximately. €4,034) for both white- and non-white collar workers (BEK No. 329 of 31/03/2020).

29 May 2020: extension of the wage compensation scheme until 8 July 2020 and extension of the scheme to new groups such as flexi-jobbers (BEK No. 701 of 29/05/2020).

2 July 2020: extension of the scheme until 31 August 2020, while the period companies could receive financial support was extended from three to five months (BEK No. 1116 of 02/07/2020).

November 2020: partial reintroduction of the wage compensation scheme for crisis-ridden companies, at risk of redundancy or affected by the lockdown and containment measures (BEK No. 1771 of 30/11/2020).

December 2020: reintroduction of the wage compensation scheme to all companies meeting the aforementioned eligibility criteria BEK No. 2131 of 18/12/2020).

January 2021: Extension of the wage compensation scheme until 26 March (BEK No. 77 of 21/01/2021).

traditional FS scheme and the wage compensation scheme. Companies in financial difficulties can choose to rely on the traditional FS scheme or the temporary Covid FS scheme from September 2020. Both types of FS schemes differ from the temporary wage compensation scheme in that the company only pays wages for the hours the affected workers are at work, while those workers may be eligible for unemployment benefits to top up their wages when temporarily laid off, provided they meet the eligibility criteria. Moreover, while the traditional FS scheme is regulated through collective agreements, the temporary Covid FS scheme is regulated by legislation.

The temporary FS schemes have been extended and amended on several occasions, most recently in January 2021.

March 2020: The rules regarding the traditional FS scheme were relaxed by a tripartite agreement between the government, FH and DA. For example, the notice period for enacting the traditional FS scheme was reduced from seven days to as soon as the job centre receives the application. The rule changes also allowed Danish companies to shift between types of FS, once they are up for renewal and thus entailed greater flexibility. Moreover, the employer contributions towards the G-days were temporarily suspended when companies rely on the traditional FS scheme until the end of August 2020.

September 2020: The government and social partners agreed through a tripartite agreement to introduce a temporary Covid FS scheme, which is implemented by law and co-exists alongside the traditional collectively agreed FS scheme and the wage compensation scheme. The temporary Covid FS scheme differs from the traditional FS scheme in that the rules are more flexible and that the level of unemployment benefits is higher. The government suspended the eligibility criterion that workers need to be a member of an unemployment benefit fund (A-kasse) to receive unemployment benefits while being covered by the new FS scheme. In addition, employers may unilaterally introduce the temporary Covid FS scheme, and only have to inform and consult workers about their decision.

November/December 2020: The government and social partners agreed in their tripartite agreement to extend the temporary Covid FS scheme and relax the rules on implementing this scheme, allowing, for example, unions and employers' associations within their respective bargaining areas to negotiate agreements that may reduce the usual working time by up to 80% instead of the statutory maximum of 50%. The government and social partners also decided to temporarily suspend the employer contributions of the so-called G-days under the traditional FS scheme until the end of January 2021.

January 2021: The temporary Covid FS scheme was further extended by law and continues to be in force until the end of 2021. The temporary suspension of employer contributions towards the so-called G-days under the traditional FS scheme was extended until 18 March.

Eligibility

The scheme applies to private companies that have been severely affected by the Covid crisis. Certain conditions apply for crisis-ridden companies to receive financial support from the wage compensation scheme under Danish law (BEK No. No.1111 of 02/07/2020; BEK No. No.2131 of 18/12/2020; BEK No. No.77 of 21/01/2021).

- All private companies can apply for the scheme if they are about to dismiss at least 30% of their workers or 50 or more employees, provided they do not lay workers off while receiving wage compensation. (The eligibility criteria regarding the type of companies covered by the scheme have been amended throughout the Covid crisis. The scheme applied to all private companies from March to the end of August 2020, while only private companies forced to close down due to the Covid restrictions were covered by the scheme from 30 August and similar rules applied to production units from 6 November. Since 9 December and until March 2021 all private companies can apply for the scheme, provided they meet the criteria).
- Companies involved in industrial actions such as lockdowns, strikes etc. cannot receive financial support through the wage compensation scheme.
- Only companies that have paid or will pay their taxes – as recognised by international agreements and regulations – have the right to wage compensation.
- Only companies where 30% or more of staff or at least 50 employees are temporarily laid off can receive wage compensation for the affected workers through this scheme. The thresholds for the number of staff covered is calculated based on a general average for the entire period the company receives wage compensation. Thus, as long as the general average of the workforce covered by the scheme over the whole period is above the threshold, it is possible that for some time the actual number of workers covered by the scheme is below the threshold.
- The company needs to specify the number of workers covered by the wage compensation scheme.
- Workers' covered by the scheme cannot carry out work for the company while the company receives wage compensation to cover their wages, but the affected workers have to be available for work with at least 1 days notice.
- The affected workers are obliged to use a certain number of their paid or unpaid holiday entitlements (up to 5 days of holiday leave) in order to be covered by the wage compensation scheme. In this context, certain conditions apply for the Christmas holiday period and summer holiday period: companies cannot receive wage compensation for 21 working days during the summer holiday and or for already planned and agreed holiday leave during the Christmas holidays (i.e. 3 days for the Christmas period). Part-time workers or workers with highly flexible working hours are obliged to contribute a number of days of holiday leave proportional to their working hours.

All private companies in financial difficulties can opt for either the traditional FS scheme or the temporary Covid FS scheme introduced in September 2020. The eligibility criteria differ slightly depending on the type of FS scheme under consideration and whether or not the company is covered by a collective agreement. However, common to all types of FS scheme is that companies cannot implement any form of FS schemes, if they also are part of the wage compensation scheme, even if the latter only covers some of the workers.

Traditional FS – criteria for companies covered by collective agreements

- Crisis-ridden private companies can implement FS schemes, provided they do not lay people off while the traditional FS scheme is in force.
- Companies covered by collective agreements that include rules on FS must adhere to them implementing FS.
- In companies with collectively agreed regulations on FS schemes, the implementation of such schemes is subject to company-based bargaining and can be used only if the local union branch, the shop steward or other workplace representatives agree with the arrangement.
- The FS scheme covers all workers covered by the collective agreement. Thereby individual workers cannot choose whether or not they want to be part of the FS scheme.
- If there is more than one collective agreement in the company, the FS scheme has to cover all workers within the company, the production unit or branch.
- There are limitations on how far working hours can be reduced (at least two days of the usual working hours in a week or one week off, one week on, or two weeks off and two weeks on).
- The implementation of FS schemes has to be reported to the job centre at least one week before coming into force. This rule has been temporarily suspended during the Covid crisis in which the FS scheme can be enforced once the company notifies the job centre.
- Workers covered by traditional FS schemes may qualify for unemployment benefits to top up their wages when temporarily laid off, provided that they are a member of an unemployment benefit fund and comply with the eligibility criteria for unemployment benefits. These criteria include the following: the affected workers have to have accrued at least 1,924 hours within the past three years if full-time insured, and 1,258 hours if part-time insured; they have notified the job centre on the first day off work due to being part of a FS scheme; and they are available for work on the days/weeks they receive unemployment benefits. (The rule changes in September 2020 regarding the increased levels of unemployment benefits, and suspension of the rules regarding membership of an unemployment benefit fund only apply to

- In companies where wage cutbacks have been agreed with the affected workers due to Covid-19, the workers are exempt from the criteria that oblige them to use part of their accrued holiday leave.
- Companies cannot receive wage compensation for workers that also are covered by the FS scheme (Arbejdsfordeling).
- Companies cannot apply for wage compensation and implement FS scheme arrangements (Arbejdsfordeling) at the same time.
- Companies receiving wage compensation cannot pay out dividends nor bonuses while receiving state support.

workers covered by the temporary Covid FS scheme and not the traditional FS scheme).

- Workers not eligible for unemployment benefits are obliged to take part in the FS scheme but will not be compensated for their reduced hours.

Traditional short-time scheme – eligibility criteria for companies without collective agreements

- Crisis-ridden companies without collective agreements can implement FS schemes, provided they do not lay people off while the traditional FS scheme is in force.
- In companies without collective agreements or in companies without specific collectively agreed FS schemes, local social partners have to negotiate a local agreement between the company and the group of employees taking part in the FS scheme.
- In companies without collective agreement coverage, all the affected employees have to agree with the proposed FS arrangement in order for it to be implemented (i.e. total unanimity). This stands in sharp contrast to companies with collective agreements including specific regulations on FS schemes, where only the local union branch, shop steward or other workplace representatives have to agree to implement the FS scheme.
- The FS scheme has to cover at least 2 workers at the company.
- In principle, FS schemes can be implemented for all workers, including white-collar workers, but some unions disagree, making it de facto difficult to implement FS schemes for white-collar workers because of the rules on unanimity.
- There are limitations on how far working hours can be reduced (at least two days of usual work hours in a week or one week off, one week on, or two weeks off and two weeks on) (STAR, 2020b).
- The implementation of FS schemes has to be reported to the job centre at least one week before coming into force, but this rule has been temporarily suspended during the Covid crisis, in which the FS scheme can be enforced once the company notifies the job centre. Workers covered by traditional FS schemes may qualify for unemployment benefits to top up their wages when temporarily laid off if they are a member of an unemployment benefit fund and comply with the eligibility criteria for unemployment benefits (see above).

The temporary Covid FS scheme – eligibility criteria

- All crisis-ridden companies can implement the temporary FS scheme, even if there is no collective agreement, local or individual agreement on FS, provided the company does not lay people off, which stands in sharp contrast to the traditional FS schemes.
- The company decides solely on the organisation of FS, which can only be in force until 31 December 2021.

- Companies implementing a FS scheme can extend or introduce a new FS scheme, provided they inform the job centre.
- Companies under the bargaining coverage of DA and FH that intend to utilize the temporary Covid FS scheme have to inform and consult their workers according to the rules and regulations stipulated in the so-called collaboration agreement of FH and DA.
- Companies cannot employ new trainees, employees who are on ALMP schemes or temporary agency workers.
- New employees starting work while a FS scheme is in force will take part in the scheme from their first day.
- Before FS can be implemented, the affected workers have a 24 hour notice period to decide whether they want to be part of the FS scheme. If the affected workers do not wish to take part in the FS scheme, the company can decide to dismiss the affected workers; the usual rules of dismissal apply.
- Companies may enforce the FS scheme once notifying the job centre instead of the usual one week notice period.
- The company may organise the FS scheme so that working time is reduced by at least 20% and up to 50% of the usual working hours measured as the collectively agreed working hours over a four week period. I.e. the affected workers can only reduce their usual working week by up to 50%.
- Companies covered by collective agreements which allow for up to 80% reduction of weekly working hours can apply these rules, but only for workers covered by the collective agreement.
- The FS scheme only replaces working time with unemployment and cannot be used to change the scheduling of the working time to a greater extent according to the rules and regulations stipulated in the collective agreement. With respect to this, the period of unemployment can be organised flexibly, every second day or week or half of the working day.
- If the affected worker is covered by a collective agreement, the rules and regulations on minimum working hours per day continue to apply and have to be respected.
- For white-collar workers the periods of unemployment have to resemble full working days.
- Workers covered by the temporary Covid FS scheme will receive a higher level of unemployment benefits per months.
- Workers that are not members of an unemployment benefit fund (a-kasse) can be eligible for unemployment benefits, provided they register with an unemployment fund and after paying 3 months of contributions.
- Members of an unemployment fund, but not eligible for unemployment benefits are entitled to support after paying 2 monthly contributions while part of an FS scheme on top of their usual fees.

Exceptions (category of workers or companies excluded from support)	<p>The wage compensation scheme covers, in principle, only workers in permanent/open-ended positions, irrespectively of whether they are covered by collective agreements, union members and unskilled, blue- or white-collar workers.</p> <ul style="list-style-type: none"> • All workers with full-time or part-time open-ended positions can be covered by the scheme. • Apprentices can be covered by the wage compensation scheme, provided that educational commitments by employers remain intact. • Certain groups of on-call temps and student assistants and some groups of flexi-jobbers may also in some instances be part of the scheme, provided that their employment contract resembles an open-ended/permanent contract. • Fixed-term workers are partly covered by the wage compensation scheme, but they are not protected against lay-offs as they can be dismissed, if their fixed-term contract terminates while the company receives wage compensation. • Groups excluded from the wage compensation scheme: temporary agency workers, permanent staff employed at temporary work agencies, external consultants affiliated with the company, platform workers. Also excluded from the scheme are workers receiving social assistance or in active labour market policy schemes (with some exceptions for some types of flexi-jobbers), already dismissed workers, managing directors, and employed company owners that have 25% or more shares in the company, workers without a permanent workplace in Denmark. • Newly recruited workers cannot participate in the scheme. Initially, workers starting their employment after 9 March 2020 were excluded from the scheme. Later in December 2020 when the wage compensation scheme was reintroduced, workers starting their employment after 7 December 2020 could not join the wage compensation scheme (BEK No. No.111t of 02/07/2020; BEK No. 2131 of 18/12/2020; BEK No.No. 77 of 21/01/2021). 	<ul style="list-style-type: none"> • Workers not eligible for unemployment benefits and unwilling to utilise the new options for access to unemployment benefits are obliged to take part in the FS scheme, but will not be compensated for their reduced hours.
Duration of support (maximum duration for which JRS support is paid)	<p>Wage compensation could initially be paid only for three months per full-time employee. In June 2020, the government extended the period in which companies can receive wage compensation to five months per full-time employee for the period the scheme is in force (BEK No. 267 of 25/03/2020; BEK No. 111t of 02/07/2020).</p> <p>The crisis-ridden company can, in principle, only apply once for financial support through the wage compensation scheme during the period the scheme is in force. However, if there is a need for further furloughs, the company can re-apply for financial support through the scheme (BEK No. 111t of 02/07/2020§ 5 stk 4)</p>	<p>All workers, including individuals on sick leave or maternity leave, are in principle covered by both the traditional and the temporary Covid FS scheme, provided they have a set of guaranteed working hours stipulated in their employment contract. However, there are a few categories of workers – such as temporary agency workers, freelancers, solo self-employed – who by law cannot be part of either FS scheme. Also managers and company owners cannot participate in any form of FS scheme. There are specific exceptions regarding apprentices, trainees, flexi-jobbers, individuals on ALMP and workers considered key staff, who after local agreements can be exempt or included in the FS scheme. In addition, specific conditions apply to dismissed workers on their notice period as they also will form part of the FS scheme on equal terms to their peers working for the company, but unlike their peers, the employer will continue to pay them their full-wages even in the periods where they are temporarily laid off.</p> <p>It is also important to note that although most workers can be part of the FS scheme, they are not necessarily eligible for unemployment benefits and thus without ability to top up their lost wages with unemployment benefits when temporarily laid off. As already mentioned, workers under the traditional FS scheme have to accrue at least 1,924 hours within the last three years, if insured full-time and 1,258 hours if insured part-time, corresponding to 12 hours per week for full-time insured or 8 hours per week for part-time insured to be eligible for unemployment benefits (Mailand and Larsen, 2018). The rules are slightly different under the temporary Covid FS scheme, in which all workers can receive unemployment benefits, provided they are willing to pay 2–3 monthly contribution fees to the unemployment fund while taking part of the temporary Covid FS scheme.</p>
		<p>Different rules apply depending on the type of FS scheme implemented. The traditional FS scheme can be arranged for up 13 weeks with possibilities to extend this period in certain situations. The temporary Covid FS can be applied from September 2020 and throughout 2020 and 2021. Moreover, it is possible to terminate a FS scheme, if the financial situation of the company improves.</p>

Level of support for employees (percentage of gross or net wage, please also specify whether social security contributions are covered)

The workers receive their normal wages, while the level of support the company receives differs depending on the category of worker:

- for white-collar workers/salaried workers (*funktionærer*), the company receives wage compensation of up to 75% of the affected workers' wages;
- for non-white collar workers (apprentice, hourly wage workers (*timelønnede*) etc.), the company receives wage compensation of up to 90% of the affected workers' wages.

The wages compensated are the gross wage plus all the social security contributions.

The level of support for employees differs depending on the type of FS scheme under consideration, and if they are eligible for unemployment benefits.

Traditional FS scheme:

- Workers may be entitled to unemployment benefits to top up their wages when temporarily laid off, covering up to 90% of their lost wages, provided they are members of an unemployment benefit fund and meet the eligibility criteria for unemployment benefits. However, the cap for unemployment benefits (see below) means that the compensation rate for many workers – notably average and high earners – tends to be much lower. For example, the compensation rate is on average 75% for employees in the lowest income quartile, 60% for average earners and 45% for high income earners (the highest quartile, BM, 2016).

- Newly graduates can receive up to 71.5% of the highest level of unemployment benefits with a monthly cap at DKK 13,644 (approximately €1,835) for full-time insured.

- The temporarily increased level of unemployment benefits introduced in September 2020 does not apply to workers covered by the traditional FS scheme.

The temporary Covid FS scheme:

- The affected workers can receive up to 90% of their wages in unemployment benefits when temporarily laid off, and are also eligible for the new temporarily increased unemployment benefit with a cap of DKK 23,000 (approximately €3,093) per month. To receive the new increased unemployment benefit level of DKK 23,000 per month (the usual level of unemployment benefits is DKK 19,083 (approximately €2,566) per month), the affected workers' monthly wage has to be at least DKK 27,779 (approximately €3,735) per month.

- New graduates can receive up to 71.5% of the highest level of unemployment benefits with a monthly cap at DKK 13,644 (approximately €1,835) per month for the full-time insured.

Social security contributions such as accrued paid holiday entitlements and statutory supplementary pension contributions (ATP) are included in the traditional and the temporary Covid FS schemes, while social security contributions – such as labour market contribution (AM-bidrag) and occupational pensions contributions – are excluded.

Cap on support (maximum amount of JRS support payable)

The cap on support paid to the company in wage compensation differs depending on the category of worker, namely whether they be white-collar workers (funktionærer) or non-white collar workers:

- for *white-collar workers*: DKK 30,000 (approximately €4,034) per month for full-time employees (initially DKK 23,000 (approximately €3,093) per month for full-time employed until 31 March 2020)
- for *non-white collar workers*: DKK 30,000 (approximately €4,034) per month for full-time employed (initially DKK 26,000 (approximately €3,496) per month for full-time employees until 31 March).

The calculation of wage compensation is based on individual workers' average monthly wage in the past three or 12 months reported by the company to the national e-income registry (BEK No. 111t of 02/07/2020).

The cap for support in terms of maximum unemployment benefits paid to the affected workers varies depending on the FS scheme under consideration.

- *traditional FS scheme*: cap is DKK 19,083 (approximately €2,566) in 2020 if full-time insured, DKK 12,722 (approximately €1,711) if part-time insured, while new graduates can receive up to DKK 13,664 (approximately €1,835) per month if full-time insured.
- *temporary Covid FS scheme*: cap is DKK 23,000 (approximately €3,093) per month.

Unemployment benefit is calculated based on individual workers' best 12 month wages within the past 24 months. For newly graduates with no employment record, the level of unemployment benefit is set at the statutory level for new graduates, which corresponds to DKK 13,664 (approximately €1,835) per month.

What share of the support is covered by the state and by the employer?

The share of support covered by the state differs by category of worker:

- for *white-collar workers* the state covers 75% of the wages while the company is expected to cover the other 25%;
- for *non-white collar workers* the state covers 90% of the affected worker's wages, while the company is expected to cover the other 10 per cent.

The shares covered by the state and by the employer differ depending on the FS scheme under consideration.

Traditional FS scheme: Companies are usually legally obliged to pay social contributions for the first two full working days an employee is registered as unemployed under the traditional FS scheme (the so-called G-days, which stood at DKK 881 (approximately €118) per day in 2020 and DKK 892 (approximately €120) in 2021). However, in March 2020, the Danish government, together with the social partners, agreed to temporarily suspend the employers' social contributions and have since then on several occasions extended this suspension, which will remain in force until March 2021.

Temporary Covid FS scheme: The temporary suspension of the employers' contribution in the form of G-days does not apply to companies that implement the temporary Covid FS scheme from September 2020. In fact, companies under this FS scheme are legally obliged to pay employer contributions corresponding to three days' wages per month per employee taking part in the temporary Covid FS scheme on top of their regular wages when not off work.

Under both traditional and temporary FS schemes, the state tops up lost wages for affected workers with unemployment benefits, provided the affected workers are eligible for unemployment benefit.

Dismissal protection

Workers covered by the wage compensation scheme are protected against dismissal. Fixed-term workers are not protected as they can be laid off, if their fixed-term contract terminates while the company is part of the wage compensation scheme.

Workers covered by both FS schemes are protected against dismissal. Fixed-term workers are not protected as they can be laid off if their fixed-term contract terminates while the company is part of a FS scheme.

Role of collective bargaining in the adoption and implementation of JRS support

The scheme was the result of a tripartite agreement between the Danish government, union FH and DA. Tripartite consultations and agreements have played an important role in the extension and resumption of the scheme throughout the Covid crisis. Besides these tripartite consultations, collective bargaining does not play a role in the implementation of the wage compensation scheme. However, recent studies suggest that there has been close social dialogue between local management, workplace representatives and workers on the implementation of wage compensation schemes in the affected companies, not least because union-affiliated workplace representatives have to verify the number and groups of workers covered by the scheme (Larsen and Ilsøe, forthcoming).

Tripartite consultations and agreements between the government, FH and DA have played an important role in the design, extension and different amendments of the FS schemes. At company level, the roles of collective bargaining and social dialogue differ slightly depending on the FS scheme:

Traditional FS scheme: Collective bargaining plays a key role as the FS scheme can be implemented only, if there is a collective or local agreement. In companies covered by sectoral or local collective agreements with specific clauses on FS schemes, FS schemes can be enforced only if the employer and the local union branch, shop steward or other workplace representatives agree on introducing the scheme. In companies without collective agreement coverage, all workers have to agree on introducing a FS scheme before such arrangements can be implemented.

Temporary Covid FS scheme: The employer can unilaterally implement the temporary Covid FS scheme, but is obliged to consult and inform the affected workers with 24-hours notice. If a worker rejects the proposed FS scheme, the employer has the right to dismiss them. Companies operating under the main agreement with DA and FH have to comply with the collaboration agreement signed by FH and DA when implementing the temporary Covid FS scheme, which stipulates that affected workers and their workplace representatives have to be consulted and informed about the arrangement.

Special conditions for support to avoid misuse of the system (for instance, ban on paying out dividends or bonuses; ban on share buybacks or operating from tax havens)

Wage compensation is directed to the company and is paid only, if it meets the different eligibility criteria and provides the requested documentation. Furthermore, the requested documentation has to be accompanied by a statement by the union-affiliated workplace representative, who verifies that the affected workers have in fact been on furlough and did not carry out work for the company while the company was receiving financial support through the wage compensation scheme to cover the affected workers' wages. In companies without workplace representation, the company has to send documentation that verifies that the affected workers have been on furlough (BEK No. 111t of 02/07/2020§ 9).

Companies receiving wage compensation cannot pay out dividends nor bonuses while receiving state support.

Job centres and unemployment funds are obliged to regularly check that companies are complying with the rules and regulations on FS schemes. However, since November 2020, these enforcement mechanisms have been temporarily suspended, unless union members contact the job centre with concerns about non-compliance. However, when companies decide to implement an FS scheme, the job centre and unemployment fund have to assess whether they are complying with the regulations.

Special provisions as regards training/ requalification/ reorientation of employees on JRS

The affected individual worker can participate in further training while being covered by the wage compensation scheme, provided this is agreed with the employer and that neither the company nor the affected worker receive other forms of financial support for further training schemes (STAR 2021).

Companies can implement different further training for workers taking part in a FS scheme, and this also applies to the periods in which the affected worker is unemployed and receives unemployment benefits.

Quantitative data

How many workers were on JRS each month? (Please indicate whether these are applications for JRS or the actual numbers of workers on JRS)	STW (figures cover approved applications)	Traditional FS scheme (figures cover approved applications)	Temporary Covid FS scheme* (figures cover approved applications)
March 2020	191.082	5,471	–
April 2020	252.074	2,822	–
May 2020	248.807	1,005	–
June 2020	240.181	707	–
July 2020	86.274	122	–
August 2020	42.484	1,099	–
September 2020	2.186	533	3.297
October 2020	2.001	95	6.897
November 2020	5.835	52	10.074
December 2020	39.891	43	9.478

Source: Erhvervsstyrelsen (2020) which administers the wage compensation scheme. Note: as the published figures are on weekly basis, we have listed the highest number of people on STW for that particular month.

Source: STAR (Styrelsen for Arbejdsmarkedet og rekruttering) (2021), which together with the job centres administer the data on FS schemes and their usage. * Note the figures for temporary Covid FS scheme are only published on weekly basis, we have listed the highest number of people temporary laid off under the temporary Covid FS scheme for that particular month

Which sectors were most affected at the beginning of the pandemic in March/April and towards the end of the period studied in November/December? (as a percentage of overall number of workers on JRS)

Retail (28% of total workers on STW), hotel and restaurant sector (19%), manufacturing (12%) and the performing arts sector (8%) are the sectors with the largest share of workers covered by the wage compensation scheme. Retail, and hotels and restaurants are also among the sectors with the highest share of companies applying for financial support through the wage compensation scheme (source: Erhvervsstyrelsen, 2021).

The transport sector, followed by manufacturing, travel agencies, industrial cleaning, hotels and restaurants, and retail are the sectors with the highest share of workers covered by the new temporary Covid FS scheme in 2020 (STAR 2020).

Is there any data on how much money the state spent on JRS and over time? (in absolute figures and as a percentage of GDP)

Total amount spent on Danish companies and workers through the wage compensation scheme for 2020 is DKK 13,712,468,358 (approximately €1,843,800,000) (Erhvervsstyrelsen 2021). This amounts to 0.59% of GDP in 2019 at current prices, which according to Eurostat was €312.747 billion.

N/A.

Information on non-standard workers and JRS²

Do non-standard workers (NSW) have access to the regular JRS scheme or are there other support schemes, for instance for the self-employed?³

Only full-time and part-time workers with open-ended contracts and some fixed-term workers are covered by the scheme. Recent figures suggest that among the workers covered by the wage compensation scheme, 42% were part-time workers, who received around 23% of the total paid to companies through the scheme in 2020 (Erhvervsstyrelsen 2021).

Platform workers, solo self-employed, freelancers, external consultants, temporary agency workers, people on zero-hour contracts and on-call temps do not have access to the wage compensation scheme because of the nature of their employment contract or employment status, which do not resemble a permanent open-ended position.

All workers – including those on sick leave or maternity leave, and dismissed workers on their notice period – are in principle covered by both the traditional and temporary Covid FS schemes, provided they have a set of guaranteed working hours stipulated in their employment contract. However, there are a few categories of workers – such as temporary agency workers, freelancers, solo self-employed – who cannot by law participate in either FS scheme. There are also specific exceptions regarding apprentices, trainees, flexi-jobbers, individuals on ALMP and workers considered key staff, who under local agreements can be exempt from or included in the FS scheme. Also fixed-term workers are not protected against dismissal if their fixed-term contract terminates while they are part of a FS scheme.

What are the eligibility criteria?

A number of schemes are implemented for solo self-employed, freelancers, start-up companies and artists who may also be multiple job holders (different eligibility criteria apply):

Freelancers, solo self-employed and micro companies with fewer than 10 employees can receive up to 75% of expected lost earnings compared with the past year as a reference period, with a cap of DKK 23,000 (approximately €3,093) per month. For those with a co-working spouse the joint cap is DKK 46,000 (approximately €6,185) per month, provided they meet the following eligibility criteria for support:

- fewer than 10 employees (company owner and working spouse are excluded in this calculation);
- they can document expected loss of income of at least 30%;
- minimum monthly turnover of DKK 10,000 (approximately €1,345) per month prior to the Covid crisis;
- share in company ownership of at least 25%;
- companies registered or not registered in the Danish CVR Register are eligible for support;
- companies that have existed less than 6 months need to provide other documentation that they have lost income due to Covid-19;
- companies that do not experience the expected 30% drop in turnover need to repay – with interest – the received compensation.

Artists can receive up to 75% of expected lost earnings compared with a specific reference period (one accounting year out of the past three accounting years) with a cap of DKK 23,000 (approximately €3,093) per month (this cap was increased to DKK 46,000 (approximately €6,185) from 1 September and until 31 December 2020), provided they meet the following eligibility criteria for support:

- Can document loss of income of at least 30% per month for the relevant period;
- Can document an annual registered wage worker income (A-income), income from self-employed activities or other types of secondary income (B income) and a taxable surplus between 100.000 DKK (approximately €13,446) and 800.000 DKK (approximately €107,569), corresponding to at least 8.333 DKK (approximately €1,120) per month and up to 66.667 DDK (approximately €8,964) per month based on at least one year of annual returns within the last three years.
- Have not received financial support from other government help packages to cover the same loss of income.
- Have no other rights to social protection such as unemployment benefits, student allowance, while pensions, early retirement pensions or supplementary unemployment benefits are excluded, but supplementary unemployment benefits is deduced from the received financial support
- Public institutions, companies, art exhibitions and organizations cannot receive financial support through this help package.
- Artists whose income exceeds 800.000 DKK (approximately €107,569) by the end of the year 2020 will have to repay already received financial support (Slot and Kulturstyrelsen, 2021).

How is the financial support for non-standard workers calculated?

The financial support for freelancers, solo self-employed and artists are calculated based on last years reported earnings to the tax authorities (see above).

2. Non-standard workers include workers with a temporary work contract, platform workers, temporary agency workers, multiparty employment, disguised employment/dependent self-employment, freelance workers, etc.
3. The following questions refer to any existing schemes for non-standard workers.

Which sectors were most affected in terms of providing support to non-standard workers?

Regarding the relief package for self-employed, the main sectors receiving support are retail, hotel and restaurant and information and science when measured in terms of number of workers covered by the scheme (Erhvervsstyrelsen 2021). Sector specific figures for the other relief packages regarding artists, multiple jobholders and freelancers/solo-self-employed are not publicly available.

Are there any measures for training/ requalification/ reorientation for non-standard workers?

A number of local unions and temporary work agencies have initiated different measures to try and help dismissed temporary agency work into new jobs.