

Overview of the expiry of relief packages and initiatives due to COVID-19

This memorandum describes:

A complete overview of relief packages concluded in connection with the COVID-19 pandemic.

Title and contents	Date expired
<p>10 December 2021</p> <p>Extension of the agreement on temporary working time distribution</p> <p>Due to a new increase in the infection the government and the social partners agreed to an extension of the agreement on temporary working time distribution. The agreement makes it possible for companies facing challenges due to the pandemic to share the work amongst the workers. Workers can either in the remaining hours take part in training or stay at home. They will receive the normal pay for hours worked and unemployment benefits for the remaining hours (at an extended rate during training).</p> <p>Wage compensation scheme for forcibly closed companies</p> <p>Companies forced to be closed due to the pandemic can use the temporary wage compensation scheme as long as they are forcibly closed.</p> <p>Temporary wage compensation for companies severely affected by the pandemic</p> <p>Companies severely affected by the pandemic over the Christmas and New Year can receive compensation from a wage compensation scheme.</p>	<p>The agreement will be in force from 1 January -31 March 2022</p>

<p>23 November 2021</p> <p>Suspension of the employers payment and payment of benefits to parents who due to COVID-19 have to stay home to care for their children</p> <p>The agreement re-introduces a scheme giving parents access to benefits when COVID-19 force children to stay at home and parents have to take care of them.</p>	<p>The scheme will enter into force 23 November 2021 and will expire 28 February 2022</p>
<p>12 November 2021</p> <p>Tripartite agreement on COVID-19 passport</p> <p>The agreement makes it possible for companies to require a COVID-19 passport from their employees.</p>	
<p>6 October 2021</p> <p>Tripartite agreement addressing labour shortages</p> <p>The government, social partners, and Local Government Denmark (KL) reached a tripartite agreement addressing the problem of labour shortage. Following the Covid-19 crisis, the Danish economy has been growing to a point where 51.000 more people are employed in October 2021, than before the pandemic in February 2020. This has led to the demand of labour and challenges with recruiting qualified labour force within firms. The agreement aims to solve these challenges by allocating DKK 84,6 million throughout 2022-2023 to:</p> <p>Focus on matching unemployed better with firms</p> <p>Increase sanctions to ensure that unemployed actively apply for jobs and accept offers</p> <p>Strengthen measures that intend to reintegrate unemployed seniors into the labor market</p> <p>Improve circumstances for firms to recruit qualified European labour force</p>	<p>The new initiatives are applicable from 1. January 2022.</p>

<p>13 April 2021</p> <p>Adjustment of tripartite agreement on wage compensation due to a gradual reopening of the society</p>	
<p>26 March 2021</p> <p>Extension of the wage compensation until 30 June 2021</p> <p>The agreement from 14 January extended until the end of June</p> <p>14 January 2021</p> <p>Extension of the wage compensation scheme until stricter restrictions expire</p> <p>The agreement was concluded since the general lockdown has been extended due to the serious development with increasing number of infections</p>	
<p>Unemployment benefits</p> <p>Persons who lose their entitlement to unemployment benefit between 1 November 2020 and 1 November 2021 will have their entitlement to unemployment benefit extended by two months. The extension will take place automatically and the entitlement to unemployment benefit can only be extended once.</p> <p>Persons who, between 1 November 2020 and until the date when the draft legislative proposal comes into force, have lost their entitlement to unemployment benefit and who have resigned membership of their unemployment insurance fund will be able to re-enroll and thereby obtain entitlement to unemployment benefit from 1 November and two months from this date. It is a precondition that these persons re-apply for membership no later than 31 December 2020, and that they repay membership fee for the period where they were not members.</p>	<p>1 November 2021</p>

<p>Temporary closure for self-employed and entitlement to unemployment benefit</p> <p>On 15 June 2020, a broad agreement was concluded which gave self-employed persons entitlement to unemployment benefit during a temporary closure of their business between 9 July 2020 and 8 September 2020 if their company has been prohibited from operating due to COVID-19. Self-employed persons were only entitled to close down once during the period stated in subsection 6.</p> <p>In September of 2020, the scheme was extended until 31 October 2020.</p> <p>The above two schemes mean that a member can close down temporarily once between 9 July and until 8 September and an additional time between 14 September and 31 October 2020.</p> <p>On 16 December a new lock-down was announced. It has been extended to 28 February 2021</p> <p>On 9 February 2021 it was decided to extend and improve the scheme for selfemployed retroactively from 9 December 2020. The maximum amount for compensation has been increased.</p>	<p>28 February 2021</p>
<p>Extension of the entitlement to sickness benefits</p> <p>The sickness benefits have been extended for three groups of recipients of sickness benefits in order to prevent that they have to undergo a work availability assessment.</p> <p>This is due to the fact that the suspension of the activities of the job centres and the priorities made in the health care system during COVID-19 have made it difficult to carry out follow-up and medical assessments.</p> <p>The scheme comprises: (1) persons for whom the ordinary sickness benefit entitlement period of 22 weeks will lapse, (2) persons whose sickness benefit period has been extended but will now expire again and (3) persons who have received sickness benefits instead of resource program benefits during a work availability assessment due to a fatal, severe illness but whose sickness benefits will expire.</p> <p>Under the first agreement, the expiry date was 31 October 2020. With the <i>Agreement on the extension of relief packages</i> of 27 October 2020, the expiry date has been extended to 31 January 2021.</p>	<p>30 April 2021</p>

<p>Maternity benefits for parents who care for children sent home from school</p> <p>Parents can receive maternity benefits if their children are sent home from school or day-care institution due to COVID-19 infection. The parents must meet the requirements under the Maternity Act, including the employment requirement, and none of the child’s parents must have the opportunity to work from home. If the parents have any days off to care for dependants or lieu days they can use to take care of their children who have been sent home from school, they must use them before they can receive maternity benefits under the scheme. If the child is infected with COVID-19, the parents must first take the first and second day of sickness to care for the child.</p>	<p>31 December 2020</p>
<p>Workers at particular risk of infection with COVID-19</p> <p>Workers can receive sickness benefits if they are at particular risk of infection with COVID-19 or if they are relatives of or share a household with persons at increased risk of infection with COVID-19. Medical documentation is required and the employer must declare that it is not possible to organise the workplace or change the worker’s work assignments in such a way that the work can be performed in accordance with the recommendations of the Danish Health Authority. The employer must also declare that the worker is fully exempt from his or her duty to work.</p>	<p>31 December 2020</p>
<p>Temporary working time distribution</p> <p>The Government and the social partners have concluded a tripartite agreement aimed at helping both employees and companies in connection with the expiry of wage compensation. The tripartite agreement on a new, temporary working time distribution scheme applies for the remainder of 2020 and aims to prevent redundancies as the wage compensation scheme is phased out. These new opportunities will give employees more security, among other things through higher unemployment benefits, and help protect the companies that are particularly affected by the decline in exports due to the coronavirus</p> <p>The scheme will be evaluated in early November.</p>	<p>31 December 2020</p> <p>Working time distribution schemes that are already in place, however, can continue four months into 2021.</p>

<p>Relief package for AMU/vocational training providers</p> <p>In May, the Government, together with a broad majority in parliament, agreed on a relief package that aims to support providers of vocational training (AMU) that are economically challenged.</p> <p>With this relief package, vocational training providers qualify for a specific grant if they have had a decline in activities compared to 2019. The size of the relief package thus depends on how the course activities develop during the rest of 2020.</p> <p>The relief package contains the following initiatives:</p> <ul style="list-style-type: none"> • A commitment to a specific grant in case of a decline in course activities in 2020 compared with 2019. • Grant paid to every provider at an amount of DKK 100,000 per lost course participant. • The specific grant is paid to cover total loss of activities and therefore both employed and unemployed participants. • The grant is calculated and paid out in January 2021 when the schools have reported their activities for 2020. <p>The agreement further refers to the possibility that, as part of the normal subsidy for independent educational institutions, AMU-providers can apply for extra liquidity in the form of loans from the Ministry Children and Education if it constitutes a specific challenge towards the implementation of the special grant in January 2021.</p>	<p>31 December 2020</p>
<p>Relief package for apprenticeships and traineeships</p> <p>On 28 May, the Government and the social partners concluded an agreement that redirects an excess amount from the Employers' Reimbursement System (AUB) of DKK 5.4bn to companies. This is intended to pave the way for more apprenticeships in a time when there are markedly fewer apprenticeships and traineeships.</p> <p>With the tripartite agreement, a wage compensation scheme is established for private enterprises who employ or intend to employ apprentices. Here, the scheme covers 75 percent of the company's current apprentices' salaries. In addition, wage subsidies of 45 percent are granted to new, short-term training agreements and 90 percent to ordinary training agreements. The wage subsidy scheme applies from 1 May until 31 December 2020.</p> <p>In order to boost the Danish economy and support the continued establishment of new apprenticeships, the parties to the agreement have agreed to allocate an extraordinary grant of DKK 1.4bn to all employers.</p> <ul style="list-style-type: none"> • All employers in both the public and private sector will receive an added refund of wages and salaries of 20 percent during classroom education in the first six months of 2020. 	<p>31 December 2020</p>

<p>Suspension of the 225-hour rule</p> <p>In April, it was agreed to suspend the 225-hour rule for three months so that the 12-month period during which a person had to work for 225 hours in ordinary and unsubsidised employment in order to obtain benefits was postponed for three months. This was extended from 9 March and until 8 July 2020. The 12-month period was extended further until 8 September 2020.</p> <p>With the <i>Agreement on the extension of relief packages</i> of 27 October 2020, the suspension of the 225-hour rule for recipients of cash benefits is reintroduced from 1 November 2020 and until 31 January 2021.</p>	<p>30 April 2021</p>
<p>Skills development initiatives</p> <p>On 27 October 2020, an agreement was concluded between the parties of the Danish parliament to establish a number of skills development initiatives in areas with labour shortages.</p> <ul style="list-style-type: none"> ▪ A further DKK 30m in 2021 will be allocated to the regional funds for training and education, thereby ensuring that unemployed persons can quickly and easily transition into new jobs and industries. The proposal will give more unemployed persons access to job-targeted courses from the first day of unemployment. Courses must appear from the regional positive lists. Alternatively, the unemployed person is entitled to the course if he or she can provide an employers' statement promising employment on condition of taking the course in question. ▪ Furthermore, a pool of DKK 10m in 2021 will be established by which trade organisations, companies with labour shortages, unions and unemployment benefit funds can apply for funds for coordinators who develop and support skills development programmes. The courses under these programmes will be organized using the Job-VEU model (a model for providing job-targeted adult education and continuing training) in close cooperation with the Danish Agency for Labour Market and Recruitment. <p>DKK 10m will be allocated to the reorganisation fund in 2020 The reorganisation fund aims to provide skilled workers in employment the opportunity to study for a diploma- or an academy profession degree under the Ministry of Higher Education and Science.</p>	<p>31 December 2021</p> <p>The DKK 10m supplementary grant for the reorganisation fund, however, only applies until 2020.</p>

<p>Extension of relief packages</p> <p>On 27 October 2020, an agreement was concluded between the parties of the Danish parliament to <i>extend</i> the existing relief packages.</p> <ul style="list-style-type: none"> ▪ The targeted compensation scheme for fixed costs and a supplementary scheme for fixed costs (including compensation for restriction of opening hours and suppliers to private parties and social events with at least 50 participants outside of private homes). ▪ Compensation schemes for organisers. ▪ Compensation schemes for self-employed, freelancers, combinatorators etc. including arts support schemes for artists with combination incomes and those whose activities are seasonal (including compensation for suppliers to companies affected by the ban on opening and restrictions of opening hours and suppliers to private parties and social events with at least 50 participants held outside of private homes). ▪ The parties to the agreement also agree that freelancers, combinatorators and artists without a Central Business Register no., such as professional musicians, suppliers of lighting- and audio equipment etc. are also included by the compensation schemes under this item. ▪ The guarantee scheme in the Travel Guarantee Fund for package tour providers. ▪ The compensation scheme for distressed cultural institutions etc. (emergency pool 1). ▪ The compensation scheme for performing arts businesses (emergency pool 2). ▪ The compensation scheme for production costs for cultural institutions etc. (emergency pool 3). ▪ The targeted compensation scheme for fixed costs of municipal institutions with an operational grant from the Ministry of Culture and selected municipal concert halls and art centres (emergency pool 4). 	<p>31 December 2020</p>
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<p>Extended relief packages</p> <p>On 27 October 2020, an agreement was concluded between the parties of the Danish parliament on a number of <i>extensions</i> of the existing relief packages:</p> <ul style="list-style-type: none"> • A number of compensation schemes are extended in such a way that compensation is provided to: <ul style="list-style-type: none"> (1) companies affected by the stricter requirements on the number of people who can gather; (2) companies etc. banned from selling alcohol after 10 pm.; (3) companies that are de facto closed down; (4) suppliers for mink farms; (5) adult education (evening classes), day folk high schools and the People’s University. • Furthermore, a further compensation scheme for fixed costs will be improved in order to fully benefit from the easing of the EU’s state aid regulation due to COVID-19. This entails that the required threshold for the companies’ decrease in turnover will be lowered from 35 to 30 percent and the rate of compensation for small companies will be increased to 90 percent. Large companies cannot receive more than a 70 percent compensation to cover their fixed costs. Under this scheme, it will be possible to provide compensations of up to DKK 22.3m per company for loss of earnings occurring until 30 June 2020. • When both compensation schemes for fixed costs are open, companies can choose which scheme is most relevant to them. The rule that the same scheme cannot be used more than once still applies. • The intent is still that the current compensation scheme for fixed costs with up to 80 percent coverage for companies and with the current compensation rates can be extended and that all forcibly closed companies can continue to receive up to 100 percent in compensation. It will be possible to obtain compensation of up to DKK 30m a month. This part of the scheme will be subject to state subsidies under the so-called “crisis provision”. <p><u>Increased liquidity for the corporate sector</u></p> <ul style="list-style-type: none"> • Reopening of the VAT loan scheme for small- and medium-sized companies. This allows for DKK 28bn in increased liquidity for companies. Furthermore, the deadline for repayment of all loans under the scheme will be postponed until 1 November 2021. • Increase in the liquidity guarantee percentage from 80 to 90 percent in the two SME guarantee schemes in the Growth Fund and EKF - Denmark’s Export Credit Agency. The increase in the liquidity guarantee percentage will make it easier for companies to obtain loans in the bank since the state takes on a larger share of the risk in connection with the total volume of loans 	<p>31 January 2021 (unless otherwise stated under the individual initiatives)</p>
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| <ul style="list-style-type: none">• The state guarantees for trade and exports for companies which are set to expire in end 2020 will be extended until 30 June 2021 with the possibility of a further six months' extension. The scheme ensures that companies can still ensure themselves against non-payment from their customers, which will particularly benefit Danish export companies. A guarantee framework of DKK 30bn will be committed in 2020. This includes a loss frame of DKK 5bn.▪ Extension of the match funding scheme for entrepreneurs in the early phases up to a total maximum of DKK 500m, including a loss frame of DKK 165m, and a state guaranteed loan facility for the Growth Fund at DKK 335m. | |
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