

## Simplified prerequisites for the granting of short-time allowances

In the interim, the impacts of covid-19 can be seen in all the areas of economic life. The current situation is generating a multitude of challenges for commercial enterprises. The economic relief instrument which is probably most in demand for companies at present is short-time work in conjunction with short-time allowance. The following is a brief overview in this respect:

As the Federal Government announced on 23 March 2020, a legislative decree has been enacted with which – with retrospective effect from 1 March 2020 – short-time allowance can be applied for subject to these simplified prerequisites:

- short-time work can be declared if at least ten percent of the employees at a business are affected by a loss of work;
- generating negative time accounts (“minus hours”) before payment of short-time allowance is not necessary;
- temporary workers can also receive short-time allowance;
- the Federal Employment Office (Bundesagentur für Arbeit) will fully reimburse the social security-insurance dues which employers have to bear alone for their employees affected by the short-time work.

Apart from the abovementioned simplifications, the other prerequisites for the granting of short-time allowance are unchanged. In particular, an employer cannot order short-time work simply on the basis of its right to issue instructions. Rather, it is to be ascertained whether a collective bargaining agreement is applicable and what provisions that agreement contains in this respect. Businesses which have a works council are to involve that council in the introduction of short-time work (ideally, an employer-works council agreement is entered into regarding the short-time work). If no collective bargaining agreement is applicable and there is no works council, a corresponding agreement must be entered into with each employee individually (otherwise only the rocky path of a termination pending a change of contract (so-called “Änderungskündigung”) remains).

We at **PPR & PARTNER** are able to assist you fully with advice at any time now and also in future. Your contact partners regarding questions in connection with applying for short-time allowance and all other employment-law constellations are **Dieter Pape** and **Jan Ricken**, both special counsels for employment law.