

Employment
Austria

January 2020

Employment related highlights of the governmental program 2020

What is promised?

1. Further development of short-time work: In future, short-time work shall not only be possible in the event of economic difficulties, but will rather also be available to companies that implement an ecological and climate-friendly production method or convert their company to a digital business in order to secure employment. This is quite a novelty and acknowledges the high financial and time resources that are necessarily required by such implementation or conversion. At the same time, the risk of reducing workforce due to these implementations shall be reduced based on the new concept of short-time work.
2. Cross-border deployment: The governmental program promises to evaluate the current penalty provisions of the Act on Wage and Social Dumping ("Lohn- und Sozialdumpingbekämpfungsgesetz"). Currently, these provide for enormous fines for each violation of the obligation to obtain the correct administrative approval and to keep the respective wage records available at all times. According to ECJ rulings, these penalty provisions are not in line with the laws of the European Union. The government's approach in solving this issue focuses on the conclusion of bilateral agreements with neighboring countries of Austria.
3. Debureaucratization of the red-white-red card: Apart from facilitating the application process (employers and employees shall be enabled to initiate the application online and the respective documents shall be accepted in English language), also the RWR-card-procedure itself shall be made more efficient (digitalization of diplomatic mail channels, revision of salary limits for required high level employees, review of the current rating scheme).
4. Further prospects:
 - a) Evaluation of a new immigration category "trusted employees";
 - b) Improvement of work-life balance by accomplishing blocked free time periods through implementing a "time value account" or sabbatical models (postponing the beginning of regular retirement);
 - c) Setting incentives for so called partnership-based agreements, i.e. enabling families to share "family work" and regular employment by implementing a so-called "time corridor model";

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- d) Review of the models on continued remuneration in connection with the prohibition of employment in the event of pregnancy and long periods of illness;
- e) Increasing minimum wages specified in Collective Bargaining Agreements ("CBA") as well as minimum wages of for employees not covered by CBAs;
- f) Evaluation of potentials on reducing social security contributions without reducing the insurance coverage;
- g) Debureaucratizing the Austrian labor inspectorate as well as employee protection regulations – the principle "prioritizing advising over punishing" shall be adhered to in future.

Conclusion

The above represents one-step in the right direction; in particular, the prospective evaluation of the current penalty provisions of the Act on Wage and Social Dumping as well as the promised developments of short-time work would clearly be an achievement. Nevertheless, the governmental program is lacking a good deal of concrete actions in relation to employment law. Particularly essential issues with regard to working time, such as the introduction of trust-based working time models are not dealt with after all. Additionally, there is also no tendency in simplifying the current regulations on working time and rest periods. Consequently, the governmental program does clearly not achieve a real modernization of employment law.

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