



Applications now open for salary/wage compensation – here's how to apply



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In relation to the salary/wage compensation scheme, the [Danish Business Authority](#) has just launched an online service for submission of applications for salary/wage compensation. All private-sector businesses fulfilling the requirements for obtaining salary/wage compensation from the Danish State can now submit their applications to the Danish Business Authority using an online application form available at virksomhedsguiden.dk. The closing date for applications is 30 June 2020.

The business must apply for salary/wage compensation itself using the NemID digital signature of employees of the business; any advisor to the business cannot apply on behalf of the business.

The business should have the following documentation handy when submitting its application:

- the number of employees for whom the business expects to seek salary/wage compensation (at least 30 % of its staff or more than 50 employees);
- name, civil registration (CPR) number, employment status and working percentage of each of the laid-off employees. The business must, for each of the employees for whom salary/wage compensation is sought, specify whether the business will be receiving any other public refund for the relevant employees during the same period;

- motivation for the lay-off;
- the period for which compensation is sought (a maximum of three months);
- name, phone number and email address of a relevant person in the business for the Danish Business Authority to contact in connection with the application.

Furthermore, the business must, under penalty of perjury, sign a solemn declaration that the information submitted is accurate. The salary/wage compensation will then be paid directly to the NemKonto (Easy Account) of the business once the application has been approved by the Danish Business Authority.

The Danish Business Authority has, moreover, issued *the Danish Executive Order on a temporary salary/wage compensation scheme for businesses in financial distress due to the COVID-19 outbreak* (in Danish "Bekendtgørelse om en midlertidig lønkompositionsordning til virksomheder i økonomisk krise som følge af COVID-19". Find it [here](#)).

The Executive Order provides that the basis for calculation of the salary/wage compensation is the employee's average salary/wage. The average salary/wage will be determined based on the higher average of either the last three months or the last 12 months, as reported by the business to eIndkomstregistret (an aggregate digital register of the income of all private individuals in Denmark). If the salary/wage differs from that average as a result of any agreed salary/wage cut prior to the lay-off, the business will apply for payment on that basis and provide adequate documentation.

Furthermore, the right of a business to salary/wage compensation is conditional upon the submission by the business, no later than six months after the end of the salary/wage compensation period, of supplementary documentation for the following:

- the number of employees laid off and documentation showing that the employees were laid off without performing any work. The documentation must be accompanied by a written confirmation from a union representative in the business that the relevant employees have been laid off without performing any work. If there is no union representative in the business, the business must submit documentation showing that the employees were laid off without performing any work;
- the actual period during which the employees were laid off without performing any work;
- the contractual obligation of the business to pay salary/wage;
- no other compensation being provided for the payroll costs of the business for the individual employee during the salary/wage compensation period;
- no dismissal being made by the business for financial reasons during the salary/wage compensation period.

