



New Danish Act on short-time working



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Further to the tripartite agreement on short-time working, which was concluded on 31 August 2020 by the Government and the two sides of industry, a new Act was adopted and an Executive Order thereon issued, coming into force on 14 September 2020. The Act specifies the labour and employment law issues relating to the implementation of short-time working, whereas the Executive Order lays down the detailed conditions for such implementation.

Procedure and conditions for implementing short-time working

The Act states that, when implementing short-time working, the employer is obliged to inform its employees about the conditions as well as the expected start and end date for the short-time working. In addition, the employer is obliged to inform and consult its employees in compliance with the rules already in force, which are laid down in either the collective agreement in question or the Act on information and consultation of employees. Short-time working cannot be implemented until the information and consultation obligation has been complied with.

The Executive Order further specifies that short-time working can be implemented only if working hours are reduced by at least 20% and not more than 50% of the agreed working hours on average over a 4-week period. Furthermore, short-time working must comprise an entire business, a specific department or production unit in the business.

The deadline for an employee for participating in the short-time working scheme

Pursuant to the Act, employees have 24 hours to decide whether they wish to be on short-time working. Hours on Sundays, 24 December (Christmas Eve's Day), 25 December (Christmas Day), 26 December (Boxing Day), 31 December (New Year's Eve), 1 January (New Year's Day), Maundy Thursday, Good Friday, Easter Sunday, and Easter Monday are not included in these 24 hours.

An employer can decide to dismiss an employee if the employee in question does not wish to participate in the short-time working scheme, but in that case the dismissal must be based on objective reasons in accordance with the relevant legislation or collective agreement. Employees on short-time working cannot subsequently be dismissed due to the reasons that justified the implementation of the short-time working scheme.

The Executive Order allows for the option that some key employees at the enterprise can be exempt from short-time working. This is to apply only in cases where an employee representative, on behalf of the represented employee group, has concluded an agreement with the enterprise concerning non-participation in the short-time working scheme, or where the majority of the employees in the affected group have concluded an agreement with the enterprise concerning non-participation in the short-time working scheme.

Other information

Should you have any questions to the new Act or Executive Order on short-time working, please feel free to contact our labour and employment law team. Read more about the agreement on short-time working in our previous [newsletter](#).