



Information for clients No. 1

Austria
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We are informing you once again of the rules concerning working hours on the basis of experience with GPLA inspections – that is unified inspections of all payments from wages. This information was already provided in July 2013. We are also informing you about the amended law against social and wage dumping, which is now significantly stricter.

Summary of working hours

According to paragraph 26 of the Working Time Act (AZG) the employer must keep a Summary of Working Hours for employees in all business premises. This responsibility can be given to the employee.

Summaries must contain this information:

- beginning and end of daily working hours
- place and length of breaks
- use of compensatory time off
- work on weekends, during holidays, during time off in lieu or on public holidays.

An example of the Summary of Working Hours provided by the Labour Inspectorate or the Chamber of Commerce can be found as an annex.

The **Retention Period** is seven years. In the case of failure to observe the duty to keep summaries of working hours the Labour Inspectorate can submit to the district administration a proposal to fine the employer. **Fine:** EUR 72 to 1,815 per employee.

If, at a GPLA inspection (unified inspection of all payments from wages), the summaries mentioned

above are not available it can happen that the insurance company will make an assessment on the basis of an estimate. This means that the social security contributions will be determined from the wages that would be paid according to the estimated staff working hours.

Law against social and wage dumping (LSDG-G)

The law against social and wage dumping, which came into force in 2011, has been amended. The changes are effective from 1 January 2015, and do not apply to prior periods. Notable highlights are as follows:

■ Remuneration instead of basic wage

Until now only the basic wage was inspected. In future the official inspection will be expanded to include all contributory components of pay. From 1 January 2015, total remuneration/wage pertaining to employees by law, regulation or collective agreements will be inspected with reference to relevant assignment by profession of staff to pay grade groups.

Contributory elements of pay are: salary, bonuses, allowances, overtime payments, special payments and payments on termination of employment. In assessing fulfilment of the minimum wage/remuneration additional payments for entitlements arising from collective agreements or the law are also taken into account.

Fundamental to any sanction is the decisive wage period, or due date of remuneration/wages. Overtime and special payments are assessed at the end of the reporting period, or respectively the calendar year.



■ Wage documents

During an inspection the employer must provide the office with the following wage documents:

- employment contract or employment list
- pay slip
- wage payment documents
- summary of working hours.

Foreign employers still have a duty to provide all the required documents in German.

■ Information for employees

Until now, in the case of pay lower than the minimum wage/remuneration to which the employee is entitled, the actual amount of deduction was established. In future the insurance company, or respectively the LSDB (Lohn- und Sozialdumping Bekämpfung) Competence Centre for Eliminating Social and Wage Dumping, will have a duty to inform the employee that his pay is lower than the established minimum wage/remuneration. Aside from additional deduction payments also wage claims from employees can be expected.

■ Fines

Regional administration offices impose fines for administrative faults such as for example:

- lower than specified minimum remuneration/wage
- wage documents not being available
- not allowing inspection of wage documents.

Should the fault involve a maximum of three employees, the fine is:

- EUR 1,000–10,000 per employee, or
- EUR 2,000–20,000 per employee in the case of repetition.

Should the fault involve more than three employees, the fine is:

- EUR 2,000–20,000 per employee, or
- EUR 4,000–50,000 per employee in the case of repetition.

Summary

The amended Law Against Social and Wage Dumping is significantly stricter. We advise you, as a matter of urgency, to keep a Summary of Working Hours according to the law and check that employees are assigned to pay grade groups, as in the case of wages lower than the established minimum there is a threat of large fines, as explained above.

Our payroll department is of course always at your disposal. ■

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