

Coronavirus SARS-CoV-2 Temporary special rules in connection with reduced working hours

On 23 March 2020, the German Federal Cabinet adopted the draft law for facilitated access to social security and for the deployment and protection of social service providers due to the coronavirus SARS-CoV-2, (so-called social protection package). The draft was introduced into the legislative process by the coalition faction and already came into force on 28.03.2020.

Company employees who are currently on reduced working hours or who will be in the future can now earn additional income in a system-relevant industry without deductions up to the amount of their current remuneration. This means that in the best case, the financial disadvantages suffered by these employees as a result of reduced working hours can be completely counter-balanced.

This works as follows: A new Section 421c SGB III (Social Security Code III) has been introduced, which contains the following temporary special rules in connection with reduced working hours. This regulation provides:

“Section 421c SGB III

Temporary special rules in connection with reduced working hours

*In the period from 1 April 2020 to 31 October 2020, notwithstanding section 106(3), remuneration from other employment in **system-relevant sectors** and professions taken up while receiving reduced working hours compensation shall not be added to the actual remuneration, insofar as remuneration from the newly taken up employment together with the reduced working hours compensation and the remaining actual remuneration from the original employment does not exceed the amount of the target remuneration from the employment for which reduced working hours compensation is paid. Employment taken up while receiving reduced working hours compensation in accordance with sentence 1 shall be exempt from insurance to promote employment”*

Certain industries and professions are considered to be system-relevant, as they are indispensable for public life, safety and the provision of services to people during the current crisis. These include the **regulatory and safety authorities, energy and water supply, transport and personnel traffic**, but also the **maintenance of communication channels**. Other areas of particular importance are the **health system with hospitals and pharmacies**, but also **agriculture** and the **food industry** and the **supply of food to the people**. A scale for the allocation of activities to system-relevant sectors and professions is provided by the Ordinance on the Determination of Critical Infrastructures under the Federal Office for Information Security (BSI Act).

These special rules are intended to create an incentive to take up activities in these areas voluntarily on a temporary basis. For this reason, the crediting of remuneration from other employment taken up while receiving reduced working hours compensation is made more favourable as described above.