



## **Guidelines of 22 April 2020 stipulating more specific criteria for application, granting and administration of funds under the labour-market aid package**

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Pursuant to a note to main account (*hovedkonto*) 64.40.08 Labour-market aid Package due to Coronavirus (COVID-19), more specific criteria have been set for applications, granting and administration of funds under the labour-market aid package.

The scheme concerns temporary pay compensation for employees in the private sector regulated by the note to main account (*hovedkonto*) 64.40.08 Labour-market aid Package due to coronavirus (COVID-19) in the proposals for a supplementary grants act (*tillægsbevillingslov*) for 2020.

According to the above note, after consultation with the social partners, Naalakkersuisut is authorised to lay down the more specific criteria for applications, granting and administration of funds under the labour-market aid package, including what sectors are to be covered by the scheme at any given time.

This document stipulates conditions for granting temporary pay compensation for employees in the private labour market.

### **1. General conditions**

- A. Applicants who have made employees redundant for financial reasons are not prevented from later applying for pay compensation for sending home other employees. However, pay compensation cannot take effect until the day following the day of

the most recent redundancy. Pay compensation for employees already made redundant cannot be claimed, even if these are working for the enterprise to serve their period of notice.

- B. Compensation is calculated in connection with the ordinary 14-day and monthly pay periods.
- C. Furthermore, terms stated on Sullissivik apply, for example on the following link for Kommuneqarfi Sermersooq [https://www.sullissivik.gl/Emner/Erhverv/ansogning\\_om\\_midlertidig\\_lonkompensation\\_for\\_lonmodtagere?sc\\_lang=da-DK&mupid=Sermersooq](https://www.sullissivik.gl/Emner/Erhverv/ansogning_om_midlertidig_lonkompensation_for_lonmodtagere?sc_lang=da-DK&mupid=Sermersooq)

The same applies for other municipalities.

## **2. Groups entitled to apply are:**

- A. Enterprises with a duty to register in accordance with Inatsisartut Act no. 33 of 28 November 2016 on registration in the Central Business Register. Each CVR number (business registration number) will be considered as one applicant, irrespective of the number of underlying P units. P units cannot apply separately. Notwithstanding the above, enterprises with underlying P units in several towns and/or different addresses, and whose underlying P units which have been ordered to close, may apply for individual pay compensation for the P units ordered to close.
- B. Notwithstanding point 1.A, public authorities, “net controlled enterprises” (*nettostyrede virksomheder*) and companies wholly or partly owned by the public sector, are not entitled to apply.
- C. Notwithstanding point 1.A, associations, foundations and independent institutions are only entitled to apply if the public subsidy is less than 50% of their ordinary operating expenses.

## **3. Compensation is limited to salaries for the following employees**

- A. Employees with permanent attachment to the enterprise. Permanent attachment means that there must be an employment contract between the employee and the enterprise for the enterprise to receive pay compensation. The contract must have been concluded before 19 March 2020.

Casual workers are not covered, as they have no permanent attachment to the enterprise. Casual workers are characterised as having very short-term employment, and breaks in employment, e.g. at the end of a working day the worker is not guaranteed work on the following day. The employment relationship must have a

duration exceeding two days. The employment must be with a fixed workplace in Greenland, and the employee must have a registered address in Greenland.

- B. The owner and joint owners of an enterprise, including the principal shareholders, are not considered as employees, and therefore pay compensation cannot be paid for these. Exempt from this are dinghy fishers (small boat fishers), who have specific regulations.
- C. Pay compensation can be granted in the event of being ordered to stay at home part time and if the employee continues to receive a salary for full-time work. Pay compensation is only granted for the proportionate share of the salary to cover the period at home.
- D. Dinghy fishers are considered employees. There are specific documentation requirements for dinghy fishers. See the guidelines below.

**4. Right to compensation is subject to the following requirements:**

- A. At least 30% of the applicant's employees must have been ordered to stay at home in the pay compensation period, or at least 25 employees. In calculating the number of employees, the enterprise should use the number of permanently employed staff. The scheme does not apply to casual workers.
- B. Employees must be ordered to stay at home on full salary.
- C. The order must be a direct consequence of the COVID-19 situation.
- D. An employee may not perform work tasks for the applicant during the period at home, or take on new (or increase existing) salaried work with another employer.

If the employee is a dinghy fisher, the employee can only qualify as being ordered to stay at home if the reason the employee does not work in the relevant period is exclusively the coronavirus situation. The applicant must document that the employee really has been sent home, i.e. it is impossible to fish or work due to the coronavirus (COVID-19) situation. Periods at home due to quarantine or similar must be documented with a statement from the healthcare services.

Compensation is 90 % of “salary” (max. DKK 20,190), calculated as an average for the past three months, and there is a requirement to take five days holiday or other time off for each 30-day period.

- E. The duration of the period at home can vary for different employees. For example, pay compensation for 30 employees does not rule out pay compensation for any later periods at home for more employees. However, point 3.A must always be met.

**5. The payroll costs must:**

- A. Be paid on the date of the compensation. This means that, for each pay period, an application for compensation must be submitted with payslips for the period for which the enterprise wishes to receive compensation.
- B. Pertain to the period 19 March 2020 - 30 June 2020, inclusive of both days.
- C. Be calculated as the amount before tax.

For payroll costs for dinghy fishers, see point 6.

**6. Notwithstanding point 5, the following applies for dinghy fishers with regard to income from dinghy fishing:**

- A. The payroll costs for an entire month (30 days) should be calculated as the average value of landings per calendar month for the three months prior to the period compensation is being applied for.
- B. The specific compensation will be calculated as the proportion of the period at home in relation to the relevant month (30 days) times the payroll costs calculated under point 6.A (= number of days at home divided by 30 days) times the payroll costs calculated under point 6.A.

**7. Compulsory holiday/time off in lieu**

- A. The employee must hold five days holiday/time off in lieu of overtime pay for each 30-day pay compensation period. If the pay compensation period is shorter than 14 days, the holiday period will always be 2.5 days holiday/time off in lieu and otherwise five days holiday/time off in lieu for pay compensation for periods exceeding 14 days and up to 30 days.
- B. If an employee has not earned the right to paid holiday, the amount of compensation will be reduced by either 2.5/30 or 5/30.

## **8. Compensation is calculated as follows:**

- A. 90 % of the payroll costs, but max. DKK 20,190 per 30-day pay compensation period per employee.
- B. If the pay compensation period is shorter than 30 days, compensation will be calculated as a proportionate share rounded up to the nearest full day.
- C. Less any other support from public funds for the applicant for the same payroll costs.

## **9. Compensation and control**

- A. Compensation can be demanded repaid if:
  - The applicant makes the employee redundant for financial reasons in the pay compensation period.
  - The applicant puts the employee to work in the pay compensation period.
  - The application submits incorrect information in the application for pay compensation.
  - The applicant has received unjustified pay compensation in contravention of the above conditions.
- B. A condition for payment of support under the scheme is that, if required, the enterprise submit information to Naalakkersuisut in order to check the amount paid. Naalakkersuisut may require an auditor's opinion that the support has been received on a legal basis.
- C. If the enterprise has submitted incorrect information, or in some other way attempted to mislead case processing, Naalakkersuisut will make a report to the police in order to initiate proceedings under the Greenland Criminal Code, Act no. 306 of 30 April 2008.

## **10. Payment**

- A. When calculating the compensation amount, 30% will be retained as an on account payment of income tax and employers' labour market tax (AMA) for the calendar month. See the separate accounting guidelines.

## **11. Documentation**

- A. The enterprise is responsible for submitting relevant documentation, including a solemn declaration.