




Beskæftigelses-
ministeriet

Rules for companies operating in Denmark



Foreign companies and posted workers performing work in Denmark must be familiar with Danish labour market regulations and must comply with these rules.



In this leaflet you can read more about working conditions in Denmark, RUT, health and safety requirements and tax rules. You can read more on [WorkplaceDenmark.dk](https://workplacedenmark.dk).

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Register of Foreign Service Providers

As a foreign employer who is temporarily providing services in Denmark, you need to register your business with Registret for Udenlandske Tjenesteydere (the Register of Foreign Service Providers (RUT)). You must also provide information about the identity of the employees posted to Denmark in connection with the service

Self-employed persons with no employees are only required to register with the RUT if they provide services that are within the construction industry or installation/repair of machinery and equipment.

You will be fined DKK 10,000 if you neglect to report your company to RUT.

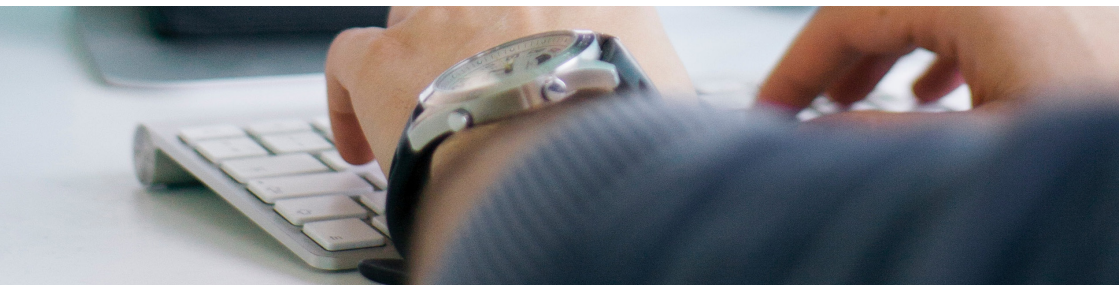
If your company has been issued a notice by the the Danish Working Environment Authority (WEA) to immediately submit notification to RUT and it fails to do so, the company may face periodic penalty payments until such notification has been submitted.

You must do this no later than at the same time your company commences work in Denmark. When your company has been registered, you will receive a receipt containing your RUT number. You will need to use this when you contact the Danish authorities.

If you perform work in building and construction, agriculture, forestry, horticulture or gardening, you must provide documentation for your assignor that you have requested registration in RUT. The receipt you received following notification is sufficient as documentation. The assignor is the person or company with whom you have contracted to perform a job.

If there are any changes to the information you have registered in RUT, these changes must be reported to RUT no later than one business day after the changes enter into force.

You can submit notification of your company electronically to RUT via the website virk.dk/rut.



Working conditions in Denmark

In the Danish labour market, pay and working conditions are mainly regulated by collective agreements or in individual employment contracts between employer and employee. A collective agreement is an agreement relating to the working conditions which will apply to employees in a business or a sector, and a collective agreement concerns, amongst other things, rules relating to working hours, pay and holiday.

You can find information about pay and working conditions within a particular agreement area by contacting an employer organisation or a trade union. See also workplacedenmark.dk.

Businesses which are working in Denmark are not required to enter into an agreement. However, a trade union may make demands that a business enters into a collective agreement in order to ensure posted workers receive pay equivalent to what Danish employers are required to pay for the performance of equivalent work. If the business fails to do this, the trade union can initiate industrial action such as, for example, strikes, picketing or sympathy action.

Businesses will often be contacted by Danish trade unions which wish to enter into an agreement for employees in Denmark. A business may elect to negotiate a collective agreement with the trade union itself, but it is also possible to join an employer organisation which can negotiate on behalf of the business.

Right to join a trade union

All workers in Denmark are entitled to be members of an association such as, for example, a trade union. The Act on freedom of organisation in the labour market protects the freedom of association of employees by prohibiting an employer from requiring an individual worker to join or not to join a trade union.

Wages and salaries

There is no statutory minimum wage in Denmark. Wages are typically fixed in the collective agreements for different types of work. If you as an

employer have entered into a collective agreement, you are obligated to pay the wage fixed in the agreement. If you have any questions about wages, you can contact the relevant social partners, for example, the Confederation of Danish Employers and/or the relevant trade union.

Employees who are posted abroad from an EU or EEA country and whose employer fails to pay them the wages they have agreed can get help from the Danish Labour Market Fund for Posted Workers if they are covered by a Danish collective agreement.

The fund is financed by contributions from all Danish and foreign employers that employ workers temporarily in Denmark. The collection of contributions from foreign employers is based on their notification to the Register of Foreign Service Providers.

You can read more about the fund on WorkplaceDenmark.dk.

Working hours

As a general rule in Denmark, working hours are fixed in a collective agreement, and in the great majority of sectors, standard working hours are 37 hours weekly (full-time work).

For employees over 18 years of age, the EU Working Time Directive sets the following restrictions on working hours:

- A daily rest period of at least 11 consecutive hours.
- A break during any working day lasting more than 6 hours. The length of the break depends on its purpose, for example, a break for a meal.
- One rest day (24 hours) per week that must be in connection with a daily rest period. No more than six days are allowed between two rest days.
- The total daily working hours must be recorded.
- A night worker may not work more than 8 hours per 24-hour period on average.

If an employee is available at the workplace, it is not counted as rest time (daily rest period). If the employee is available outside the workplace, for example, at the employee's home, it is counted as rest time when work is not being carried out.

In some cases the collective agreements derogate from these rules.





Holiday rules

Employees posted in Denmark are basically covered by the holiday rules in their home country, but when it comes to the length of the holiday and payment during the holiday, they have at least the rights guaranteed under Danish holiday law. This means that the Danish rules regarding the length of the holiday and payment during the holiday apply if they are more advantageous.

According to the Danish holiday rules, a worker is entitled to 25 days' holiday a year. This applies, regardless of whether the individual has accrued entitlement to paid holiday. This means that workers who have not accrued entitlement to paid holiday still have the right to take unpaid holiday.

An employee earns the right to 2.08 days of paid holiday for each month the employee is employed in the period from 1 September to 31 August (the year of accrual). The holiday is taken during the holiday period, which extends from 1 September to 31 December of the following year.

The payment to the employee for the accrued holiday time can either be the employee's usual salary plus a holiday supplement of 1 percent of the salary in the year of accrual or holiday pay, which is 12.5 percent of the employee's salary in the year of accrual.

Equity and non-discrimination

In Denmark, there is legislation which ensures equal treatment of men and women and prevents discrimination in the labour market. The rules protect employees against any form of discrimination in the labour market that is based on:

- Gender
- Race
- Skin colour
- Religion or belief
- Political opinion
- Sexual orientation
- Gender identity, gender expression or gender characteristics
- Age
- Disability
- National, social or ethnic origin

Discrimination is prohibited at all stages of employment including in recruitment, during employment, and dismissal. Employees who believe that they have been subject to illegal discriminatory treatment can file a complaint with the Board of Equal Treatment.

Furthermore, all businesses in Denmark are covered by Danish rules on equal treatment and equal pay.

The Act on equal treatment of men and women means that men and women shall be treated equally in their working lives. This means, for example, that you as an employer may not favour one gender over the other when a position is to be filled. Nor must you discriminate against employees on the basis of pregnancy, childbirth or maternity/paternity leave.

Equal pay

The Act on equal pay to men and women means that men and women shall have equal pay for equal work. This means that men and women shall receive the same pay if they are performing the same type of work, or if the work is of the same value.

VAT and tax

All companies that sell goods or services in Denmark must pay VAT.

VAT is a value added tax of 25% that is added to the price of the goods or services that a company sells.

If you have operations in Denmark, your activities must be registered. If you sell goods or services, you must be registered for VAT. As an employer, you must register your company for VAT no later than eight days before your company begins to supply goods or provide services. You can register your company for VAT at the same time as notifying your company to the Register of Foreign Service Providers (RUT) at virk.dk.

If a company registered abroad sells services to a company registered in Denmark, the foreign company must, as a general rule, not charge Danish VAT, as this VAT must be declared and paid by the Danish company (reverse charge).

If a Danish registered company has employees, the company must be registered as an employer and report wages, labour market contributions and A-income tax to the E-income register every month. This also applies if the company has foreign employees.

The company must be aware that foreign employees are subject to different tax rules depending on where they come from and how long they will be in Denmark. This also applies to seasonal workers and temporary employees such as craftsmen.

Danish registered companies must also ensure that their foreign employees have a valid tax identification number.

If you have any questions about the Danish tax rules, you can read more at Skat.dk/en-us/businesses or you can call The Danish Tax Agency at: +45 72 22 28 92



Danish workplace health and safety rules

All companies and employees in Denmark are covered by the Danish workplace health and safety rules.

As an employer, you are responsible for ensuring that work is planned, organised and performed appropriately in terms of health and safety. For example, you are responsible for instructing employees on how to perform the work safely, and for providing all necessary personal protective equipment. Employees are responsible for following your instructions and for using the required personal protective equipment.

The Danish Working Environment Authority

Arbejdstilsynet (The Danish Working Environment Authority) is the Danish government authority responsible for ensuring compliance with Danish workplace health and safety regulations. The WEA also offers companies guidance with regard to health and safety at work. A company risks a penalty if it violates the workplace health and safety regulations.

If the WEA establishes that a company has failed to comply with the statutory requirements, the company will be required to ensure compliance with the regulations. In some cases the WEA can also prohibit further work until the health and safety issue has been resolved, and the company may face a fine if it has committed serious violations of the regulations.

The WEA also inspects whether foreign companies have submitted a correct and accurate notification to the Register of Foreign Service Providers (RUT) about their services.

Requirements for health and safety collaboration

Even though you as an employer have the overall responsibility to ensure work is conducted safely in your organisation, management and employees are also required to collaborate on health and safety matters.

Companies with ten or more employees are required to have a health and safety organisation that is responsible

for all matters relating to workplace health and safety, including ensuring a safe and healthy working environment and preventing industrial injuries.

The key persons of the health and safety organisation are the employer, elected health and safety representatives, and appointed supervisors. As an employer, you have a duty to ensure that the health and safety representatives and supervisors have completed a three-day Danish health and safety training programme. This is to ensure that they have a basic understanding of workplace health and safety.

Companies with less than ten employees must work systematically with their workplace health and safety efforts; however, they are not required to set up an actual health and safety organisation. Day-to-day collaboration on health and safety issues involves regular direct contact and dialogue between the employer, the employees and any supervisors.

Once a year companies must hold health and safety discussions. The purpose of these discussions is for you and your employees to discuss any issues relating to workplace health and safety. You must be able to document in writing to the WEA that the annual health and safety discussions have taken place.

Alternating workplaces

Special rules apply regarding tempo-

rary and alternating workplaces, e.g. building and construction work. Companies with five or more employees are required to have a health and safety organisation if the work is conducted at a temporary place of work over a period of more than 14 days.

At large building sites, the contractor is responsible for coordinating workplace health and safety efforts and for conducting safety meetings. As an employer you are responsible for ensuring that the supervisor and company health and safety organisation at the building site contribute to ensuring healthy and safe working conditions at the building site and that they participate in the safety meetings held by the contractor.

Workplace risk assessments

All companies with employees must prepare workplace assessments. The employer is responsible for ensuring this. A workplace risk assessment is a tool for dealing with the working environment. Companies can use the assessment to ensure that they examine all the health and safety issues that might arise.

You can read more about the Danish workplace health and safety regulations on WorkplaceDenmark.dk.

Industrial injuries

Temporary work in Denmark

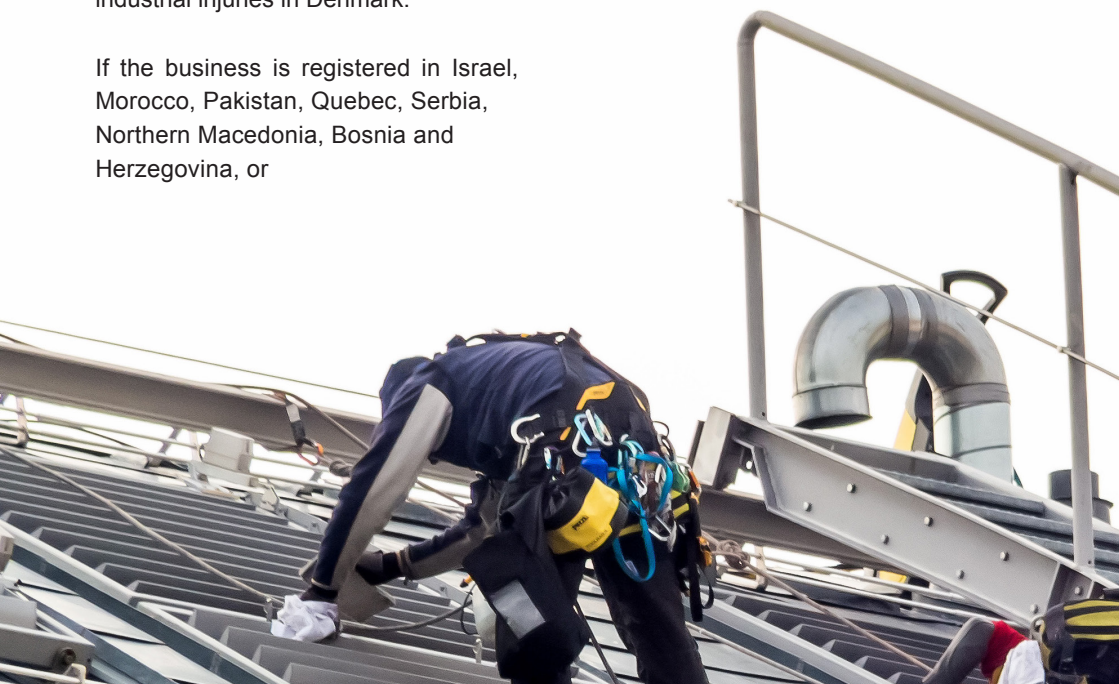
All businesses operating in Denmark must as a minimum insure their employees against industrial injuries.

For those businesses which are registered in an EU/EEA Member State or Switzerland, and where the employees are posted for a short period (maximum 24 months), however, a derogation applies. In this case, the employees are covered by the rules that apply for industrial injury insurance in the EU/EEA Member State where the business is registered and where the employees normally perform their work. The business is not, therefore, required to insure its employees against industrial injuries in Denmark.

If the business is registered in Israel, Morocco, Pakistan, Quebec, Serbia, Northern Macedonia, Bosnia and Herzegovina, or

Turkey, special on how the employees are to be insured against industrial injuries in Denmark. The rules are to be found in conventions on social security which Denmark has entered into with the individual countries.

You can find out which rules apply in the country where the individual business is registered. Businesses which are not registered in an EU/EEA Member State or Switzerland or in a country with which Denmark has signed a convention must always insure employees against accidents at work and occupational diseases in Denmark.



This applies regardless of whether it is a case of temporary or long-term work in Denmark.

Long-term work in Denmark

In the case of long-term work in Denmark (more than 24 months), employees must be insured against both occupational diseases and accidents at work in Denmark.

In order to insure employees against occupational diseases, the business must pay a contribution to Arbejdsmarkedets Erhvervssikring (Labour Market Insurance (AES)). The contribution depends on the sector to which the business belongs and the number of employees in the business.

List of insurance companies in Denmark

You can find a list of insurance companies that offer industrial injuries insurance in Denmark at forsikringogpension.dk.

In order to insure employees against accidents at work, the business must take out an accident at work insurance policy with an insurance company which provides accident at work insurance in Denmark.

If an employee suffers an industrial injury, it will then be AES or the business's insurance company which bears the cost of the damage. This means that AES or the insurance company pays the legal expenses and any compensation to the employee. You can read more about AES on its website aes.dk.

If a business does not pay contributions to AES or take out an industrial injury insurance policy with an insurance company, the business may be fined. In addition, the business will have to pay compensation if an employee is injured at work or develops an occupational disease.

Reporting industrial injuries

As the employer, you have an obligation to report if an employee has an accident at work. If the employee is insured in accordance with the Danish rules, you must report the accident to the business's insurance company using the electronic notification system EASY at virk.dk no later than 14 days after the injury has occurred.

The requirement applies if, as a result of the accident, the employee has been unable to work for at least one day, in addition to the day on which the accident occurred, or if it is expected that on the basis of the damage, the employee is entitled to compensation or other benefits in accordance with the Workers' Compensation Act.

If your business is not required to take out occupational accident insurance in Denmark, you must report the injury to your home country's industrial injury institution.

The business always has an obligation to report an accident at work to the Danish Working Environment Authority.

This also applies even if the business is not required to take out industrial injury insurance in Denmark because the employees are only temporarily posted to Denmark.

If you as the employer do not report an accident at work, the business may be fined. Fines will start at DKK 5 000 for the first time a business fails to report an accident at work. Subsequent fines will be DKK 10 000 per breach.

Businesses with a Danish CVR number must report accidents through the electronic notification system EASY.

Foreign businesses which do not have a Danish CVR number must report an accident at work through a special portal on the website virk.dk. For this the business must use its RUT number.

If the business does not have either a CVR number or an RUT number, the accident at work must be reported using a form which can be found on aes.dk.

When a business reports an accident at work via the notification system EASY, which can be found at virk.dk, the accident can be reported to both the insurance company and the Danish Working Environment Authority at the same time. The insurance company decides whether the notification should be forwarded to AES.



Doctors and dentists are required to report occupational diseases in Denmark. However, as the employer, you also have the possibility of reporting an occupational disease or referring the employee to their own doctor if you suspect that an employee has an occupational disease.

An accident at work must be reported:

- If the employee has been unable to perform their usual work for at least one day in addition to the day of the accident.
- If it is probable that the injury will have permanent consequences for employee and the employee therefore may be entitled to compensation in accordance with the Workers' Compensation Act.
- If it is probable that the employee will still be on sick leave five weeks or more after the accident, in which case the accident must be reported no later than five weeks after the date of the accident.

Minor injuries, e.g. a bruise, that are not permanent do not need to be reported.

Health and safety in the building and construction sector

The risk of attrition (being physically worn down) or serious injury is particularly high in the building and construction sector.

The most common accidents at work are:

- Falls from heights, e.g. from a roof, scaffolding or a ladder
- Falls at ground level, e.g. when walking on slippery or uneven surfaces
- Accidents with hand tools or machinery, e.g. circular saws and angle grinders
- Accidents in connection with heavy lifting.

Advice for ensuring safe and healthy building sites

As an employer you are responsible for ensuring that your employees can work safely at the building site. This means that you must ensure that the building site is organised in such a way as to prevent falling objects and falls from heights.

It is your responsibility to ensure that machinery, scaffolding and other technical equipment can be used safely, and that employees use hard hats, safety shoes and other personal protective equipment. However, your employees also have a responsibility. For example, they are responsible for following your instructions, for using the protective equipment you provide, and for informing you of any problems.

You can read more about health and safety at the building site on workplacedenmark.dk.



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