



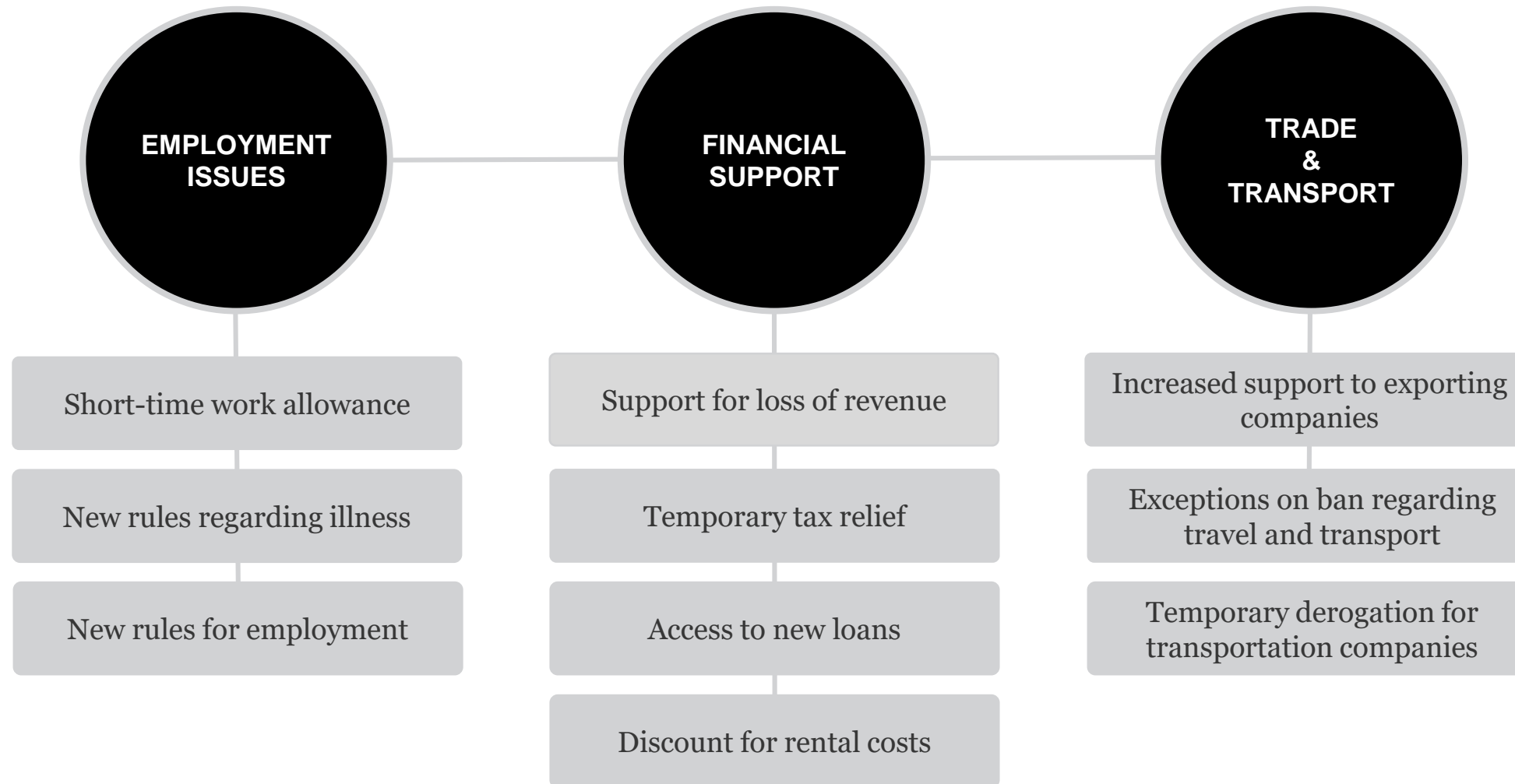
Governmental support to companies in connection with COVID-19

Important measures for employers or entrepreneurs with operations in Sweden

Business Sweden

Updated May 5, 2020

The Swedish Government has enhanced support in three main areas



Short-time work allowance can decrease personnel cost by one-half while employees maintain salary

- Short-time working means that an employee reduces working hours and wages instead of being laid off. The employer can reduce employees working hours and receive financial support from the Government to compensate for a significant part of the costs for retaining the employee.
- The objective is for affected companies to be able to retain their staff and gear up quickly again when the current situation turns around.
- The short-time work allowance program will remain in effect throughout 2020.
- Ensure that your company has the possibility for short-time working in the central and local collective bargaining agreement.
- In the event the company does not have a collective bargaining agreement, at least 70 percent of employees must consent to and participate in the short-time working. The reduction in working hours and wages that have been agreed upon must be the same for all participating employees within the operating unit.
- On 14 April, the Government proposed to increase support for short-time work allowance, making it possible to reduce employees' working hours by up to 80 percent (compared today's maximum of 60 percent). Decision will be made in May and is proposed to apply from 1 May and during May, June and July 2020.

This is how the costs for a reduction in pay and working hours are apportioned
(Maximum salary is SEK 44,000 per month)

Level	Reduced working hours	Reduced wages	Employer	State	Reduced costs for employer
1	20%	4%	1%	15%	-19%
2	40%	6%	4%	30%	-36%
3	60%	7,5%	7,5%	45%	-53%

Source: Verksamst.se

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New rules regarding illness – the state takes over costs for sick pay

The state covers costs for sick pay

- The Government has decided that employers will be compensated by the state for the sick pay cost for April and May. The employer reports sick pay costs in connection with the employer declaration.

The qualifying deduction for sick pay is temporarily abolished

- In order to reduce the spread of the coronavirus, covid-19, the Government has decided to temporarily suspend the qualifying deduction for sick pay from 11 March. This means that you can apply retroactively for compensation for the qualifying period from 11 March onwards. The employer should make qualifying deductions as usual.

Temporary abolition of the doctor's certificate requirement

- The Government has decided to temporarily abolish the requirement for a doctor's certificate during the sick pay period. The decision means that an employee who is ill can be home from work during the first two weeks without a doctor's certificate. For you as an employer, this means that the employee does not have to hand in a doctor's certificate. This applies from 13 March, 2020.
 - The Swedish Social Insurance Office has decided to allow sick pay to be paid until day 21 without a doctor's certificate.

Quarantine allowance

- A doctor may decide that you are not allowed to work because you are – or may be – infected with a socially dangerous disease. The coronavirus, covid-19, is considered to be such a disease. The employee may then be entitled to compensation in the form of a quarantine allowance.

Source: Verksamst.se, Försäkringskassan

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Possibilities to keep employees with certain contracts for an extra year

New rules for certain types of employment

- The Government has decided to extend the period that your employees can have a new start job (nystartsjobb) or an introduction employment, by another year. This means that job-seekers can have an introduction employment for up to 36 months.
- The rules apply from 1 May to 31 December 2020.

Source: Verksam.se

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Government proposes new financial aid package to support companies for lost sales

Support to businesses with a loss of revenue due to the coronavirus

- The Government has proposed a support to businesses who have had a loss of revenue due to the coronavirus. It means that a company can receive support for the company's fixed costs.
- The size of the support depends on the size of the company's loss of revenue is. It can vary between 22,5% up to 75 % for the fixed costs, excluding the costs for salary.
- To receive the support the revenue must have been at least SEK 250 000 the last fiscal year. During the period of March and April, the loss of revenue must be at least 30% compared to the same period the previous year.
- The maximum amount for the support is SEK 150 million per company
 - More information to come



Source: Regeringen.se, Verksam.se

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Temporary tax relief and reduced employer fees to support companies impacted by the corona virus

Temporarily reduced employer fees

- The Government will temporarily reduce employer fees allowing to only pay the retirement pensions fees, meaning employers only pay 10,21 percent.
- The reduction is relevant for up to 30 employees with a salary up to SEK 25,000 per employee and month. For higher salaries, the general payroll tax is the same as usual for amounts above SEK 25,000.
- This applies from 6 of April.

Possibility to postpone payment of taxes and fees

- Companies that are financially affected by the coronavirus can apply for a payment respite of tax and fees to a later occasion. There are two kind of payment respites:
 - Temporary payment respite of employer contributions, deducted taxes and VAT. The payment respite can be postponed for one year from the decision date. The payment respite is valid for up to three accounting periods between January and September 2020.
 - Respite of tax payment for other types of taxes, such as excise duties

Revised preliminary tax for 200

- Companies can revise the preliminary tax for 2020 if less surplus or a loss is estimated.
 - The company may then pay less or no preliminary tax during the remainder of the fiscal year. Refunds can be made for the months that have already passed during 2020.
 - The preliminary income tax return can be submitted unlimited number of times during the year.

Source: Skatteverket, Verksam.se

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Access to new loans – the state offers a guarantee of 70 percent of new loans

Loan guarantees for small and medium-sized businesses are set up

- The Riksbank will lend up to SEK 500 billion via the banks to help companies that are financially impacted by the coronavirus. It is the bank that then loans the money to the company with operations in Sweden.
 - Companies that are viable but which have suffered financial difficulties as a result of the coronavirus will be given the opportunity of a state loan guarantee, which guarantees 70 percent of new loans. Each company may borrow a maximum of SEK 75 million, with some reservation that exceptions can be made.

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State-owned Almi adapts loans to the current situation

- Sustainable small and medium-sized companies in Sweden that are in need of financing as a result of the spread of the new coronavirus, can apply for Almi's "Bryggglån". The loan provides an opportunity for conditions that are specially adapted to the current situation. The loan is always combined with advice.
- Updates regarding regular loans from Almi
 - Almi offers various types of loans within their regular range of services. If you need financing, you can apply for a loan from Almi. If you already have a loan, it is possible to seek payment respite with repayments.

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Source: Riksbanken, Verksam.se, Almi, Riksgälden

Temporary discount for rental costs to support exposed industries

Temporary discount for rental costs in exposed industries

- The Government has decided on a temporary discount for rental costs in certain industries such as durables (for example clothes, toys and home electronics), hotels and restaurants.
- The support means that companies who rent an office or premise can receive a temporary discount on the fixed rent in order to get a lower rental cost.
- The company must make a deal with the landlord if to receive a discount on the rent and agree on how large the discount should be. The landlord will then apply for the support and the payments will be made afterwards to the landlord.
 - Compensation is given with a maximum of 50% of the discounted rent and a maximum of 25% of the original fixed rent.
 - Valid from 1 April to 30 June 2020.
 - The landlord can apply for the support from 1 July to 31 August 2020.

Source: Verksamst.se

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Increased measures proposed to support exporting companies

Improved guarantees for both small and large companies

- Exporting companies can turn to the Swedish Export Credit Agency (Exportkreditnämnden, EKN), which has different types of guarantees. EKN's guarantees insures the risk of not getting paid and facilitates the possibility of obtaining loans through banks in connection with export transactions.
 - To further facilitate Swedish companies access to financing, as a result of the coronavirus, EKN now offers improved opportunities for operating credits for smaller companies with a turnover of up to SEK 5 billion. EKN has also developed a new guarantee for business financing for large companies and their subcontractors.

Increased loan limit to exporting companies

- The Swedish Export Credit Corporation offers loans to exporting companies established in Sweden and their subcontractors with annual sales of at least SEK 200 million.
 - The Government proposes that The Swedish Export Credit Corporation's loan limit should increase from SEK 125 to 200 billion to issue both Government supported and commercial credits to Swedish export companies.
 - More information to come.

Source: Verksam.se, EKN, SEK

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Temporary rules on travel & transport including relaxed rules regarding driving and rest times

Temporary ban on travel to Sweden

- The Government has decided to extend the temporary entry ban to Sweden from countries outside the EU.
 - There are exemptions; necessary deliveries of food and medicines should not be affected. The entry ban does not apply to individuals who transport goods, as well as seasonal workers in agriculture, such as berry pickers.
 - The regulation is valid until 15 May 2020. There may be an extension thereafter.

Temporary derogation from driving and rest times

- To make it easier for companies in the transport industry, the Swedish Transport Agency (Transportstyrelsen) has decided for temporary derogation from driving and rest times. The decision applies to those drivers involved in domestic and international transports. The daily driving time allowed is extended from 9 hours to 11 hours and during a calendar week there must be at least 24 hours coherent rest. The decision is valid until 31 May.
- Daily driving time, driving time per week and two weeks driving time may be extended as long as the requirements regarding daily rest and weekly rest is fulfilled.
- The temporary relaxation of the rules reflects the exceptional circumstances stemming from the COVID-19 outbreak. Sweden emphasize that businesses are expected to plan for and manage the risks of disruption to supply chains.

Source: Verksamhet.se, Transportstyrelsen, Regeringen.se

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