



Extended support to companies in Sweden in the Corona situation

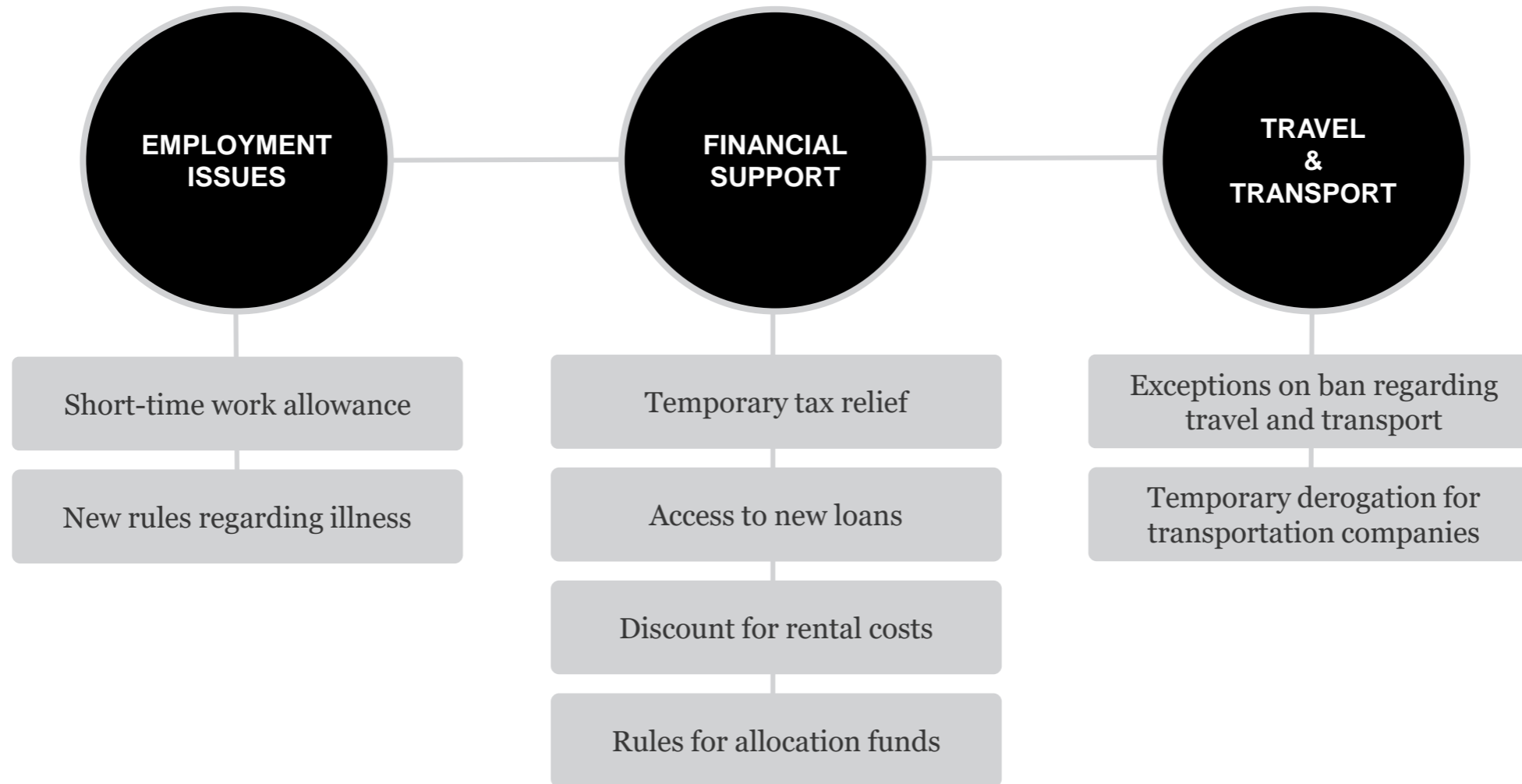
Important measures for you as an employer or entrepreneur with operations in Sweden

Business Sweden

Version 29th March 2020



The Swedish Government has enhanced support in three main areas



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

- A short-time work allowance means that the employer's personnel costs can be reduced by one-half at the same time as the employee receives 90 percent of his or her wages. The initiative provides substantial subsidies to cover part of the costs.
- The objective is for affected companies to be able to retain their staff and gear up quickly again when the current situation turns around.
- Starting 7 April, it will be possible to apply for the financial support, however it will be retroactively applied to as early as from 16 March. The short-time work allowance programme will remain in effect throughout 2020.
- Get prepared by ensuring that your company have the possibility for short-time working in the central and local collective bargaining agreement.
- In the event the company is not encompassed within a collective bargaining agreement, at least 70 percent of the employees must consent to and participate in the short-time working. The reduction in working hours and wages that has been agreed upon must be the same for all participating employees within the operating unit.

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	Employer costs
1	20%	4%	1%	15%	-19%
2	40%	6%	4%	30%	-36%
3	60%	7,5%	7,5%	45%	-53%

Source: <https://tillvaxtverket.se/english/short-time-work-allowance.html>

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

The state proposes to be responsible for sick pay costs

- The government has proposed that the state will, temporarily, cover the cost of sick pay for you as an employer. The rules concern you who run a limited company. The new rules are made by making the rules more generous for the existing support Compensation for high sick pay costs. For you with an F-tax note, the proposal for an abolished waiting deduction is extended so it applies to day 1-14. That means you get sick pay for all these days. The new rules are proposed to apply in April and May 2020.

The qualifying deduction for sick pay is temporarily abolished

- In order to reduce the spread of the coronavirus, covid-19, the qualifying deduction for sick pay and sickness benefits is temporarily suspended. The Swedish state will bear the costs of the temporary rules. The new rules apply from 11 March to 11 May 2020. Employers should make qualifying deductions as usual. Self-employed persons will also be compensated for one qualifying day. That means that employees may retroactively seek compensation from the state for the first day of sick leave.

Proposal for the temporary abolition of the doctor's certificate requirement

- The government has proposed to temporarily abolish the doctor certificate requirement during the sick pay period. The proposal means that an employee who is sick can stay home from work for up to 14 days 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: [https://www.verksamst.se/en/web/international/about-verksamst.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#New rules regarding illness](https://www.verksamst.se/en/web/international/about-verksamst.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#New%20rules%20regarding%20illness)
<https://www.forsakringskassan.se/coronavirus>

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

Payment respite for tax due to temporary payment difficulties

- If a company has payment difficulties because of the corona covid-19, it is possible to apply for a respite of tax payment.

Proposed new possibilities for deferment of tax payment

- In addition, the government has proposed that companies should be able to have better opportunities for respite of tax payment. You will be able to get respite of tax payment for employer contributions, preliminary tax on salary, and value added tax which is reported quarterly and monthly. The respite of tax payment will include three accounting periods and you can get the respite for up to one year. The new rules are proposed to apply from April 7, 2020, but you can apply retroactively from January 1, 2020.
 - **Payment respite for tax is to be extended:** The government has proposed to extend the previous proposal on payment respite for tax so that you who report your VAT annually should be covered by respite payments. The proposal applies to VAT to be reported from December 27, 2019 to January 17.

Temporarily reduced employer fees

- The Government has proposed to temporarily reduce the employer fees and you as an employer should only pay the old-age pensions fees. The proposal is to be valid for up to 30 employees and on salaries that do not exceed 25 000 SEK and for the period March 1 to June 30 2020. The proposal is valid for the period 1 March to 30 June 2020
 - For sole traders, the proposal means that no other fees than the old-age pension fee, two-thirds of the other deductibles and the general salary contribution will be paid during 2020.
 - The proposals is to be temporary and will enter into force on April 6 2020.

Source: <https://skatteverket.se/servicelankar/otherlanguages/inenglish/businessesandemployers/payingtaxesbusinesses/paymentrespites.4.12815e4f14a62bc048f53b6.html>
[https://www.verksam.se/en/web/international/about-verksam.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#Deferment of tax payment due to temporary payment difficulties](https://www.verksam.se/en/web/international/about-verksam.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#Deferment%20of%20tax%20payment%20due%20to%20temporary%20payment%20difficulties)
[https://www.verksam.se/en/web/international/about-verksam.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#Financing, support and advice/](https://www.verksam.se/en/web/international/about-verksam.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#Financing,%20support%20and%20advice/)

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

Access to new loans

- The Riksbank has decided to 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.
- The government proposes that companies that are viable but suffered financial difficulties as a result of the corona virus, should be given the opportunity of a state loan guarantee. A loan guarantee means that the state guarantees 70 percent of new loans from the banks to the companies. Each company is proposed the opportunity to borrow a maximum of SEK 75 million, with some reservation that exceptions can be made.



Source: <https://www.riksbank.se/en-gb/press-and-published/notices-and-press-releases/press-releases/2020/riksbank-lends-up-to-sek-500-billion-to-safeguard-credit-supply/>
https://www.verksamt.se/en/web/international/about-verksamt.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#New-governmental-proposals-for-small-business
<https://www.regeringen.se/artiklar/2020/03/om-forslaget-statlig-lanegaranti-till-sma-och-medelstora-foretag/>

Temporary discount for rental costs to support exposed industries

Temporary discount for rental costs in exposed industries

- To help industries such durables (for example clothes, toys and home electronics), hotels and restaurants, the government has proposed accelerating the renegotiation of rents. The proposal is that the state accounts for 50 percent of the rent reduction and up to 50 percent of the fixed rent. The support is valid from 1 April - 30 June 2020 and can be applied afterwards.

Possibility to get back preliminary tax for 2019

- If you are a sole trader and have difficulties because of corona and covid-19 the government has proposed to change the rules for allocation funds. This means that you can deduct 100% of your taxable profit for the year 2019 in your allocation fund. The ceiling is up to SEK 1 million and you will then be able to offset this against your future losses.

Source: https://www.verksamst.se/en/web/international/about-verksamst.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#Financing, support and advice
<https://www.regeringen.se/artiklar/2020/03/stod-for-sankta-hyor-i-utsatta-branscher/>
<https://www.regeringen.se/artiklar/2020/03/om-forslaget-skattelattnader-till-smaforetagare-genom-utokad-avsattning-till-periodiseringsfond/>

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

Temporary ban on travel to Sweden

- The Government decided, 18 March, to temporarily stop non-essential travel to Sweden. There are exceptions in the ban, for example people who transport goods to Sweden. Necessary deliveries of, for example, food and medicines will not be affected. The regulation is valid for 30 days to begin with.

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 13.5 hours and during a calendar week there must be at least 24 hours coherent rest. The decision took effect on 16 March and is valid until 14 April.
- 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: https://www.verksamt.se/en/web/international/about-verksamt.se/news/-/journal_content/56_INSTANCE_0LpMHH7zZQ6q/50205/NEWS_CORONA#Travels and transports
<https://transportstyrelsen.se/en/road/Commercial-transport/notification-of-temporary-derogation-from-driving-and-rest-times/>