

Press Release

Austria: Parliament Approves Employment Bonus for New Jobs

- **Government makes EUR 2 billion in funding available for the creation of new jobs**

Vienna, June 30, 2017 – The Austrian Parliament approved the implementation of an employment bonus as a means of creating new jobs.

Accordingly, starting on July 1, 2017, companies are entitled to apply for a refund of 50% of non-wage labor costs (so-called employer social security contributions) for each newly created job over a period of up to three years. The funding is accessible to companies regardless of their size or the sector in which they operate provided that their headquarters or permanent establishment is located in Austria. The public financing bank Austria Wirtschaftsservice (aws) is responsible for handling the application and granting of funding.

“With the employment bonus, the federal government is once again implementing specific measures which particularly provide considerable relief to small and medium-sized companies and reduce obstacles to hiring new employees”, says René Siegl, Managing Director of the national investment promotion consultancy ABA - Invest in Austria. *“As a result, signs continue to point to growth in Business Location Austria”.* The decision to introduce an employment bonus follows the previous gradual decrease in unit labor costs by EUR 1 billion and subsidies for non-wage labor costs for innovative startups in Austria valid since January 2017. The Austrian Government has made funding of EUR 2 billion available to finance the employment bonus.

Overview

Companies can apply for the employment bonus for newly created jobs starting on July 1, 2017. Employment relationships are eligible for funding if

- the new employee has full compulsory social insurance coverage,
- the newly created job lasts for a minimum period of four months,
- is subject to the municipal tax as well as Austrian labor and social laws and
- is filled by a person eligible for funding (already employed individuals changing jobs, people previously registered as unemployed or graduates from an Austrian educational institution).

Further information on the employment bonus can be found on the Website www.beschaefigungsbonus.at.

Editorial Note:

ABA - Invest in Austria is the national investment promotion agency owned by the Federal Ministry of Science, Research and Economy. It provides professional consulting services to interested companies free of charge, supporting them in selecting a business location, with labor and tax issues, identifying cooperation partners and dealing with public authorities. www.investinaustria.at

Contact Hill+Knowlton (PR agency):

Hannah Stringham

Tel. 0049 69 97362 16; E-mail: hannah.stringham@hkstrategies.com

Contact ABA - Invest in Austria:

Opernring 3, 1010 Wien, Austria

Hanni Grassauer

Tel. 0043 1 588 58 57, E-mail: h.grassauer@aba.gv.at

Franziska Bauer

Tel. 0043 1 588 58 19; Mobile: 0043 676 640043 31, E-mail: f.bauer@aba.gv.at