



Law & Policy Group

GRIST

Denmark: Collective industry agreement extends parental leave

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24 Feb 2020*

Danish parents covered by the [Collective Agreement for Salaried Employees in Industry](#) will be entitled to 16 weeks of parental leave, of which eight weeks is earmarked for fathers. The three-year, cross-industry collective agreement — which covers an estimated 6,000 companies and 230,000 employees — was signed by the Confederation of Danish Industry and the Central Organisation of Industrial Employees in Denmark on 9 Feb 2020. The agreement will take effect on 1 Mar 2020 and expire on 1 Mar 2023. Other measures include changes to the “optional pay account,” increased minimum wage rates, more flexibility with regard to time off, extended paid sick leave, and improved pension arrangements for certain workers.

Highlights

- Fully paid parental leave will increase from 13 to 16 weeks. Mothers will be entitled to five weeks of paid leave, and fathers will have eight weeks; the remaining three weeks can be taken by either parent.
- Individuals will have greater flexibility to contribute part of their salary into the optional pay account or convert it into time-off or increased pension contributions. The optional pay contribution amount will increase by 1% annually — from 4% to 7% of an individual's pay — over the duration of the collective agreement. Employers that later become subject to the terms of the collective agreement will be allowed to have some optional pay account costs financed through their current payroll arrangements. Provisions of the optional pay account and the [Holiday Act](#) (Danish), (slated to take effect on 1 Sep 2020), will be streamlined.
- The hourly minimum wage set by the collective agreement will increase annually by DKK 2.5 for the duration of the agreement. The premiums paid for working different shift patterns and weekends will

increase by 1.6% per year, and the wage rate for apprentices and trainees will increase by 1.7% annually.

- Employees aged 18 or older, who have a minimum of two months of service, will be allowed to enroll in pension schemes. Employees who have reached the state pension age and are still working can choose to have their pension contributions paid as salary.
- The parties to the collective agreement will monitor fees charged by corporate pension schemes to ensure they remain competitive.
- Employees will be allowed to take up to 14 weeks of paid sick leave (up from nine weeks) and also will receive pension contributions while on sick leave. Sick pay for employees who normally earn shift or weekend work premiums will be better aligned to their normal wage rate.
- Employees will be allowed to take an additional paid day off if their child is ill for more than one day, and can take time off to attend medical appointments with their child. Employees will be allowed to use their optional pay account to take paid time off.
- The agreement calls on the government to publish legislation that allows laid-off employees to receive financial support for up to five weeks of training from the Competence Development Fund of Industry.

Related resources

- [Collective agreement](#) (Danish Industry, 9 Feb 2020)
- [Information on amended holiday act](#) (Danish) (Danish government, 25 Jan 2018)

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