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.
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As a foreign employer temporarily providing services in Denmark, you must notify the Register of Foreign Service Providers (RUT) electronically about your company and services. This also applies to self-employed contractors without employees.

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

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, gardening or cleaning, 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.
In the Danish labour market pay and working hours are primarily regulated by collective agreements or individual employment contracts. A collective agreement is an agreement on the working conditions for employees that will apply in a business or industry and cover, for example, rules about working hours, wages and salary, and holiday.

If you need more information about the wages and working conditions within a specific collective agreement area, you should contact the relevant employer organisation or trade union.

Companies are often contacted by Danish trade unions that want the company to enter into a collective agreement covering its employees in Denmark. Companies can choose to negotiate a collective agreement with a trade union themselves, or they can choose to join an employers’ organisation that can negotiate with the trade union on the company’s behalf.

There is no legal requirement for companies doing business in Denmark to enter into a collective agreement. However, a trade union may demand that a company enters into a collective agreement. If the company fails to do this, the trade union may make use of various industrial actions such as strikes, pickets or sympathy action.

**The right to organise**

All employees in Denmark have a right to join an association, for example a trade union. The act on the freedom of association in the Danish labour market protects workers’ freedom of association by prohibiting an employer from demanding that a worker is – or is not – a member of 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.
- A working week of maximum 48 hours on average including overtime.
- 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**

Foreign employees posted in Denmark are covered by the holiday rules of their home country. However, with regard to entitlements to holiday with or without pay, employees are as a minimum covered by the provisions laid down in the Danish Holiday Act. This means that the Danish rules apply if the holiday rules of the employee’s home country are less generous than the Danish rules. If your company is covered by a Danish collective agreement, your employees may have further holiday entitlements exceeding those laid down in the Danish Holiday Act.

An employee is entitled to 25 days of holiday per year in accordance with the Danish holiday rules, regardless of whether they have earned the right to paid holiday. That is, even if an employee has not earned the right to paid holiday, they are still entitled to unpaid holiday.

An employee earns the right to 2.08 days of paid holiday for every month they work in the course of a year from 1 January to 31 December. This period is called the accrual year. The holiday earned is held in the following holiday year that runs from 1 May to 30 April the year after the accrual year.

Employees either receive their regular salary during their holiday or they can receive holiday pay, corresponding to 12.5 per cent of their salary in the accrual year.
Employees are entitled to take their main holiday, consisting of three consecutive weeks, in the period from 1 May to 30 September.

As an employer, you can determine when employees can take their holiday, but you should accommodate the individual employee’s wishes as far as possible. In situations where you determine when an employee can take their holiday, for the main holiday, you must notify the employee of when the holiday must be held no later than three months in advance, and for remaining holidays, no later than one month in advance.

**Prohibition against discrimination**

Danish law prohibits discrimination in the labour market. The regulations against discrimination protect employees against discrimination in the labour market on the grounds of:

- Race, skin colour or ethnic origin
- Religion or belief
- Sexual orientation
- National or social origin
- Political opinion
- Age
- Disability

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.

**Equal opportunities and equal pay**

All companies that have operations in Denmark are covered by the Danish regulations on equal treatment and equal pay.

The Danish Act on Equal Treatment ensures that men and women are treated equally at work. This means, for instance, that an employer may not favour one gender over another when a position becomes available. Moreover, an employer may not discriminate employees on the grounds of pregnancy, childbirth or leave in connection hereto.

According to the Act on Equal Pay, men and women must receive equal pay for equal work or work of equal value. This means that men and women must be paid the same if they perform the same duties, or if their work is of equal value.

If an employee believes that he or she has been discriminated against because of his or her gender, he or she can file a complaint with the Board of Equal Treatment.
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 that is registered in another country sells services to a company registered in Denmark, the foreign company is generally not obligated to collect Danish VAT (reverse charge procedure).

If you, in your company registered in Denmark, have employees (i.e. you are an employer), you must register as an employer. If you have any foreign employees, be aware that they are covered by different tax rules depending on where they are from and how long they are in Denmark. This also applies to temporary employees such as builders and seasonal workers.

If you have any questions about the Danish tax rules, you can read more at skat.dk/udenlandsk-medarbejder or you can call SKAT 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.

You can find guidelines on the Danish workplace health and safety rules on the Working Environment Authority website at.dk.

The Danish Working Environment Authority

The Danish Working Environment Authority (WEA) 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 temporary 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 written 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
As a general rule all companies with operations in Denmark must insure their employees against industrial injuries.

Companies registered in an EU/EEA country or in Switzerland that have employees who have been posted abroad for a period of maximum 24 months are exempt from this requirement. Instead, such employees are covered by the regulations on industrial injury insurance in the EU/EEA country in which the company is registered, and in which its employees normally work. Consequently, such companies are not required to insure their employees against industrial injuries in Denmark.

If a company is registered in Israel, Croatia, Montenegro, Morocco, Pakistan, Quebec, Serbia or Turkey, special regulations apply with regard to industrial injury insurance for employees in Denmark. These regulations are laid down in conventions on social security that Denmark has entered into with each individual country.

The relevant authority in the individual country in which the company is registered can give you information on which regulations apply.

Companies that are not registered in an EU/EEA country, in Switzerland, or in a country that Denmark has entered into a convention with, must always insure their employees against industrial injury and occupational diseases in Denmark. This
applies regardless of whether employees work in Denmark temporarily or for longer periods.

**Working for longer periods in Denmark**

If employees work in Denmark for longer periods (more than 24 months), they must be insured against occupational diseases and accidents at work in Denmark.

In order for its employees to be covered against occupational diseases, a company must pay a contribution to Labour Market Insurance. The size of this contribution depends on which sector the company belongs to and the number of employees in the company.

In order for its employees to be covered against accidents at work, a company must take out an industrial injuries insurance with an insurance company that provides industrial injuries insurance. In some circumstances, it is possible to take out this insurance in an insurance company in the company’s home country. However, only very few foreign insurance companies offer industrial injuries insurance in Denmark.

If an employee suffers an injury at work, Labour Market Insurance or the company’s own insurance company will cover the claim. This means that Labour Market Insurance or the insurance company will cover the costs of the case and any compensation awarded to the employee. You can read more about Labour Market Insurance on aes.dk.

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**List of insurance companies in Denmark**

You can find a list of insurance companies that offer industrial injuries insurance in Denmark at forsikringogpension.dk.
If a company neglects to pay contributions to Labour Market Insurance or to take out industrial injuries insurance with an insurance company, the company may be subject to a fine. In addition, the company will be liable to pay the costs of claims if an employee suffers an injury at work or develops an occupational disease.

**Reporting industrial injuries**

As an employer, you have a duty to report an accident at work involving an employee to the company’s insurance company, to the industrial injuries institution in the company’s home country, and to the Danish Working Environment Authority no later than nine days after the injury occurred.

The company always has a duty to report an accident at work to the Danish Working Environment Authority. This also applies even if the company has no duty to take out industrial injuries insurance in Denmark because its employees are only temporarily posted in Denmark. When this is the case, the company must report the accident to the industrial injuries institution in its home country in accordance with the regulations in the country of registration.

If you neglect to report an accident at work, your company may be subject to a fine. In most cases a company will be fined DKK 5,000 the first time it neglects to report a work-related accident. If the company fails to report further accidents following this, it will be fined DKK 10,000 per incident.

Companies with a Danish Central Business Registration (CVR) number must report accidents via the reporting system EASY.

Foreign companies with no Danish CVR number must report a work-related accident via a link on the virk.dk website and must use their RUT number. In cases where the company has no CVR number or RUT number, the work-related accident must be reported using a form that can be found on aes.dk.

When a company reports an accident via the EASY reporting system or via virk.dk, the accident is automatically reported to the relevant insurance company and the Danish Working Environment Authority. The insurance company will then decide whether the report is to be forwarded to Labour Market Insurance.
In Denmark, doctors and dentists have a duty to report occupational diseases. As an employer you can also report an occupational disease or refer the employee to their doctor if you think they have 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.

Handbook on health and safety in the building and construction sector

If you need guidance on how to ensure safe and healthy working conditions, you can find more information in the handbook on health and safety in the building and construction sector.

The handbook is available in several languages and can be downloaded on BFA-BA.dk