

Measures on COVID-19 pandemic in Sweden

The Swedish Finance Ministry has announced a number of measures to combat the economic effects of the corona virus. Enormous amounts of money will for example be poured into the banking system. However, we believe that the following items are the most important ones to our accounting clients.

Sick pay exempt day cancelled

Normally employees will not receive sick pay for the first day of a period of illness. In order to reduce the spread of infection in the community, the exempt day is cancelled between March 11 and May 31 by Government funding of the sickness benefit for the first day of the illness.

Short term leave is introduced today

The proposal means that the employer's salary costs can be reduced by half by the state accounting for a larger cost. The construction is similar to short-term work, but the degree of subsidy is greatly increased. The employee receives more than 90 percent of the salary. The purpose is to save Swedish jobs.

It is proposed that the proposal for short-term permits come into force on 7 April and will apply in 2020, but it will apply from today 16 March.

The state takes over the sick pay responsibility for two months

Normally the employer pays the sick pay for days 2-14 in a period of sickness. The state is proposed to temporarily take the full cost of all sick pay costs in April and May. Self-employed persons are also compensated by receiving a standardized sickness benefit for days 1-14.

Liquidity boost through the tax account

The proposal means that companies and self-employed may defer payment of employer contributions, preliminary tax on salary and value added tax, which are reported monthly or quarterly.

The deferrals include three months' tax payments. They may be deferred for a maximum of 12 months. This replaces the previously presented proposal.

The new rules are proposed to enter into force on April 7, 2020, but may be applied retroactively from January 1, 2020. This means that companies that have paid tax to their tax account for January to March may apply for a tax refund from the Swedish Tax Agency. Deferrals will only be granted to companies that do not neglect their finances or are otherwise rogue. Nor may deferrals be granted to companies that already have overdue tax liabilities.