

 **Federal Ministry**
Labour, Social Affairs, Health
and Consumer Protection



Labour

SERVICE EMPLOYMENT CHEQUE

Legal is awesome – and safe!

Info available at www.sozialministerium.at or
www.vaeb.at/Service/Dienstleistungsscheck or 0810 555 666

Service Employment Cheque-online: www.dienstleistungsscheck-online.at

IMPRINT

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All information on the service check and the respective contacts are available from the **DLS-Competence Centre**, Versicherungsanstalt für Eisenbahnen und Bergbau, Lessingstraße 20, 8010 Graz, **Tel: 0810 555 666**.

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PREFACE

Do you wish to provide services in private households or allow someone to provide services in the household-related areas and do this with social protection?

Whether as home help, gardening or child care, the Service Employment Cheque enables legal employment with automatic accident insurance and the possibility of voluntary health and pension insurance.

The Service Employment Cheque Act has been in force since 1.1.2006 to ease the provision of typical household services in private homes. Full electronic processing of the Service Employment Cheque (DLS-online) has been available since 2011.

You can hire household-related services or provide them yourself in an un-bureaucratic way and contribute to legal employment in the private household sector with social protection.

**You can find out everything you need to know about the
Service Employment Cheque
in this brochure.**

SERVICE EMPLOYMENT CHEQUE-ONLINE (DLS-ONLINE)

DLS-Online is the electronic processing program for the service employment cheque scheme.

Employers and employees - who pay by service employment cheque or who are employed through the service employment cheque scheme - also have the possibility to complete all activities related to the service employment cheque scheme conveniently from home via the Internet.

Via DLS-online employers can order, purchase/pay and also electronically forward service employment cheques to their employees.

And employees have the possibility to redeem service employment cheques electronically.

Both employers and employees have the opportunity to follow their employment relationship at any time and to view and print a verification of purchased/forwarded and redeemed service employment cheques.

Your benefits

- The application is free and available around the clock.
- All matters relating to the Service Employment Cheque can be dealt with conveniently from home with a simple mouse click.
- Your journey to the post office or a newsagent is no longer necessary.
- There are no postage fees or the physical distribution of cheques from the Regional Health Insurance Fund (Gebietskrankenkasse).
- No special software is required.

The DLS-online application can be found under www.dienstleistungsscheck-online.at.

6 IMPORTANT QUESTIONS – 6 SIMPLE ANSWERS:

What is the Service Employment Cheque?

The Service Employment Cheque is a means of payment and **pay for people working in private** households – provided the pay plus holiday pay and pro-rata special payments does not exceed the monthly minor employment threshold (Geringfügigkeitsgrenze).

Who is entitled to the Service Employment Cheque?

Persons, who perform simple household-related work in private households, for example **help with the housekeeping, cleaning, child supervision or simple gardening.**

What does the Service Employment Cheque achieve?

It makes **legal workers** out of „moonlighters“ and should therefore only be given to workers with access to the **free labour market** (further details are given in this brochure, or see www.sozialministerium.at).

What benefits does the Service Employment Cheque bring?

With the Service Employment Cheque you are covered by **accident insurance** and have the possibility of a voluntary **health and pensions insurance** even at low incomes.

Who benefits from the Service Employment Cheque?

Women in particular will benefit from the Service Employment Cheque. In addition to the accident insurance it is possible to acquire pension insurance periods for security.

What services are offered by the Service Employment Cheque competence centre (CC-DLS)?

The CC-DLS provides assistance in **all** questions relating to the Service Employment Cheque. It looks after its customers with greatest commitment and best possible service. It is always ready to take care of any concerns quickly and un-bureaucratically (service hotline: 0810 555 666).

BUY (also possible via the internet portal: DLS-Online)

PRICE: E.G. € 10.20 INCLUDING ACCIDENT INSURANCE



The employer buys the Service Employment Cheques at the newsagent, at the Versicherungsanstalt für Eisenbahnen und Bergbau (VAEB), at the post office or via DLS-online. For a cheque worth € 10.- you pay € 10.20. The 20 cents pays for accident insurance and pro rata administrative costs. Service Employment Cheques are also available in other values.

WORK

PEOPLE WITH ACCESS TO THE FREE MARKET



Austrian citizens and citizens of the other „EU-States“ (with the exception of Croatians, who are not in possession of a confirmation of free movement), of Liechtenstein, Iceland, Norway and Switzerland and persons with proof of access to the labour market as well as persons who were admitted to the asylum procedure at least three months ago are entitled to be paid under DLS (further details are given in this brochure, or see www.sozialministerium.at).

FILL OUT (also possible via the internet portal: DLS-Online)

CHEQUE: NAME, SV-NO., DATE



The Service Employment Cheque from the **employer** carries the social insurance number and name of employer and the employee, as well as the day of employment.

SUPPLEMENTARY SHEET: ONLY THE FIRST TIME!

Only on application must the **employer** and **employee** fill out a supplementary sheet and jointly submit it to the DLS at the VAEB or to the Regional Health Insurance Fund (personally or by post). Alternatively this can be filled out and forwarded via DLS-online.



PAY (also possible via the internet portal: DLS-Online)

PAY IS FREELY NEGOTIABLE

Pay per employee is freely negotiable taking into consideration the minimum wage rate and the upper limit of **max. € 600.07/month** (value for 2018, minor employment threshold €438.05 per month plus holiday pay and pro-rata special payments). After performing the work the employee receives the Service Employment Cheque in payment for the services provided.



SUBMIT (also possible via the internet portal: DLS-Online)

PERSONALLY, BY POST OR VIA DLS-ONLINE

No later than the **end of the following month**.

The employee must submit the Service Employment Cheque no later than the end of the following month either personally, by post or via DLS online to the **Versicherungsanstalt für Eisenbahnen und Bergbau in 8010 Graz, Lessingstr. 20**. It is also possible to submit the Service Employment Cheque to the Regional Health Insurance Fund.



PAYMENT (also possible via the internet portal: DLS-Online)

RAPID PAYMENT

BANK



By bank or post office

The **Versicherungsanstalt für Eisenbahnen und Bergbau** immediately transfers the sum of the Service Employment Cheque to a current account or - if no account is available - issues a postal order.

UNDERSTANDING THE SERVICE EMPLOYMENT CHEQUE (DLS)

SERVICE EMPLOYMENT CHEQUE ACT (DIENSTLEISTUNGSSCHECKGESETZ) (DLSG)

BGBL. I NR. 45/2005 i.d.F.d. BGBL. I NR. 114/2005 and BGBL. I NR. 30/2014

Since 1.1.2006 the Service Employment Cheque has served to pay for employment relationships between employees and natural persons for the provision of simple household services in private homes, provided the payment from the individual employer does not exceed the monthly minor employment threshold.

WHICH SERVICES CAN BE PAID FOR WITH THE SERVICE EMPLOYMENT CHEQUE?

For example, the Service Employment Cheque can be used to pay for the following typical household services in private households (also in the context of supervised housing, provided that services are provided by third parties, and not by the people directly employed by the responsible body for supervision):

- **Cleaning work** (apartment, house, laundry, dishes)
- **Supervision** of small children or those of school age
- **Shopping** for groceries, daily necessities, medication (but not their administration), heating fuel and the heating of rooms
- **Simple gardening** (for example sweeping leaves, mowing the lawn)

The Service Employment Cheque is intended for short, fixed-term employment. The employment relationship may always be concluded between the same two people with each period not exceeding one month. And repeated fixed-term employment does not represent grounds for continuous unlimited employment. At least one Service Employment Cheque must be issued for each day of employment.

WHAT CANNOT BE PAID FOR WITH AN SERVICE EMPLOYMENT CHEQUE?

- Activities that require a (long) **period of training** (for example care of the aged and nursing care)
- „**Mixed activities**“ (working in a household as well as in a company)
- „**Three-way relationships**“ (for example, the activities in private households of persons employed by an association where no legal relationship exists between the household and the person employed, only between the private household and the association, for instance a family assistant).

VALUE AND COST OF SERVICE EMPLOYMENT CHEQUES:

With the **electronically generated Service Employment Cheque** in newsagents (and via the Internet portal: DLS-online) the value can be **individually selected up to maximum of € 100.- per cheque.**

Value for employee	€ 5.-	€ 10.-
Purchase price for employer (incl. 9,6% holiday pay and 25% pro-rata special payments)	€ 5.10	€ 10.20
The contribution to the statutory accident insurance , as well as a share of the administration costs are included in the difference between „Value“ and „Purchase price“.		

WHERE ARE SERVICE EMPLOYMENT CHEQUES AVAILABLE?

Service Employment Cheques are available all over Austria from the **Competence Centre** of the Versicherungsanstalt für Eisenbahnen und Bergbau under the Telephone number **0810 555 666** (they can be ordered from DLS via CC-DLS under www.vaeb.at). You can also acquire Service Employment Cheques from **newsagents** and **post offices**. **Once successfully registered, employers can also buy cheques online through DLS-online.**

WHO CAN BE PAID FOR WITH AN SERVICE EMPLOYMENT CHEQUE?

Payment with a Service Employment Cheque is only permitted for the following people with free access to the labour market:

- **Austrian** citizens
- Citizens of the **EU-Member States** (with the **exception of: Croatians**, who are not in possession of a confirmation of free movement)
- Citizens of **Switzerland, Liechtenstein, Iceland and Norway.**
- Other citizens provided that they hold a certificate of establishment, an exemption certificate, an unlimited residence permit, a red-white-red card plus, a „Long-term resident EC“ residence permit (from 1.1.2014 : „Long-term resident EC“), a residence card of a family member of an EEA citizen, a permanent residence card, a confirmation of free movement, a residence title of „family member“ or „Permanent residence – family member“, residence entitlement plus, a confirmation in accordance with § 3 section 8 AusLBG or a work permit. (restricted to one particular federal state), persons with a valid asylum status (persons entitled to asylum and subsidiary beneficiaries of protection) as well as persons who were admitted to the asylum procedure at least three months ago. Further information about permits is available under www.sozialministerium.at

SERVICE EMPLOYMENT CHEQUES AND FAMILY RELATIONSHIPS:

An employment relationship does not exist if the activity is exercised on the basis of family support obligation. Such family support requirements are stipulated in §§ 90ff. ABGB for spouses/registered partners and life companions, as well as § 137 ABGB for the ratio of parents to children and for the ratio of grandparents to grandchildren. Therefore, in such cases (irrespective of place of residence), it is assumed that no employment relationships exist. In any case, household activities fall under the family support obligation. For all other family combinations/with all other family members, employment is possible by means of a Service Employment Cheque.

However, in the case of a joint household, compensation with a Service Employment Cheque is in any event inadmissible.

WHAT IS THE HOURLY PAY FOR WORK PAID WITH AN SERVICE EMPLOYMENT CHEQUE?

The value of the Service Employment Cheque (for example €10.-) is not automatically the pay received for one hour of work, this is freely negotiated between the employer and employee. However, the lower limit for the hourly rate, (including holiday pay and pro-rata special payments), corresponds at least to the prescribed minimum hourly wages for domestic employees in the respective Federal State. If the particular case concerns the employment of persons with relevant, long-term experience then the minimum hourly pay is higher. **Further information can be found in the Internet under www.vaeb.at/Service/Dienstleistungsscheck or on the helpline 0810 555 666.**

Selected minimum hourly pay for 2018 including pro-rata surcharges (holiday pay = 9.6% and special payments = 25%) across Austria:

Cleaners, household help (without cooking duties) or simple garden work	€ 11.,75
Cleaners after work performed by professionals (e.g. after an apartment is painted)	€ 15.81
Household help with cooking duties	€ 12.15

Childcare	€ 12.75
Sick/elderly care (personal services such as assistance in personal hygiene or dressing)	€ 16.19

Example: A Viennese employer agrees an hourly rate € 13.- with his cleaner which should also cover holiday pay and pro-rata special payments. According to the table above, in Vienna the minimum wage per hour for cleaners and domestic help without cooking duties or simple garden work is € 11.75.

The agreed hourly pay of € 13.- is therefore above the minimum hourly wage and complies with the statutory requirements. For a working time of, for example, 5 hours this results in a payment of € 65.-. Employment service vouchers to the value of € 65.- (e.g. 1 DLS worth € 5.- and 6 DLS worth € 10.- or 1 DLS worth € 65.- obtained from newsagent or via DLS online) are owed to the employee.

EMPLOYER'S OBLIGATIONS

The employer must be satisfied that the employee is entitled to work.

With the handing over to the employee of the Service Employment Cheque for the minimum amount of pay owed and, if necessary, the supplementary sheet, the employer has fulfilled all of its relevant obligations.

For the employer all deductions are included in the purchase price of the Service Employment Cheque.

If the minor employment threshold is exceeded by a factor of one and a half through the employment of multiple employees (2018: € 657.08 per month - because holiday pay and pro-rata special payments are not taken into account for this pay limit a cap of **€ 900.11**) when using Service Employment Cheques in 2018) then the employer must pay the employer tax in accordance with the employer tax act to the amount of 16.4% of the contribution basis (notices of payment imposed by the Regional Health Insurance Fund in the next calendar year).

EMPLOYMENT OF A PERSON NOT ENTITLED TO WORK

The employer would commit an administrative offence. For the first violation a warning is given by the district administrative authority. Each additional violation is punishable by a fine of up to € 200.-.

OBLIGATIONS AND RIGHTS OF EMPLOYEES

Employees must show the employer their **work permit** and the **e-card** before the work agreement (at least prior to performing the work). The employee is paid the full value of the Service Employment Cheques per bank or postal order.

HOW MANY PEOPLE CAN AN EMPLOYER EMPLOY UNDER THE SERVICE EMPLOYMENT CHEQUE SCHEME?

In this regard there is no **restriction**. However, the factor of one and a half times the minor employment threshold must be observed (see also „obligations of the employer“ on page 11).

HOW MANY EMPLOYERS CAN ONE EMPLOYEE WORK FOR?

Also here there is **no restriction**. However, for one and the same employee an employment is only possible up to the minor employment threshold (2018: € 438.05 per month - because holiday pay and pro-rata special payments are not taken into account for this pay limit, the income from Service Employment Cheques in 2018 may reach a value of € 600.07 per month).

If the monthly salary limit is exceeded at one employer then payment by Service Employment Cheques is not permitted. The result is then normal employment subject to compulsory social insurance. For detail information contact your Regional Health Insurance Fund.

WHAT HAPPENS IF THE MARGINAL EARNINGS THRESHOLD IS EXCEEDED?

If the sum value of Service Employment Cheques submitted by one employee for one calendar month from different employers exceeds the minor employment threshold (2018: € 438.05 per month - because holiday pay and pro-rata special payments are not taken into account for this pay limit, the limit applied to the use of Service Employment Cheques in 2018 is € 600.07 per month). The employee is **compulsory insured**. They then

will receive a monthly notice of payment due with a payment slip from the responsible Regional Health Insurance Fund and must pay the corresponding contributions themselves. In such a case the social insurance contributions for the employee is 14.7%.

BEGINNING AND END OF THE INSURANCE

With the Service Employment Cheque each employee is automatically insured against accidents at work.

Accident insurance in accordance with ASVG covers accidents at work. An accident on the way to work and back is also considered an accident at work. On the day of employment insurance cover begins when starting on the journey to work and ends when the journey from work is completed.

In the case of self-insurance in the health and pension insurance scheme in accordance with Section 19a of ASVG, the insurance commences on the first day of employment of a calendar month and expires at the end of the same calendar month. If the appropriate contributions are paid the insurance cover continues in the following month. If you have any questions, please contact the **Service Hotline 0810 555 666**.

WORKING UNDER THE SERVICE EMPLOYMENT CHEQUE SCHEME A AT THE SAME TIME AS OTHER EMPLOYMENT

If marginal employment under the DLSG scheme is performed at the same time as regular employment or ongoing full-cover insurance and the resulting pay from the sum of all employment exceeds the minor employment threshold (2018: € 438.05 per month – whereby holiday pay and pro-rata special payments are not taken into account for this pay limit), then a full-coverage health, accident and pension insurance also automatically applies for the employment under the marginal Service Employment Cheque scheme.

In the following year a one-time notice of payment due for social security contributions is issued by the responsible Regional Health Insurance Fund.

VOLUNTARY HEALTH AND PENSION INSURANCE

With marginal Service Employment Cheque the employee can take out **voluntary** health and pension insurance cover in accordance with the applicable rules to § 19a ASVG. At the

EXPLANATION

request of the employee (tick the last paragraph on the supplementary sheet enclosed with the Service Employment Cheque) they will be sent the relevant form by post. On application to the responsible Regional Health Insurance Fund the employee will receive full details and a payment slip for paying the contribution (2018: € 61.83 per month). With self-insurance in the health and pension insurance scheme in accordance with § 19a ASVG the insurance cover remains in place in the following month and the contribution becomes due, unless the insurance is cancelled. For further details, please contact your Regional Health Insurance Fund.

IS UNEMPLOYMENT INSURANCE COMPULSORY?

No, as the individual employer may not exceed the insurance limit.

IS A PERSON PAID WITH SERVICE EMPLOYMENT CHEQUES SUBJECT TO THE PENSION INSURANCE FOR SELF-EMPLOYED ACT (BMSVG = BETRIEBLICHEN MITARBEITER- UND SELBSTÄNDIGEN -VORSORGE-GESETZ)?

No. As the longest duration of an employment relationship is one month the BMSVG is not applicable.

WHAT MUST BE TAKEN INTO CONSIDERATION REGARDING TAX?

Income from the Service Employment Cheque scheme represents income from non-self-employed work.

- If you only have this income, then no **income tax / earnings tax** applies **up to** incomes of € 12.000,- per year.
- If your earnings exceed € 12.000,- per year, or if you should earn other incomes from „standard“ employment at the same time as from the Service Employment Cheque scheme, or receive income from other sources (such as.: rent and lease, business, etc.) above € 730.- per year besides the income from Service Employment Cheques, then you are obliged to submit a tax declaration to the tax office.

TAX DEDUCTIBILITY FOR CHILD CARE!

Since January 2009 costs for child care in connection with employment or payment under the Service Employment Cheque scheme are tax deductible if the minimum qualification is given in the following form:

SAFETY IS IMPORTANT!

The prerequisites are as follows:

- The carer must have fully completed their 18th year of age.
- The carer must be able to prove that they have completed child care training and
- They must have a minimum of 35 hours parenting experience

Further information is available in the **Internet** under www.bmf.gv.at, by telephone **Citizen service** of the Federal Ministry of Finance week days from 08:00 to 17:00, Telephone: 0810 001 228 (throughout Austria at local rates) or from your tax office.

SAFETY IS IMPORTANT!

Service Employment Cheques are available all over Austria from the Competence Centre at the der Versicherungsanstalt für Eisenbahnen und Bergbau under the telephone number 0810 555 666. Service Employment Cheques are also available at larger post offices and in various values up to a maximum of € 100 per cheque in many newsagents. **Once successfully registered, employers can also buy cheques online through DLS-online.**

- Wages for people who work in private household
- Automatic accident insurance
- Possibility of voluntary health and pension insurance

Service Employment Cheque-online:

www.dienstleistungsscheck-online.at

For all those who wish to handle the DLS from home.

COMPREHENSIVE INSURANCE COVER

Automatic accident insurance - Voluntary health and pension insurance for € 61.83/ month (value for 2018).

With the service employment cheque each employee is automatically insured against accidents at work. Employees who do not exceed the minor employment threshold with their income from the service employment cheque scheme can contribute voluntarily to health and pension self-insurance for € **61.83** per month (value for 2018). Incomes above the minor employment threshold are subject to compulsory health, accident and pension insurance.

**DLS-KOMPETENZZENTRUM
VERSICHERUNGSANSTALT FÜR EISENBAHNEN UND BERGBAU**

Graz Office

Lessingstraße 20, 8010 Graz,

Tel: 0810 555 666, Fax: 050 2350 - 74600

dienstleistungsscheck@vaeb.at



**VERSICHERUNGSANSTALT
FÜR EISENBAHNEN & BERGBAU**

For questions relating to tax:

CITIZEN SERVICE OF THE FEDERAL MINISTRY OF FINANCE

week days from 08:00 bis 17:00

Phone: 0810 001 228 (throughout Austria at local rates)

**FEDERAL MINISTRY OF LABOUR,
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