

EGGE – EC’s Expert Group on Gender and Employment

Supplementary information regarding policies to promote gender equality and employment

Austria

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**Supplementary information regarding policies to promote gender
equality and employment : Austria**

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**REPORT FOR THE EUROPEAN COMMISSION'S GROUP OF
EXPERTS ON GENDER AND EMPLOYMENT**

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1. COUNCIL RECOMMENDATION 2002

With regard to gender equality, in 2002 Austria is recommended by the Council of the European Union to:

- Develop a target-based strategy for narrowing the gender pay gap, in agreement with the social partners; promote at all levels actions to reduce the gender gap in employment, by extending childcare facilities and promoting policies to facilitate the reconciliation of work and family life.

In the following, this paper will take up the above suggestion of the European Commission, GD V, and focus on three areas deemed to contribute to promoting gender equality and to reducing the gender gap and gender unemployment gap in Austria.

2. GENDER MAINSTREAMING IN THE PES

Austria's Public Employment Service (PES)¹ was one of the first organisations in the country to endorse the European Commission's recommendations. A recipient of funding from the European Social Fund, the PES was faced with the challenge of implementing gender mainstreaming (GM) as early as 1998.

For this reason, the PES has been trying to adopt a gender-sensitive approach in the development, planning and implementation of all its tasks and projects. This is to achieve the following labour-market policy objectives, which are also mentioned in the recommendations of the EC:

- Enhanced labour market and employment opportunities for women.
- Realisation of the principle "same pay for same work or work to which equal value is attributed".

2.1. Available Structures and Additional Measures

The following structures were already available to facilitate the implementation of GM within the PES:

- The principle of equal opportunities for women and men has always been an integral part of the Austrian PES model and forms a horizontal objective in all its programmes and objectives.
- Annual labour-market targets are gender-specific, with a separate specific target for women set for each programme.

A further key condition for the implementation of GM was the decision to only use gender-specific data for analysis in future.

¹ Unless stated otherwise, all information and data on the Austrian PES have been taken from: Egger/Mayr-Flach 2002.

In addition, the PES agreed to endorse the following measures:

- In May 2000, the PES Board and sub-organisations in all Austrian provinces declared GM an official key PES strategy, which is to be gradually implemented throughout the organisation.
- The Supplement to Objective 3 of the ESF states that
 - At least 50% of participants in all co-financed promotion programmes must be women.
 - Measures to promote women taken within priority 5 of the PES programme are to be primarily aimed at qualifying women in IT. With regard to the promotion of people in employment relationships, priority 4 of the PES programme is to focus on funding measures for women and older workers.

2.2. *The Implementation of GM*

An example for the successful implementation of GM is the review of the

- *Guidelines for Devising Guidelines*, which stipulate an equal-opportunities sensitive procedure for all new guidelines drawn up by the PES. A checklist at the end of these guidelines provides invaluable help to ensure the equal-opportunities approach has been adopted successfully.

A further step was the review of the

- *Guidelines for Selecting Education and Training Institutions*. These guidelines define gender aspects as key assessment criteria for choosing and hiring training and education organisations. Criteria evaluated in these guidelines include the institution's attitude towards equal opportunities in the workplace and as well the gender-sensitive programmes and framework conditions available. These criteria are taken into account when evaluating offers and provide an additional gauge for the selection of service providers.
- With the help of GM analysis instruments, the *Guidelines for the PES Business Start-Up Programme* were changed to promote – the number of women taking part in the programme by no longer tying participation in these measures to eligibility to PES transfers and by providing additional funds to meet the demand for qualification measures for women.

In addition to the guidelines, the GM principle has been endorsed in all key PES planning tools, e.g.:

- With regard to labour-market policy targets, from 2002 GM is to be documented and taken into account in the planning of annual work programmes.
- In addition, the PES budget controlling system is to document the quota of women participating in promotion measures.

2.3. Information and Training of PES Staff

A key factor to successfully integrating GM as a horizontal measure is the effective dissemination of the necessary knowledge and information on its practical application.

The Austrian PES provides dissemination by

- Offering training at all levels of the organisation, including seminars for senior executives and ESF representatives, workshops for staff from various PES departments as well as training and qualification measures for PES women's representatives. The participation of senior and junior management in "gender seminars" has been made compulsory.
- An information leaflet is available for enterprises, designed to increase public awareness of GM.

2.4. Further Steps

Additional steps towards the implementation of GM and the promotion of equal opportunities within the Austrian PES include:

- New directives and quality control are to ensure that equal opportunities are taken into account, with the ultimate objective of implementing GM in all PES directives until 2004.
- GM is to be tied in with the quality management system (EFQM) used by the PES. This means that in future EFQM will also be used to assess GM implementation.

3. THE REFORM OF TAX AND BENEFIT SYSTEMS FROM A GENDER PERSPECTIVE

The change of government in February 2000 has brought about extensive and, in particular, rapid changes in all areas of social protection. Due to the considerable number of individual new measures implemented within the frameworks of the so-called "Legislation accompanying the Budget Law 2001" and "Pension Reform 2000", the following pages will focus on an analysis of the most important and in terms of the gender perspective most significant measures. Overall, it can be said that measures were primarily introduced with a view to cutting social expenditure and not as much in order to modernise and/or improve social protection. Many of the measures introduced have had and still have a negative impact on the social security and independence of women.

3.1. Unemployment insurance scheme

"Legislation accompanying the Budget Law 2001" has brought about a series of changes within the unemployment scheme, primarily with a view to cutting expenditure.

3.1.1. Introduction of a waiting period for those who hand in notice

From January 1, 2001, all employees who initiate termination of their employment contracts themselves have been subject to a 4-week waiting period. Cases of “just cause”, which provided the opportunity for exceptions under the previous scheme, have been abolished.

Women in particular are often forced to quit their jobs if they cannot reconcile them with their childcare and nursing responsibilities. Women involved in legal action under the Equal Opportunities Act (especially in cases of sexual harassment at work) also frequently give notice themselves. These rather obvious instances of “just cause“ no longer apply.

3.1.2. Reduction of family supplement

From January 1, 2001, family supplements for those who claim social security benefits have been cut to € 29.07 per dependent family member. This is equivalent of a reduction of 40%.

For the unemployed, long-term unemployed and recipients of parental leave benefits, family supplements are or were essential to secure their livelihood. Under the previous scheme, family supplements added to the—even by international standards—low amounts of benefits provided by the unemployment insurance scheme² and thus considerably reduced poverty risk. Despite the fact that the expert team on the “effectiveness of the social welfare system”³ also came to this conclusion, family supplements were cut, predominantly affecting low-income households with several children as well as lone parents, mostly women.

3.1.3. Changes in the calculation of unemployment benefits

From January 1, 2001, the previous system for calculating unemployment benefit has been replaced by a general net replacement rate of 55% of the previous net income. For unemployment benefits below the amount of the equalisation supplement under the public pension scheme (2001: € 613.14), a net replacement rate of 60% was introduced. Unemployed persons eligible for family supplement are to receive unemployment benefit of a maximum of 80% of previous net income.

² In 1999, 203 000 persons claimed unemployment benefits or unemployment assistance. In total, 63% of all benefits (50% of male recipients, 80% of female recipients) were below the guaranteed minimum income by equalisation supplement under the public pension scheme. This affected ca. 50% of recipients of unemployment benefits (one in 3 men, 3 in 4 women) and ca. 75% of recipients of unemployment assistance (two thirds of the men, 9 in 10 women). One in 5 recipients of benefits (10% of men, 1 in 3 women) received less than € 436,04 per month (Cf. Wörister 2000).

³ In summer 2000, the Austrian government appointed a team of experts to examine cases of overprovision and inadequate provision within Austria’s social security system and to work out concrete recommendations. The findings of the expert team, who diagnosed inadequate provision in several areas and made recommendations for improvement, were largely disregarded.

This change in calculating unemployment benefits has particularly negative consequences for unemployed parents. The introduction of a maximum amount (a maximum net replacement rate of 80%) *de facto* amounts to a further reduction of family supplements. New regulations can lead to a reduction in these supplements to almost a third of the present amounts.

3.1.4. Changes in lump-sum regulations for advertising costs

From January 1, 2001, the lump sum for advertising costs previously taken into account for the calculation of unemployment assistance has been reduced from € 38.73 to € 10.90.

As a consequence, unemployment assistance for claimants whose partner or spouse is engaged in paid work is subject to a cut of € 27.83 a month. This is due to the fact the amount set aside for advertising costs directly reduces the amount of the partner's or spouse's income which is taken into account for the calculation of unemployment assistance. Around 40,000 to 50,000 claimants of unemployment assistance are affected, predominantly women. If a claimant now fails to qualify for unemployment assistance altogether, he/she is neither covered by health insurance nor are these periods credited for pension insurance.

3.1.5. Extension of qualifying period

From January 1, 2001, the minimum insurance period to again qualify people who have already received unemployment benefits has been extended from 26 to 28 weeks.

This measure predominantly affects those employed in the construction and tourism industries (mostly women) as well as persons with temporary employment contracts.

Women frequently do not qualify for unemployment assistance as their partner's or spouse's income is taken into account. For them the extension of the qualifying period to reclaim unemployment benefits has particularly negative consequences. In addition, women more frequently have short-term employment contracts, making it harder for them to qualify.

3.1.6. Abolishment of index adjustment of unemployment assistance

From January 1, 2001, unemployment assistance for the long-term unemployed is no longer automatically index-linked.

This measure results in a reduction of benefits for the long-term unemployed, despite the fact that in 2000 average benefits for long-term unemployed did not exceed € 474.12 for women and € 605.51 for men (Wörister 2001).

3.2. Pension insurance system

The changes in Austria's pension insurance scheme brought about by the "Pension Reform 2000" were primarily aimed at cutting social expenditure and were introduced with a view to "making the pension system sustainable".

3.2.1. Reductions in invalidity pensions

The "Pension Reform 2000" did away with the favourable calculation method previously applied to invalidity pensions. From 2001 onwards, increase points will be reduced to 1.78% in 2001, 1.78% in 2002 and 1.74% in 2003 (previously 1.8%). As of 2005, invalidity pensions are to be subject to the same calculation method as all other pensions and thus will suffer reductions.

In 2000, median first-time invalidity pension amounted to € 1,046 for men and € 599.00 for women (Wörister 2001). Consequently, already in 2000 invalidity pensions for women were below minimum income (equalisation supplement 2000: € 604.06).

3.2.2. Abolishment of early retirement pension due to reduced working capacity

Following a ruling of the European Court⁴, early retirement pension due to reduced working capacity was retroactively abolished from May 23, 2000. A measure introduced at the same time to some degree protects those claiming invalidity benefit from having to change careers: employees aged 57 and over who due to ill health cannot continue to work in their present jobs but have worked in this field for more than 10 years within the past 15 years, are considered invalid. A reasonable change of occupation, however, can be expected.

Early retirement due to reduced working capacity was particularly important for unskilled workers⁵ as for them access to invalidity pension is very difficult. The abolishment of this form of early retirement affects ca. 14,000 persons a year, most of them men. Whether the slight relaxation of the access to invalidity pension is sufficient to fill the resulting gap of protection is highly questionable. In Austria, it is far from easy to qualify for invalidity pension. In 1999, 6 in 10 applications for invalidity pension were rejected (Wörister 2000).

3.2.3. Changes in early retirement pensions

In the course of the „Pension Reform 2000“, statutory retirement age for early retirement due to long contributory service or unemployment as well as for partial pension was raised by 18 months to 56,5 years for women and 61,5 years for men. The

⁴ According to the ruling, different retirement ages for men and women are not in accordance with European Law.

⁵ In 1999, 56% of first-time pensioners were blue-collar workers (Cf. Wörister 2000).

gradual implementation of this measure began on October 1, 2000, raising retirement age by two months each quarter. Thus, the new statutory retirement ages will be fully in force by October 2002.

In addition to the raise of statutory retirement age, deductions for retirement before statutory retirement age are gradually being raised from 2% to 3% for each year the pensioner falls short of the statutory retirement age (women 60, men 65). However, only a maximum of 15% of the pension, or 10 increase points, can be deducted.

In future, persons who opt for retirement after the age of 60 (women) or 65 (men) are to be granted a bonus of 4% per year they start retirement later. Up to now, this bonus was between 2% and 5%, depending on the age of the claimant. This bonus system allows for a maximum pension of 90% of the assessment basis.

Both the raise of statutory retirement age and the considerable increase of deductions for early retirement further aggravate the position of older workers, who suffer from unemployment and ill health more often than the average. In 1999, almost 50% of older workers starting retirement were either unemployed (34%) or on sick leave (12%) (Wörister 2000). Therefore, older workers are forced to claim unemployment and health insurance benefits for longer. For women, the raise of statutory retirement age means increased financial dependence. As the partner's or spouse's income is taken into account for the calculation of unemployment assistance, unemployed women receive little or no unemployment assistance at all. That means that in future unemployed older women will be even more dependent on their husbands or partners.

The introduction of a deduction system has particularly negative effects on women, who receive rather low old-age pensions to start with. In 1999, median first-time old age pension for women was € 732.61, amounting to just under 48% of that for men (€ 1,536.16). Even before the reform, early retirement pensions due to unemployment frequently were below guaranteed minimum income.⁶

Granting bonuses for later retirement does not seem a realistic scheme. Only very few employees are in the position to continue working beyond statutory retirement age. In 1999, this affected 8% of men and 13% of women. Women frequently work beyond retirement age in order to accumulate the periods of insurance necessary to claim old-age pension.

3.2.4. Reductions of survivors' pensions and plans for a "pension splitting" system

From October, 2000, newly granted survivors' pensions amount to between 0% and 60% of the deceased spouse's pension⁷ (between 40% and 60% under the previous

⁶ As no gender-specific data on the amounts of early retirement pensions are available after 1994, the data used here are from 1994: In December 1994, average early retirement pension due to unemployment for women (including supplements) amounted to € 535,38 (Cf.: Bundeskammer für Arbeiter und Angestellte, 1995: 367).

⁷ Survivor pension amounts to 60% in cases where the survivor receives no other benefit. In all other cases, the percentage depends on the income gap between spouses during their active working lives.

scheme). At the same time, the ceiling for non-reduction of survivors' pensions – i.e. amounts to up to 60% - was raised from € 1,235.44 to € 1,453.46 a month.

In addition, a ceiling was introduced for persons claiming both pension in their own right and survivors pension. The threshold here is € 6,278.93.

The ÖVP/FPÖ government programme also includes plans for a “pension splitting” system, which grants part of the spouse's pension to divorced women who due to extended periods of childcare and family work have only accumulated marginal pension entitlements in their own right.

Cutbacks in survivors' pensions were implemented with a view to reducing expenditure. Apart from widowers, the measures predominantly affect women entitled to a relatively high pension in their own right as well as women who are still working. The further development of an old-age pension system for women in their own right (independently of marriage) is not an issue. Plans to split the spouse's pension in case of divorce does not constitute entitlement to pension independently of marriage and does not help to alleviate the situation of lone parents.

3.3. Health insurance scheme

3.3.1. Dissolution of the Continued Pay Fund for blue-collar workers

From September 30, 2000, the Continued Pay Fund for blue-collar workers has been abolished. The measure was implemented despite the fact that the adaptation of continued wage payment for blue-collar workers to the regulations for white-collar workers would have required a raise in contributions.⁸ Under the previous scheme, employers paid monthly contributions into the fund, which, in turn, covered a major part of sickness benefits payable to blue-collar workers. The financial risk was thus evenly distributed among all employers, minimising the risk for SMEs.

It has to be feared that employers will increasingly resort to dismissing persons who are frequently on sick leave. Job security, in particular for older, less-qualified workers, is at risk. Similarly, paid nursing leave (2 weeks for blue-collar workers) will be harder to obtain as these benefits too were covered by the Continued Pay Fund for blue-collar workers.

⁸ From 1, 2001, regulations for continued wage payment for blue-collar workers has been partly adapted to the regulations for white-collar workers, i.e. abolishment of 14-day waiting period for blue-collar workers on sick leave, extension of the maximum duration of continued pay to 6 weeks (at 100%) and an additional 4 weeks (at 50%). To finance these provisions, considerable cutbacks were decided on: (1) employees are entitled to paid leave only in relation to the period of employment in any given active year. (2) If employees terminate employment contracts voluntarily, they are no longer entitled to a day off for seeking a new job. This measure primarily affects people employed in temporary or frequently changing jobs.

3.3.2. *Restrictions of co-insurance without paying contributions*

In past years, changes regarding contribution-free co-insurance have been a frequent topic of discussion on all parts of the political spectrum. Measures flanking the Budget Law 2001 have restricted access to co-insurance, without, however, further developing individual right to welfare benefits.

From January 1, 2001, insurance contributions have to be paid for spouses and partners. Exemptions only applies if:

- A child lives in the same household or has lived there for a minimum of 4 years
- If the spouse/partner claims long-term care benefit (category 4 upwards)
- The spouse/partner provides long-term care to the insuree, who claims long-term care benefit (category 4 upwards)
- The insuree's monthly net income does not exceed the equalisation supplement reference rate for couples (2001: € 874.76).

Contributions amount to 3.4% of the insuree's contribution basis and are payable to the respective health insurance institutions. Marginally employed spouses or partners may opt for voluntary self-insurance within the health and pension insurance system. For 2001, contributions for the marginally employed amount to € 41.79 a month.

The measure affects about 100,000 persons, almost exclusively women, half of whom are either older than 50 or have a partner who is retired. These women have no claim to insurance in their own right but are still considered "co-insured".

Importantly, the new regulations differentiate between childless women without health insurance and women with children, who are considered worthy of protection. Women who have born children but have not been able to care for them for at least four years (e.g. death of the child) lose their claim to contribution-free health insurance.

Neither are there transition periods for older people, who due to their advanced age cannot qualify for health insurance in their own right by seeking employed work. Obligatory contributions are also to be paid for immigrant women who are excluded from the labour market.

Obligatory insurance contributions constitute a particular problem for unemployed men and women who are not entitled to unemployment assistance – and thus health insurance – because their spouses' or partner's income is taken into account. In 1999, this affected more than 11,000 persons, 88% of which were women. Rather than solving the problems surrounding unemployment assistance⁹, the introduction of obligatory contributions increases these persons' dependence on their partners.

Exemption from obligatory contribution for caregivers is only granted if the person attended to is the insured spouse or partner. If other relatives are in need of care, contributions will now have to be paid.

⁹ Women are not only financially dependent on their partners or spouses during these periods but also lose valuable insurance periods for pension insurance. This aspect has long been criticised by women.

3.4. Employee and pensioner tax credit

From January 1, 2001, employee tax credit, or negative income tax, has been reduced from € 109.01 to € 54.50. A tax credit of € 109.01 is now only granted to those who contribute at least € 72.67/month to a private pension insurance scheme.

This measure also affects those 500,000 people (among them 300,000 women) whose gross income does not exceed € 922.94 a month. For them, the reform is equivalent of a 50% cut in tax credit as incomes of that size do not allow for private pension insurance.

From January 1, 2001, pensioner tax credit of presently € 399.70 for gross pensions of € 1,453.46 and above has been subject to linear reductions depending on income. No tax credit at all is granted for pensions above € 1,962.17.

3.5. Taxation of disability benefits

From January 1, 2001, disability benefits are subject to taxation (legislation flanking the Budget Law 2001). Only a fraction of those affected by these changes qualify for equalisation measures to make up for financial losses caused by these changes. For claimants whose ability to work is reduced by at least 70%, pre-tax pensions are increased by 30%.

On average, taxation equals a reduction of disability pensions by about a third. The measure affects around 110,000 claimants, among them numerous low-income blue-collar workers who qualify for disability pension due to accidents at work. In addition, more than 60% of those claiming disability pensions are already retired, with an average monthly pre-tax income of no more than € 1,017.42. In April 2000, disability benefits payable to claimants in their own right averaged at € 242.29 (Hauptverband der Österreichischen Sozialversicherungsträger, April 2000).

In view of the income situation of the majority of claimants of disability benefits, the government's claim that taxation of disability benefits serves the reduction of overprovision is untenable.

4. THE NEW CHILDCARE BENEFIT

With the abolishment of the traditional parental leave benefit in favour of a childcare benefit, Austria has taken a huge step away from 40 years of social insurance transfers towards a system of family benefit. The new legislation stipulates that from 1 January 2002 childcare benefit can be claimed regardless of employment (and thus social insurance cover) previous to the birth of the child. Previous employment is only taken into consideration with regard to immigrant women as well as in establishing the additional earnings threshold (*Zuverdienstgrenze*).

4.1. *Childcare benefit legislation*

4.1.1. *Eligibility Criteria and Amount of the Childcare Benefit*

Childcare benefit can be claimed for a child if

- Family benefit¹⁰ can be claimed for it,
- The child lives in the same household
- And if the claimant's (the child's mother or father) income does not exceed € 14,600 before tax per calendar year while claiming the benefit.

For those not entitled to claim family benefits – i.e., for instance, immigrants from countries outside the European Economic Area (EEA) – childcare benefit is only available if they fulfil the criteria previously required to claim parental leave benefit (i.e. previous employment). Thus, the childcare-benefit system continues to discriminate non-EEA immigrants.

Childcare benefit can only be claimed by a child's mother or father and is provided for the parent looking after the child.

Childcare benefit amounts to € 14.53 per day. Lone parents and parents whose partner's income does not exceed € 7,200 per year are entitled to a further € 6 per day. Whereas parental leave benefit was reviewed and adjusted annually, the new legislation does not provide for an increase in the amount of the benefit!

Although the ÖVP/FPÖ government stresses the new benefit's financial advantages, the abolishment of the "family supplement" – additional payments for further children under parental leave benefit regulations – actually means that under the new legislation the total monthly amount of childcare benefit is now lower for parents who have more than 1 child.

4.1.2. *Duration of Eligibility*

Childcare benefit can be claimed for a maximum of 36 months, until the child's third birthday, and for a maximum of 30 months if only one parent claims the benefit. The additional 6 months can only be claimed by the other parent. In contrast to parental leave benefit regulations, parents now can only claim childcare benefit one after the other. The claimant can change twice, with each period lasting a minimum of 3 months.

Maximum duration of entitlement to childcare benefit is shorter for women who were in a regular paid employment relationship before their child's birth because childcare

¹⁰ Parents who are resident or usually live in Austria for children living in the same household can claim family benefit. Non-EEA immigrants are only eligible to claim family benefits if they have continuously lived in Austria for a minimum of 5 years. Immigrants who have been living here for less than 5 years can only claim family benefits if they have an income trough dependent employment.

benefit cannot be claimed during the first four weeks of motherhood when these women are entitled to maternity benefit.

The legislation providing for the option to partly postpone parental leave until a child's seventh birthday – in accordance with the Council Directive on parental leave (96/34/EEC of 3 June 1996) – is now only available in labour law (legislation on the protection of expecting and nursing mothers and parental leave for fathers). Childcare benefit, or parts of it, cannot be claimed after the child's third birthday.

4.1.3. Additional Earnings

Earnings of up to € 14,600 before tax per calendar year have no effect on eligibility to childcare benefit or the amount of the transfer. However, calculating the exact amount of additional earnings (per month or per year) actually allowed under childcare benefit provisions¹¹ is very complex and definitely requires professional help: earnings in excess of this amount mean that the benefit is stopped and/or must be paid back for the entire entitlement period, because technically the claimant is no longer eligible to receive the benefit!

Parental leave benefit regulations only allowed for marginal employment (earnings of up to € 296 per month before tax). However, it provided the option to work part time while claiming 50% of parental leave benefit. This option was popular among parents who wanted to equally share childcare work. Childcare benefit regulations do not provide for such a “half & half” option. What is more, the additional earnings threshold of € 14,600 per year also applies to persons choosing part-time parental leave or part-time employment (see also 4.2.). Parents working in well-paid jobs will thus find it harder or even impossible in future to reduce working hours in order to look after their children while claiming childcare benefit.

Whereas the new regulations facilitate entitlement to childcare benefit for unemployed mothers and fathers, for those who have a partner with a well-paid job, for farmers and for the self-employed, they make it harder for those in paid employment who exceed the allowed amount of annual additional earnings.

4.2. Legislation on the Protection of Expecting and Nursing Mothers and Parental Leave for Fathers

The introduction of the childcare benefit has resulted in minor changes in the legislation on the protection of expecting and nursing mothers (*Mutterschutz*) and what under new regulations is now called parental leave for fathers (*Väter-Karenzgesetz*).

¹¹ For more details, cf.: Lamplmayr 2002: 131ff.

4.2.1. Duration of Parental Leave

Although childcare benefit can be claimed until a child's third birthday, legislation regarding parental leave and part-time employment as well as the length of protection against dismissal have remained unchanged. According to Lamplmayr (2002:134f.), this is causing irritation among employees, who are used to equating eligibility to childcare benefit with a legal right to parental leave.

Despite childcare benefit being available until a child's 3rd birthday, the duration of parental leave is still limited until the second birthday of the child. The 4-week protection against dismissal following parental leave has also remained unchanged.

By law, parents can still opt for part-time parental leave (including protection against dismissal) until their child is 48 months old. Childcare benefit payments however end when the child is 30 (or 36) months old.

4.2.2. Employment Opportunities and Protection against Dismissal

Legal changes in this area affect employment opportunities during parental leave and the reduction of protection against wrongful dismissal in cases where parents decide to split parental leave. According to the new legislation, it is possible to arrange employment in excess of marginal employment during parental leave with one's employer for up to 13 weeks per calendar year.

Parents who want to share parental leave have suffered disadvantages with regard to legal protection against dismissal: Under new regulations protection against dismissal for the parent taking over the second period of parental leave begins no sooner than 4 months before the start of their parental leave. The employer must be notified at least 3 months before the start of parental leave. Thus, the period in which a parent can legally notify his/her employer of the impending parental leave and is still legally protected against dismissal has been reduced to 1 month, making parental leave sharing more difficult.

At closer look at the legislation thus refutes the ÖVP/FPÖ government's well-worn argument that the introduction of the childcare benefit facilitates reconciliation of work and family responsibilities. What is more, with the introduction of the childcare benefit not only has the returners' assistance – an allowance paid to employers who take on returners from parental leave to the labour market – been scrapped but also any commitment towards a further extension of childcare facilities has been abandoned. While the introduction of the childcare benefit has used up enormous sums of money, the lack of interest in improving childcare facilities in Austria has been obvious since NAP 2001.¹²

¹² Cf. Mairhuber 2001:17.

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