

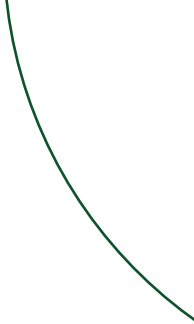


MODERNISERINGSSTYRELSEN

# Employment in the Danish State Sector

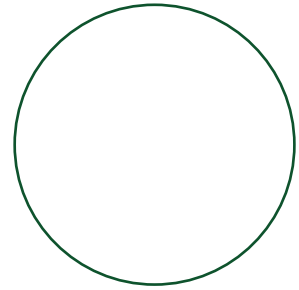
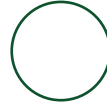
November 2011







**MODERNISERINGSSTYRELSEN**



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# Preface

Among EU Member States and in other international contexts, there is considerable interest in sharing experience and mutual inspiration regarding personnel matters and public administration.

The Agency for the Modernisation of Public Administration often contributes information on personnel-related issues in Danish central government in connection with meetings, conferences and seminars held under international auspices. Furthermore, the Agency for the Modernisation of Public Administration provides written responses to questionnaire surveys and other inquiries from foreign cooperation partners and international organisations.

For this purpose, the Agency for the Modernisation of Public Administration has issued the present publication, which sets out general employment conditions as well as more specific rules of employment law in central government.

The publication is available in English and Danish, and is accessible on the website of the Agency for the Modernisation of Public Administration [www.perst.dk](http://www.perst.dk).

Agency for the Modernisation of Public Administration  
November 2011





# 1. The Danish labour market

The state sector is an integral part of the Danish labour market. Consequently, a number of the characteristics of the entire Danish labour market also apply to the state sector.

## **The Danish collective bargaining model**

Collective agreements between the labour market parties are a significant element of the Danish labour market. The point of departure is that as long as the labour market parties themselves are able to reach agreement, the Government will intervene as little as possible in the employees' conditions. This is the key aspect of the traditional Danish model.

The Danish labour market is, generally, characterised by a high rate of organisation both among employers and employees, as well as a long history of mutual recognition of employers' associations and trade unions.

The origins of the present collective bargaining and agreement system lie in the private sector with the September Agreement of 1899. After long and hard dispute, employers and employees agreed that it was a matter of mutual interest to establish more formalised ways of cooperation and to mutually recognise each other. The fundamental agreements reached at that time remain in force today.

It is, therefore, a characteristic of the Danish labour market – both the public and private sectors – that it is based on the conclusion of collective agreements subject to negotiation between employers and employees through their organisations. Collective bargaining rights rest on the general agreements concluded between representatives of the employers and employees as well as on “Normen” (the code of practice governing the resolution of industrial dispute).

The length of the agreement period is decided on each occasion. In the public sector area, the parties have agreed upon periods of three years' duration since the late 1990s and until 2011. In connection with the 2011 collective bargaining, the parties agreed upon a period of two years' duration. During the agreement period, the parties are subject to a no-strike agreement, which means that they cannot lawfully call a strike or a lockout. The Industrial Court settles disagreements in connection with breaches of the agreements, including strikes in contravention of the collective agreement, whereas questions regarding the interpretation of the collective agreements are settled by industrial arbitration.

In connection with bargaining regarding the renewal of collective agreements, the parties may issue a strike notice or initiate lockout in order to put pressure to bear on the negotiations. Before a strike can take place, the parties are required to endeavour to reach an agreement, if necessary with the assistance of the State Conciliation Board on Labour Disputes.

Terms of pay and employment that are agreed through collective bargaining apply also to non-unionised employees within the same staff category.

In the public sector, there is a consensus that the implementation of EU directives on labour market and social-related issues is to take place, whenever possible, within the framework of the Danish model i.e. through collective agreements.

## **Legislation**

The relationship between the employer and the individual employee is as a main rule regulated by collective agreement.

There are, however, a number of labour market laws which regulate the terms that apply to special groups of employees or apply to special situations. Examples of the former are the Civil Servants Act, the Civil Servants' Pension Act and the Salaried Employees Act. Examples of the latter are the Holiday Act, the Equal Treatment Act, the Equal Pay Act, the Working Environment Act and the Act on Entitlement to Leave and Benefits in the Event of Childbirth. These laws cover employers and employees in both the public and private sectors.

## 2. The state sector

### **The state sector as part of the public sector labour market**

The state sector comprises approximately 185,000 employees. The entire public sector comprises approximately 775,000 employees, corresponding to approximately a third of the Danish labour market.

On 1 January 2007, a reform of the public sector structure was implemented (known as the Danish Local Government Reform), which implied significant changes to the organisational structure and division of tasks in the public sector. A total of 271 municipalities were reduced to 98 large municipalities and 14 counties were abolished and replaced by five regions. A number of tasks were moved from one level to another in the new structure.

Today, the public sector comprises:

- The state sector, which is in charge of tasks at central level, including central administration, the defence, the police and education (youth and higher education programmes)
- The regions, which are in charge of tasks at regional level, including public health service
- The municipalities, which are in charge of tasks at local level, including the environment, employment, primary and lower secondary schools, child care and care for the elderly

The Agency for the Modernisation of Public Administration in the Ministry of Finance is the central employer in the state sector area. In the remainder of the public area, the employer's interests are safeguarded by Local Government Denmark and Danish Regions, which are the interest organisations of the municipalities and the regions, respectively.

### **Tasks and organisation**

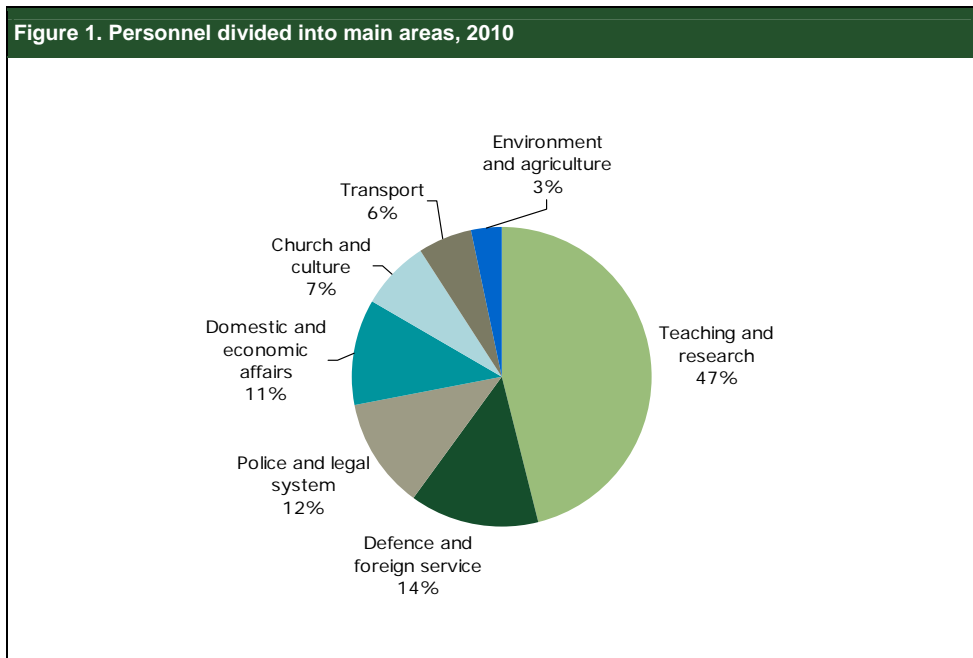
The tasks of the state sector mean that personnel are primarily divided into three main areas, namely

- teaching and research
- defence, police and the legal system
- domestic and economic affairs

In addition, there are transport sector personnel (DSB, which is an independent public company, and Rail Net Denmark).

The composition of state sector personnel reflects the composition of tasks in the state sector. The major personnel groups are academic staff, office staff, internally trained police and defence staff, skilled labour as well as teachers.

The size of the individual ministerial remits varies a great deal, and so may the organisation of them. In addition to a department, most ministries include one or more government agencies. Moreover, a number of institutions are associated with the individual ministerial areas.



Source: ISOLA.

### **The Ministry of Finance (Agency for the Modernisation of Public Administration) as employer**

The Agency for the Modernisation of Public Administration is part of the organisation of the Ministry of Finance and carries out the function of overall central government employer with respect to HR, collective agreements, management, employment law, pay and pension.

The Agency for the Modernisation of Public Administration negotiates and concludes collective agreements and other agreements with the employee organisations for the 185,000 employees in the state sector and takes part in the legislative preparatory work within its entire remit.

Another important task is to support effective implementation of collective agreements and other agreements in individual central government workplaces. In addition, the Agency for the Modernisation of Public Administration provides ministries and government agencies with advice on employment law, collective agreements, pay and pension. The Agency for the Modernisation of Public Administration also develops HR tools as well as a number of pay and personnel-related statistical instruments for the purpose of local HR functions.

In the area of management, the Agency for the Modernisation of Public Administration is involved in activities targeted at the recruitment and development of senior managers as well as development programmes for managers and managerial talents.

Furthermore, the Agency for the Modernisation of Public Administration is in charge of the budget, grant and accounting management of civil servants' pensions.

### **The mission of the Ministry of Finance**

The Ministry of Finance supports the government in pursuing sound economic policies and ensures innovation and efficiency in the public sector.

### **The vision of the Ministry of Finance**

The Ministry of Finance is an analytical powercenter, where employees can realise their full potential and develop into leaders of tomorrow.

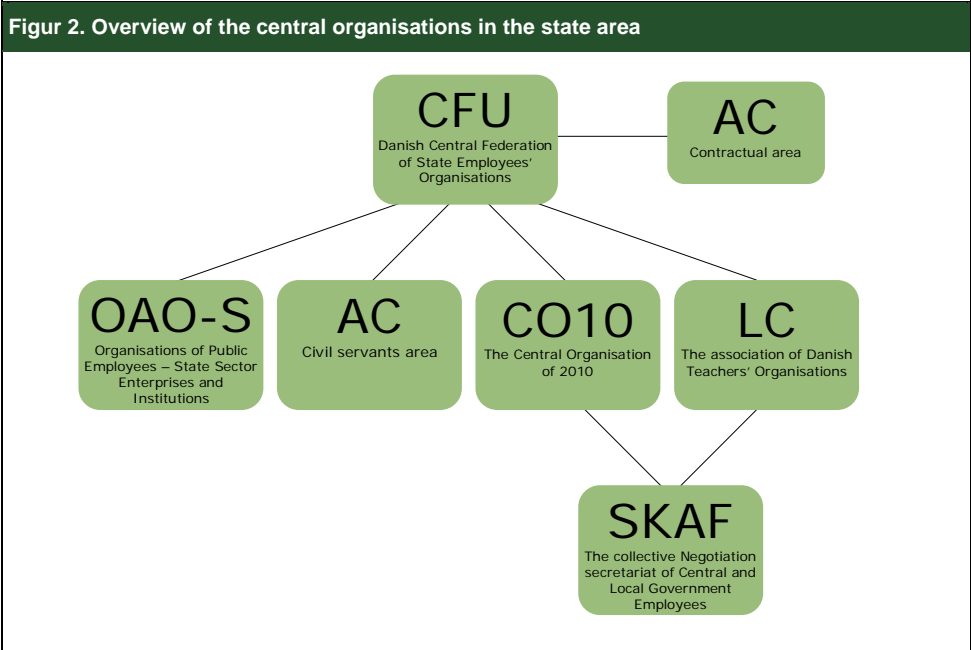
The Ministry of Finance acts as a single corporation and is a role model for efficient management and development of operations in the Danish public sector.

### **Staff organisations in the state area**

The majority of those working in the state sector are employed under a collective agreement or as civil servants. They are comprised by the collective bargaining competence of the central organisations.

Each of the central organisations represents a number of associated employee organisations.

The central organisations have established a joint collective bargaining committee, the Danish Central Federation of State Employees' Organisations (CFU).



A few organisations, representing 2-3 per cent of state employees are not included in the above organisations.

**Cooperation between the Agency for the Modernisation of Public Administration and the staff organisations**

In accordance with the Danish collective bargaining model, framework agreements and general issues regarding pay and employment terms are negotiated between the Ministry of Finance (Agency for the Modernisation of Public Administration) and the CFU in connection with the collective bargaining, which typically takes place every second or third year. The length of the agreement period is decided on each occasion.

Collective agreements fixing pay and employment terms for the various personnel groups in central government are concluded between the Ministry of Finance (Agency for the Modernisation of Public Administration) and the individual employee organisations.

In the periods between the collective bargaining, the Agency for the Modernisation of Public Administration and the CFU cooperate, on an ongoing basis, on various projects of mutual interest. They include, for example, the organisation of theme days, the publication of joint guidelines on general codes, discussions of EU issues, the launch of surveys, etc.

### **Employee participation**

It is the task of the management of state sector workplaces to manage and distribute work.

The development of workplaces in the state sector depends to a very high degree on employee participation. This is based on dialogue and cooperation between management and staff in both formal and informal cooperation fora at the workplace.

In all state sector workplaces with a minimum of 25 employees, a joint consultation committee must be set up. In minor places of work, cooperation must be based on the same principles that apply to the work of the joint consultation committees.

The framework for cooperation and joint consultation committees is laid down in an agreement. The agreement on cooperation and joint cooperation committees implements three EU directives on i.a. information and consultation of employees as well as two European agreements on stress as well as harassment and violence.

It is the task of the joint consultation committee to determine a framework for the cooperation between management and staff that involves staff in the targets and strategy of the workplace and promotes competence development and the best possible working conditions.

The joint consultation committee is the forum for dialogue between management and staff on the development and future of the workplace. A number of the problems that relate to working and personnel conditions are, therefore, assigned to discussion by the joint consultation committee.

The workplace's targets, strategy, finances, competence development and staff satisfaction are the core aspects of the dialogue of the joint consultation committee. The objective of the dialogue is to reach agreement on the measures that are to be initiated within various areas. In case of disagreement, management will make the necessary decisions in the area.

The number of places on the joint consultation committee is subject to local agreement. The senior manager of the workplace is chairman of the joint consultation committee. The employee representatives on the joint consultation committee elect the deputy chairman.

### **Representatives of employees' organisations**

At the individual institution, there may be representatives of employees' organisations, provided there are five or more employees in accordance with the collective agreement/organisational agreement in question.

The employees, for the purpose of, among other things, safeguarding their interests in relation to management, elect representatives of employees' organisations. Furthermore, the representative of an employees' organisation is to a certain extent involved in local pay negotiations on behalf of the organisation, and acts in general as the link between management on the one hand and the employees and the organisation on the other.

Due to their particularly exposed position, representatives of employees' organisations have a special protection against unfair dismissal and transfer.

Therefore, special procedural rules apply in connection with the dismissal and transfer of these representatives, and there must be compelling reasons for the dismissal or transfer of a representative of an employees' organisation to be deemed fair.

### **The Agency for the Modernisation of Public Administration in a European context**

Decisions taken at European level impact on the Danish labour market. As one of the labour market parties, the Agency for the Modernisation of Public Administration is a member of various committees and European organisations through which it is possible to gain influence on the European decision-making process.



In connection with the implementation of EU directives and European agreements, the Agency for the Modernisation of Public Administration seeks to ensure that both processes and modes of implementation, to the widest extent possible, respect the competence of national labour market parties to determine pay and employment terms.

Together with the other public sector employers in Denmark, the Agency for the Modernisation of Public Administration is a member of the CEEP, which is recognised by the Commission as a European social partner. In addition to exerting influence on labour market legislation, etc. at European level, the CEEP is a party to several European agreements, for example agreements on telework and work-related stress. These agreements are, typically, implemented in Denmark by agreement in connection with the collective bargaining.

The Agency for the Modernisation of Public Administration participates, furthermore, in a European cooperation regarding public administration in EU Member States, known as the European Public Administration Network (EUPAN). The network is involved in a broad array of themes relating to public administration. The objective of this cooperation is to support modernisation, improve efficiency and improve the performance of tasks in the public sectors of the Member States. This is achieved through exchange of experience, the development of tools and by drawing on relevant research, etc. The group of Directors General, including the Director General of the Danish Agency for the Modernisation of Public Administration, manage and direct the work of the network. The Agency for the Modernisation of Public Administration is particularly involved in the efforts of the working groups on Human Resources Management and Innovative Public Services.



## 3. Status of employment

Persons working in the state sector are as a main rule employed under collective agreements or as civil servants.

Since 1 January 2001, appointment as civil servants is confined to special positions that are specified in circular of 11 December 2000 on the application of civil servants' employment in the state sector and the national church. Accordingly, it is typically some groups of managers, judges as well as some police, prison and defence staff that are employed as civil servants. Other groups are typically employed on collective agreement terms.

With effect from 2009, managers in departments, government agencies and directorates, etc. are in principle employed on contractual terms under the framework agreement regarding the employment of managers on a contract basis in the state sector. This does not apply to permanent secretaries, who continue to be employed as civil servants.

Consequently, over the years there has been a drop in the proportion of civil servants from 44 per cent in 1996 to 26 per cent in 2010.

A few individual personnel groups are employed according to unilaterally determined regulations, and in a small number of cases, employment is based on individual contracts.

### **Employment under a collective agreement**

For persons employed under a collective agreement, the Ministry of Finance and the relevant employee organisations have concluded pay and other employment terms in collective agreements.

Persons employed under a collective agreement are covered by the general labour market legislation.

### **Employment as civil servants**

Under the Danish Constitution, Danish nationality is a prerequisite for employment as a civil servant (with respect to employment of foreign nationals, please see below).

The employment terms for civil servants are laid down in the Civil Servants Act and the Civil Servants' Pension Act as well as determined by collective agreement.

These Acts regulate issues regarding official duties, disciplinary proceedings, dismissal and pension.

Pay and other employment terms are agreed between the Ministry of Finance and the central organisations.

Civil servants are covered by the general labour market legislation apart from the Holiday Act and the Salaried Employees Act.

### **Other status of employment**

In connection with regulations employment, the terms are determined unilaterally by the employer.

In connection with individual employment, the basis of employment is an individual contract that is concluded between the employee and the employment authority.

Both regulations employed and individually employed members of staff are subject to the general labour market legislation.

Regulations employment is used for personnel groups whose work area is not subject to any collective agreement.

Employment based on an individual contract is used especially in connection with the appointment of high-ranking managers, where the employment authority finds it expedient to apply a more flexible and individual wage system or is in need of non-competition clauses or special dismissal or premature compensation retirement schemes. This status of employment may only be used in cases where there is no agreement covering the area, or if the organisation with which the agreement has been concluded gives it approval.

### **Differences between civil servants and other groups**

The most significant differences between civil servants and other groups of employees are that civil servants have no right to strike, they are entitled to up to three years' pay if they are dismissed due to abolition of positions, and their pension scheme is a defined-benefit plan that is regulated in the Civil Servants' Pension Act.

**Overview of differences between the rules governing persons employed under a collective agreement and civil servants**

	<b>Persons employed under a collective agreement</b>	<b>Civil servants</b>
<b>Regulatory framework</b>	General agreements, collective agreements and general labour market legislation	The Danish Constitution, the Civil Servants Act, the general agreement, collective agreements and the general labour market legislation apart from the Holiday Act and the Salaried Employees Act
<b>Course of action to follow in case of failure to conclude/renew collective agreements</b>	General employment law procedures, including access to industrial action	No right to strike. The Minister of Finance will submit a Bill to the Folketing (Danish Parliament)
<b>Probation period</b>	For salaried employees: a maximum of 3 months according to the Salaried Employees Act. Other employees: none	Normally 2 years
<b>Breach of duty</b>	Warning, dismissal or summary dismissal are possible sanctions	Disciplinary sanctions under the provisions of the Civil Servants Act, including reprimand, warning, fine, transfer to other work, demotion or dismissal
<b>Sickness</b>	Usual pay during sickness for most groups. Others will receive benefits under the Sickness Benefit Act	Usual pay during sickness
<b>Notice of termination on the part of the employee</b>	Salaried employees and other employees paid on a monthly basis: 1 month. Some employees paid on an hourly basis: 3 days – 1 month	3 months
<b>Notice of termination on the part of the employment authority</b>	Salaried employees: 1 - 6 months depending on seniority. Some employees paid on an hourly basis: 3 days – 3 months	3 months

<b>Pension</b>	Insurance-based pension in connection with resignation due to age or sickness	A defined benefit plan that is regulated in the Civil Servants' Pension Act. Pension in connection with resignation due to age, sickness or any other cause that is not attributable to the civil servant
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### **Fixed-term employment**

Fixed-term employment is based on special rules in the Civil Servants Act and the Civil Servants' Pension Act as well as an agreement concluded by the Ministry of Finance and the central organisations on fixed-term employment, etc. Both civil servants and staff employed under a collective agreement may be employed for a fixed term.

It is a characteristic of fixed-term employment that a fixed-term award is granted and that conditions regarding severance pay and job return may have been agreed.

The objective of fixed-term employment is to achieve greater mobility and flexibility and a broader basis of recruitment, especially in connection with the appointment of managers.

### **Employment of foreign nationals**

Like Danish nationals, foreign nationals may be employed on collective agreement terms or on individual terms.

Appointment as civil servants is only possible provided the employee has Danish nationality, cf section 27 of the Danish Constitution.

In cases where individuals with Danish nationality are employed as civil servants, individuals without Danish nationality will be employed on terms corresponding to those of civil servants, cf section 58c of the Civil Servants Act. With respect to pensions, they will also be treated like civil servants.

In accordance with the rules on the free movement of labour, citizens from the other countries in the EU and the EEA enjoy the same opportunities of employment in positions where individuals with Danish nationality are employed as civil servants.

This right applies subject to restrictions that are justified by regard for public order, public security and public health.

The rules governing the free movement of labour do not apply to positions in public administration. According to the practice of the Court of Justice of the European Union, this exemption applies only to positions that entail the exercise of public authority and responsibility for safeguarding the general interests of the state or other public authorities.

In general, there is no requirement of Danish nationality in connection with appointments in central government administration. However, there are exceptions with regard to certain positions within the area of the Ministry of Defence and with regard to the appointment as judges and police officers.





## 4. Pay and pension

### **Pay formation in the Danish state sector**

Ministries, government agencies and institutions are basically free to recruit personnel according to local wishes and needs, but within certain limits. For payroll-operated institutions (typically ministries and agencies), the primary limitation is the total payroll. For framework-financed institutions (for example universities and vocational schools), the limitation lies in the total budget. The pay of central government employees is fixed in different ways for various types of employees. For the highest-ranking managerial positions in the state sector i.e. the permanent secretaries, both the number of positions and the total pay for the individual positions are fixed centrally. For other positions, the point of departure is that the classification/basic pay is fixed centrally and, in addition to this, there is a possibility of allowances subject to local negotiation.

The possibility of granting allowances in addition to centrally fixed pay varies depending on the level of the position, as well as on whether the position is subject to the old or the new pay system. The differences are described in the paragraphs below.

### **Pay adjustment scheme**

In the Danish state sector, a pay adjustment scheme has been agreed which ensures that the pay of state employees in general and over a long period of time develops in parallel with the pay in the private sector. The pay adjustment scheme automatically adjusts the state sector pay development to the private sector pay development, but subject to a certain time lag.

The key mechanism of the scheme is that pay increases on the private labour market are compared with pay increases in the state sector. In case of a difference, 80 per cent of it will be realised in the subsequent pay settlement period as adjustment of the state sector wages and salaries.

If the state sector pay development is below that of the private sector, the state sector wages and salaries will be adjusted upwards in the subsequent pay settlement period. If the opposite is the case, the state sector wages and salaries will be adjusted downwards.

The pay adjustment scheme means that the pay development of the state sector in the long term will fluctuate according to the pay development of the private sector.

This means that it is the private sector pay development that sets the actual standard for the size of the total state sector pay development.

### **Job monitoring**

Apart from the budgetary restriction, there is particular monitoring of the number of positions at the top levels, for example managerial positions. Before a position at the level of head of division or above can be established, it must be approved by the Ministry of Finance. This procedure ensures that the number of positions at the top levels does not increase in an inexpedient manner.

### **Permanent secretaries**

With respect to the highest-ranking managers in the individual ministries, the permanent secretaries, both the basic pay rate (salary level) as well as allowances for the individual permanent secretaries are subject to decision at central level.

Once a year, the Ministry of Finance together with the Prime Minister's Office makes a decision on the granting of personal salary improvements for the permanent secretaries. In connection with the assessment of the major tasks and results of the past sessional year of the Folketing, a review will be carried out of how any permanent secretary has managed and developed the ministerial area and performed any cross-departmental tasks.

### **New Pay in the Danish state sector**

In the state sector, the point of departure is the new pay systems. With New Pay, the following has been achieved:

- that part of the pay formation has been decentralised to local level where there is maximum knowledge of the actual working conditions and the qualifications and effort of employees,
- that the pay development of employees reflects the performance and qualifications of the individual staff member to a greater extent than previously, and
- that pay can be used as a management instrument to help motivate employees and to achieve a more effective state sector.

New Pay is, at the same time, an integral part of the personnel and management policy in the state sector.

## **Prevalence of the new pay systems**

In 2011, approximately four out of five state employees are comprised by New Pay against only three per cent in 1998 when the scheme was introduced. The new pay systems cover the state area to a broad extent and apply to general staff members as well as managers.

Ten per cent of the payroll is allocated at the individual workplace. The remaining 90 per cent of the payroll is allocated centrally i.e. through negotiations between the Ministry of Finance and the employees' organisations. It is the ambition of the Agency for the Modernisation of Public Administration that an increasing proportion of the wage bill should be negotiated locally at the individual workplace.

The new pay systems are particularly prevalent in the areas of academic staff and of office staff, where practically everybody is included. Also, the majority of staff in the educational area are employed under the new pay systems.

Similarly, the vast majority of managers in the state sector are comprised by the new pay systems.

## **Structure of the new pay systems**

The most prevalent new pay system model is the basic pay rate system. The basic pay rate system consists of a basic pay rate or a basic pay rate interval, which is agreed centrally, together with a superstructure in the form of an allowance component, which is agreed locally. The basic pay rates hold typically no or only a very small number of automatic seniority-related pay increases. Individual pay development has thus been decentralised to the individual workplace. This is in line with the wish of the Agency for the Modernisation of Public Administration that a greater proportion of the pay formation should take place at decentralised level in the form of local pay formation, and efforts are being made to increase the local allowance proportion of the total payroll.

Locally agreed allowances comprise functions-related allowances, qualifications-related allowances and one-off payments. Furthermore, it is possible to agree performance-related pay schemes.

**Figure 3. New pay systems – centrally and locally agreed pay**

Performance-related pay	Locally agreed
One-off payments	
Qualifications-related allowances	
Functions-related allowances	
Basic pay (one or few grades or intervals) Central allowances	Centrally agreed

**Box 1: Types of allowances under the new pay systems**

**Performance-related pay** is awarded against the background of a number of performance targets (quantitative and/or qualitative) that have been agreed in advance. The performance-related pay is triggered once the conditions of the performance-related pay agreement have been met. It is possible to agree performance-related pay for groups of employees or individuals.

**One-off payments** will typically be relevant if it is a matter of remuneration following a particular effort.

**Qualifications-related allowances** are used to reward employees on the basis of their professional and personal qualifications, the quality of the performance of the task, the balance in relation to corresponding positions elsewhere on the labour market or for the purpose of recruitment and retention. Qualifications-related allowances are as a rule granted as permanent allowances.

**Functions-related allowances** are used to reward employees who are in charge of special functions in their positions. The functions-related allowance is linked to particular tasks which the employee performs. The functions-related allowance is, typically, temporary and limited to a particular task, but may be permanent.

## **Individual pay negotiation**

One of the most recent and most significant developments in the state sector pay systems is the introduction of individual pay negotiation. The possibility for the individual employee to negotiate pay directly with his/her manager became a generally accepted part of state sector agreements as from the 2005 collective bargaining. After the 2011 collective bargaining, a total of 21 staff groups are comprised by permanent schemes concerning individual pay negotiation. It means that approximately 12 per cent of state sector employees negotiate pay themselves.

There are, furthermore, a number of pilot schemes under which it may be agreed locally to let pay negotiations take place directly between the employee and the manager. The pilot schemes apply i.a. to all employees comprised by the academic staff agreement.

Generally, it is the ambition of the Agency for the Modernisation of Public Administration to simplify the rules that provide the framework for pay negotiations at the individual workplace. The local parties must be enabled to adjust the framework to local needs to a greater extent, and staff wishing to negotiate their pay themselves must have the possibility to do so.

Local pay negotiations for other central government employees take place between the management of the individual institution and the representative of the relevant employees' organisation.

## **Pay systems for managers**

An agreement concluded by the Ministry of Finance and the central organisations on managerial pay enables the individual ministries to supplement the managerial positions' basic pay rate (salary level) with local, flexible pay formation.

Consequently, it is possible to determine one-off payments as well as permanent and temporary allowances subject to negotiation with the individual manager. With respect to permanent and temporary allowances, the procedure depends on the employees' organisation's subsequent approval.

In 2009, the agreement on managerial pay was partly replaced by a framework agreement on employment contracts for managers, which over time will comprise 50 per cent of the central government area. The framework agreement increases flexibil-

ity to a significant extent and makes it possible to agree a number of individual terms directly between the employment authority and the individual manager on i.e. allowances, pay grading, the size of the pension contribution, and the term of notice.

It is possible for all managers, including directors general of government agencies, to enter into performance pay contracts in order to establish visible correlation between performance and pay, please see text box below.

#### **Box 2: Contracts of directors general**

##### **Performance-related pay for directors general (directors general contracts)**

The possibility of concluding performance pay contracts is to be seen in the light of general target and performance management in the state sector. The idea of contract management implies that a contract system can be set up from top to bottom within the institution. It means that the department enters into a performance contract with the institution as a whole and/or a performance pay contract is concluded with the director general. Subsequently, the overall contract will be specified to make it relevant for other managers.

The objective is to establish correlation between performance pay and target and performance management for the institution's activity and strategic development by providing directors general and managers with further incentives to pursue the management objectives of the institution.

The performance-related pay contracts of directors general are, consequently, primarily used as a reflection of the institution's performance contract or parts of the contract.

### **Old pay systems**

Employees on the old pay systems are remunerated either according to the wage system of civil servants: the salary grade system, or other centrally agreed pay scales.

It is a common characteristic of the old pay systems that they typically hold long pay intervals with many salary grades, and that employees move up automatically in connection with increasing seniority.

The civil servants' wage system consists of a pay scale of 56 salary grades. These salary grades constitute the framework for 43 salary levels, each of which comprises one or more of these salary grades. At the bottom of the scale, the pay intervals are the longest i.e. they contain the greatest number of salary grades. Subsequently, they

become shorter and shorter, the higher the employee rises on the scale. The 11 highest salary levels comprise only one salary grade.

A position is classified depending on the most important tasks and the responsibility linked to the position as well as any particular education and experience-related requirements.

If the salary level consists of several salary grades, a change to the next salary grade will take place after (normally) two years, depending on the pay interval agreed.

In addition to the salary grade pay, permanent allowances are granted in a number of cases to compensate for i.a. an obligation to be at the disposal of the institution, overtime work, inconvenience, etc. Furthermore, the salary grade system contains a certain degree of geographical differentiation, which means that Danish municipalities are divided into five different local-allowance areas with different remuneration.

The division into local-allowance areas has taken place on the basis of

- wages and salaries on the private labour market in the municipality
- the level of prices in the municipality
- taxation in the municipality

The old pay systems are characterised by centrally agreed pay elements, which means that there are only limited opportunities of local allowance formation.

### **Service check 2011-2013**

The Agency for the Modernisation of Public Administration wants state sector workplaces to have the best possible framework for handling the challenges of the future. Therefore, the parties to the 2011 collective bargaining agreed on a service check of the framework for collective bargaining and agreements in the Danish state sector. Up to the collective bargaining in 2013, the parties will study ways to structure the pay systems to ensure that they support the development of a state sector that is dynamic and ready to handle change.

### **Pension**

The vast majority of state sector employees are covered by a statutory labour market pension scheme or a labour market pension scheme under a collective agreement. In

addition, all employees receive the Danish Labour Market Supplementary Pension (ATP), which is a mandatory pension scheme for all wage earners in Denmark.

Like all other citizens in Denmark, state sector employees are included in the social pension system. It means i.a. that they receive the old age pension when they reach the state pension age, which is 65 years today. The state pension age will be raised gradually to at least 67 years of age. Whether it will be raised further depends on the trend in life expectancy.

### **Staff employed under a collective agreement**

Staff employed in the state sector under a collective agreement are covered by collective pension schemes based on pension funds or insurance companies.

These pensions are financed by pension payments made by the employee as well as the employer. The pension payment varies according to the collective agreement area from 15 to 18 per cent of the pensionable salary. It is calculated so that the employer pays 2/3 and the employee 1/3 thereof.

The main elements of the pension schemes are retirement pension, disability pension (if a person's working capacity is reduced by 2/3 or more), children's pension and often also a spouse's pension scheme. This entitlement also applies to a registered partner, and often also to a cohabitant.

According to actuarial principles, the pension is calculated in relation to the amount paid into the scheme. A spouse's pension typically constitutes from 40 to 60 per cent of the retirement pension and the children's pension normally 10 per cent of this (20 per cent for orphans).

Since the introduction of these pension schemes, the state has set out a number of requirements regarding the composition of benefits of the schemes. The trend has been towards opening up for more flexible schemes and making it optional for the individual, within the given framework, to invest part of his/her own pension contribution.

There is no general compulsory retirement age.



### **Civil servants**

Pensions for civil servants are regulated under the Civil Servants' Pension Act. Civil servants are entitled to a pension in connection with the termination of his/her employment due to age, infirmity or any other cause that is not attributable to the civil servant. The civil servant's spouse and children are also secured a pension if the civil servant dies.

There are approximately 109,000 retired civil servants, 31,000 spouses of deceased civil servants and 6,000 children of deceased civil servants. There are approximately 72,000 employees entitled to a civil service pension from the state.

The pensions are financed by the Budget as a pay-as-you-go system.

The pension is calculated on the basis of the civil servant's pensionable salary on the date of retirement and the accumulated pensionable service of the civil servant.

The maximum pensionable service is 37 years.

There is no general compulsory retirement age for civil servants. However, military personnel have a mandatory retirement age of 60, which will be raised gradually to 62 years of age. For this group, the accumulation of pensionable service is subject to special rules.

After 37 years' pensionable service, the maximum pension amounts to 57 per cent of the pensionable salary.

In addition to the percentage of the pensionable salary, pensioners who have not attained the state pension age receive a supplement that is included in the total pension. When pensioners reach the state pension age and, consequently, are entitled to the old age pension, the pension supplement ceases to exist.

Civil servants are entitled to retirement pension in connection with their retirement after having reached the age of 60. The 60-year limit will be raised gradually to at least 62 years of age. In connection with retirement before the state pension age, a deduction will be made in the civil servant's pension which is permanent and dependent on the age of the civil servant on the date of retirement. In connection with retirement less than two years after the earliest possible retirement age, the pension

will furthermore be reduced by an amount corresponding to 50 per cent of the supplement granted to pensioners below the state pension age.

A civil servant is entitled to ordinary infirmity pension when dismissed due to sickness if the person in question has been employed for at least ten years.

Civil servants who on the date of dismissal have lost at least 2/3 of their working capacity are entitled to qualified infirmity pension in connection with retirement before they have reached the age of 60. The 60-year limit will be raised gradually to at least 62 years of age. There is no requirement of ten years' service and the pension will be calculated on the basis of the pensionable service that would have been accumulated at retirement at the age of 70.

Civil servants who have performed at least ten years' service and who are dismissed for another reason than age and infirmity and which is not attributable to any fault of their own will have their pension calculated on the basis of the pensionable service accumulated on the date of dismissal. "Another non-attributable reason" will typically be that the position is abolished or that the civil servant for other reasons than sickness is not in a position to carry out his/her tasks. If it is a matter of abolition of the position, the civil servant will receive the salary he/she has received so far for a period of three years prior to transition to pension. The three years will be included in the pensionable service.

If a civil servant leaves his/her position before having attained the age of 60 without being entitled to current pension, the person in question will receive a deferred pension, which is calculated on the basis of the pensionable service accumulated on the date of resignation. The deferred pension may not be paid out until the person in question has reached the age of 60 with a deduction as mentioned in the above. The 60-year limit will be raised gradually to at least 62 years of age. Payment may, however, also take place from the date when the former civil servant's employability might be reduced by at least 50 per cent.

If a civil servant or retired civil servant dies, the surviving spouse will receive a pension, which normally totals 71 per cent of the deceased's pension. This entitlement also applies to a registered partner, but not to a cohabitant.

Any children below the age of 21 of a retired civil servant or deceased civil servant are entitled to a pension until they have reached the age of 21. Orphaned children are entitled to twice the amount.

# 5. Other terms of employment

## Working hours

Working time issues are in principle not regulated by law, but through collective agreements and other agreements concluded between the labour market parties for the relevant areas and personnel groups.

Consequently, *the length of working time* is fixed by collective agreement. Working hours today are 37 hours a week at full-time employment.

It is possible for the individual employee to obtain an agreement on part-time employment (less than 37 hours a week) or plus-time employment (more than 37 hours a week). The pay is reduced or raised proportionally.

Employees who on a weekly basis have worked more than 37 hours/the agreed plus-time hours – calculated as an average over a period of typically one or three months – are entitled to overtime remuneration for the excess hours.

Overtime pay is granted, which in practically all areas amounts to 50 per cent. The employer may normally decide whether the remuneration is to take the form of payment or time off in lieu of payment.

Employees who themselves plan their work, or whose working time cannot be checked are not entitled to overtime pay. However, subject to specific assessment, the employer may grant overtime remuneration in the form of time or money if the scope of the additional work has been considerable.

Similarly, the provisions governing *the organisation of working time* are fixed by collective agreement, but supplemented by general rules laid down in the Working Environment Act. To some extent, it is a matter of implementation of EU directives.

Under the Working Environment Act, the employee is entitled to at least a weekly 24-hour rest. For the vast majority of employees, the working hours are, however, organised as a five-day week with two days off per week.

The Working Environment Act entitles the employee to a period of rest of at least 11 hours within each period of 24 hours. The period of rest may, however, be reduced to a certain extent by collective agreement.

For the vast majority of state sector employees, work is organised with a daily lunch break of half an hour, which is included in working hours. Employees are at the disposal of the employer during these breaks and may not leave the workplace.

At local level, agreements may be concluded on a so-called flexitime scheme. It gives the employees the opportunity of placing some of their working hours within a particular period.

Most employees are entitled to a special allowance for working unsocial hours (typically between the hours of 5 pm and 6 am), at weekends and on public holidays.

## **Dismissal**

Rules governing dismissal are regulated partly by law and partly through collective agreements and other agreements. For staff employed under an individual contract, the contract applies together with the provisions laid down in employment law.

Any dismissal of an employee by the employer must be based on a reasoned argument relating to the circumstances of the institution (e.g. insufficient funds or restructuring) or to the conduct of the employee (e.g. lack of aptitude, too much absence due to sickness or cooperation problems).

The employee – and when it is a matter of a civil servant, also the employee organisation having negotiating rights – must be given the opportunity to make a statement prior to the implementation of the contemplated dismissal.

For civil servants, the employer's notice of dismissal is three months. For the vast majority of staff employed under a collective agreement, the rule is that the notice of dismissal is gradually increased from one month to six months (after nine years' employment). For employees paid by the hour, who are often less closely connected with the employer, the notice of dismissal is given from three days to three months (after five years' employment). However, the notice lapses in the event that no work can be offered temporarily due to a shortage of work. A prolonged notice of dismissal of up to 12 months may be agreed for some managers.

If the employee in the beginning of the employment relationship is subject to a probation period, shorter periods of notice apply – typically two weeks.

The justification of compulsory retirement of a civil servant may be tried before the ordinary courts of law. With respect to staff employed under a collective agreement, the employee organisation having negotiating rights may submit the dismissal to an industrial tribunal. The industrial tribunal comprises the parties' representatives and a neutral arbitrator (normally a judge), and it settles the matter without the possibility of appeal. Staff employed under a collective agreement may have a dismissal tried before the ordinary courts of law, if the employee organisation refuses to take the matter further in the dispute settlement system.

An employee may tender his/her own resignation at the following notice: Civil servants: three months. The majority of staff employed under a collective agreement: one month. Employees paid by the hour: from three days to one month (after five years' employment). In case of a probation period, shorter periods of notice apply – typically from zero to 14 days.

## **Holiday**

All employees in Denmark have a statutory right to five weeks' holiday. To the extent the employee has been employed in the previous calendar year, it is a matter of holiday with pay.

For employees in the state sector, the pay will normally include the usual remuneration + a special holiday allowance that is calculated as 1½ per cent of the taxable income in the previous calendar year.

The vast majority of employees in the state sector are, furthermore, covered by collectively agreed rules according to which they earn a 0.42 special holiday per month. It means that an employee who has been employed throughout the previous calendar year has the right to an additional week's holiday with pay.

The employer decides when the ordinary holiday is to be taken whereas in principle it is the employee who decides when the special holidays are to be taken.

Subject to agreement between the employer and the employee, holiday in excess of four weeks per year as well as the special holidays may be transferred to the following holiday year or converted into a cash payment.

## **Sickness**

The majority of central government employees are normally entitled to full pay during sickness. However, a small group of hourly paid employees receive only sickness benefits, which constitute a lower amount than their normal wages.

The employer may require documentary evidence that the absence is due to sickness. Where the employer finds it necessary to have documentary evidence from a doctor, the employer may ask for documentary evidence in the form of a statement of feasibility or a simple statement issued by a doctor. The simple doctor's statement confirms that the employee has a valid excuse for his/her absence, and for how long.

The statement of feasibility places focus on the possibility that the employee may perform tasks in spite of the sickness. The statement of feasibility is filled in jointly by the employer and the employee. Subsequently, the doctor certifies the filled-in statement of feasibility.

All employers – both in the public and the private sectors – are under an obligation to hold an interview with employees who are absent due to sickness after four weeks' sickness at the latest. The objective of the interview is to find out if the employer and the employee through joint efforts may arrive at solutions to shorten the period of sickness absence and help the employee return to work.

At many places of work, the uses of both interviews with employees who are absent due to sickness and statements of feasibility are described in the workplace's sickness absence policy. A sickness absence policy is a set of ground rules for how specifically to prevent and handle absence due to sickness at the individual workplace. The joint consultation committee of the workplace lays down the guidelines for the sickness absence policy and once a year discusses the sickness absence rate of the workplace, including any initiatives that could reduce absence.

## **Maternity/paternity leave and adoption leave**

In the state sector, a collective agreement has been concluded regarding maternity/paternity leave, etc. which supplements the statutory rules about entitlement to leave and benefits with a right to pay and to earn pension rights, etc.

According to the agreement, the mother has a right to take pregnancy leave with pay six weeks before childbirth. After the birth of the child, the mother is entitled to 14

weeks' maternity leave with pay, and the father is entitled to two weeks' paternity leave with pay. Lastly, the mother and the father are, each of them, entitled to six weeks' parental leave with pay as well as an additional six weeks' leave with pay to be shared between them (in case both are employed in the state sector, otherwise the person employed in the state sector is entitled to 12 weeks).

The mother and the father are jointly entitled in law to a total of 32 weeks' parental leave on benefits. From these must be deducted the number of weeks the parents have been on parental leave with pay. The remaining number of weeks of parental leave on benefits may be shared by the parents as they please.

The parents earn pension rights during both paid and unpaid periods of leave.

There is, furthermore, much scope for spending the leave in a flexible manner. The father may, for example, begin to take part of his parental leave at the same time as the mother takes her 14 weeks' maternity leave. The parents may postpone part of the leave. The only restriction is that it must be taken before the child reaches the age of nine. Furthermore, parents may, subject to agreement with the employer, resume work on a part-time basis during a leave period, which means that the leave will be correspondingly prolonged.

Apart from the biological mother's pregnancy leave, adoptive parents have the same rights to leave and pay, to earn pension rights, and to flexible planning of the leave as biological parents. However, for adoptive parents none of the leave periods are reserved for one of the parents. If the child is received abroad, adoptive parents, prior to the reception of the child, normally have a right to paid leave in connection with a journey to and a stay in the country in question.

During the entire leave with pay, the employer will normally have refunded an amount corresponding to the benefit rate by the municipality in which the employee lives.

Furthermore, the state sector has established a maternity/paternity fund for the purpose of equalising the expenses of institutions in connection with childbirth and adoption from a gender equality point of view. The maternity/paternity fund reimburses every hour of paid leave at a fixed rate.

## **Other schemes for families with young children**

Under the state sector maternity/paternity collective agreement, both a father and a mother are entitled to two care days with pay per year per child up to and including the calendar year in which the child reaches the age of seven. No special conditions have been laid down with respect to purpose regarding the application of the days. Care days that have not been used will lapse at the end of the calendar year.

Employees in the state sector will, moreover, normally be allowed time off with pay on the first and the second sickness day of a child.

Lastly, employees in the state sector are entitled to time off with pay for up to five days per child in the course of a year in connection with admission to hospital together with their own children under the age of 14.

## **Other types of leave**

Subject to application, an employee may obtain leave without pay for a limited period of time, for example in connection with a job change. To which extent and for which purposes leave may be granted will depend on the practice of the individual institution and, among other things, on the possibility of reemployment once the leave ceases.

However, in some situations, the employee has a genuine legal claim to leave. This applies i.a. to service in international organisations that Denmark is a member of or cooperates with as, for example, the UN, the EU and NATO.

## **Telework**

Technological developments have i.a. enabled employees to be less dependent on being physically present at the place of work because it is possible to work from home.

The Ministry of Finance and the CFU have concluded a framework agreement on telework in which i.a. the European social partners' agreement on telework is implemented. The objective of the framework agreement is to make it possible to use telework as a tool to enhance flexibility in the planning of work and to create better opportunities for reconciling working life and family life.



The agreement comprises work where a special telework place is set up for the employee in addition to his/her main workplace, and where the tasks performed as telework are of a permanently recurrent nature. Other types of home working where the employee for example performs various tasks from time to time at home may also take place, but are not included in the agreement.

### **Retention in the labour market - senior schemes**

The state sector wishes to develop and retain experienced staff. Therefore, diversity in relation to age is considered an absolute necessity for the purpose of good performance of tasks, and the demographic development requires an increased labour supply.

There is no general retirement age regarding employment in the state sector. A special retirement age for police and prison employees will be discontinued from 2012 and 2019, respectively, and the retirement age in the defence will be raised from 60 to 62 years of age in 2019.

It is possible to make an agreement to the effect that employees above the age of 60 work part-time, while at the same time maintaining their existing pension rights, and that managers above the age of 55 transfer to a lower-ranked position, but receive pay and/or pension-related compensation.

In addition, it is possible for employers to grant employees above the age of 62 one day off per month and a severance benefit to be disbursed if the person in question postpones his/her retirement until a specified date.



# 6. Personnel and management policy

## **The central government personnel and management policy**

The Danish state sector performs a number of important tasks, each of which serves the purpose of managing and developing Danish society as one of the most successful democracies in the world.

The focus areas of the central government personnel and management policy regard matters pertaining to the performance of tasks, members of staff, diversity and management, respectively. The vision is that staff and managers in central government workplaces

- generate value for citizens
- ensure integrity and legal rights
- are open-minded and service-oriented
- demonstrate responsibility and a holistic approach and
- think innovatively

The overall personnel and management policy provides the framework and direction for the personnel-policy work at the workplaces in central government. However, it is the individual place of work that has to develop and adjust the policy to its special conditions and circumstances. The development of local personnel policies is to a large extent based on the participation of staff and managers.

## **Code of Conduct**

The Agency for the Modernisation of Public Administration has published a Code of Conduct in the Public Sector.

The objective of the guide is to communicate to both authorities and employees a number of the fundamental conditions and rules that apply in the public sector. The code is also a means of avoiding situations where, for instance in the media, the behaviour of public employees could be questioned.

Building upon the fundamental values and principles for public administration, such as openness, democracy, the rule of law and integrity, the code addresses selected themes like

- Authority to issue directions
- Freedom of expression
- Duty of confidentiality
- Impartiality

- Acceptance of gifts, etc. and
- Other occupation

The code takes the form of general guidelines, allowing for the designation of rules appropriate to the needs of specific sectors as well as of individual work places.

The Code of Conduct in the Public Sector is available in Danish as well as in English (brief version) at [www.perst.dk](http://www.perst.dk).

### **Forum for Top Executive Management**

In cooperation with Local Government Denmark and Danish Regions the Agency for the Modernisation of Public Administration runs a Forum for Top Executive Management which is the largest chief executive workshop in Danish history. The Forum has published a Code for Chief Executive Excellence which consists of nine recommendations for excellence in public sector executive management:

1. Clarify your managerial space with the political leader
2. Take responsibility for ensuring that the political goals are implemented throughout the organisation
3. Create an organisation which is responsive and capable of influencing the surrounding world
4. Create an organisation which acts as part of an integrated public sector
5. Require the organisation to focus on results and effects
6. Possess vision and work strategically to improve the way your organisation accomplishes its assignments
7. Exercise your right and duty to lead the organisation
8. Display personal and professional integrity
9. Safeguard the public sector's legitimacy and democratic values

More information about the Forum for Top Executive Management can be found at [www.publicgovernance.dk](http://www.publicgovernance.dk).

### **Digital tools to support personnel-policy work**

In addition to providing the overall framework for the personnel policy, the Agency for the Modernisation of Public Administration develops and provides various tools in order to support the personnel-policy work and to enhance effectiveness at the individual workplace.

For instance, the Agency for the Modernisation of Public Administration has set up a general job database - *www.job-i-staten.dk* - where all vacant jobs in the state sector are advertised, thus providing an attractive meeting point for employers and applicants.

Institutions in the state sector have the competency to recruit personnel themselves. In order to make the local recruitment process more effective, qualified and automatic, a joint digital tool, *e-Recruitment*, is provided.

*Campus* supports the competence development of state sector personnel by providing a joint catalogue of digital, interactive e-learning courses.

Via *HR-meter*, the Agency for the Modernisation of Public Administration provides a tool for state sector work places to create reports with key figures on for example personnel, absence and salaries. The key figures may be compared to previous reports or to key figures of other work places in the state sector.



# Annexes

(Unauthorised translation)

## **The Constitutional Act**

Section 27(1). Rules governing the appointment of civil servants shall be laid down by statute. No person shall be appointed a civil servant unless he be a Danish subject. Civil servants who are appointed by the King shall make a solemn declaration of loyalty to the Constitutional Act.

## **The Civil Servants Act**

### **Chapter 2. Appointment**

Section 2. Appointment as a civil servant shall take the form of

- 1) Permanent employment.
- 2) Employment on probation with a view to subsequent permanent employment.
- 3) Employment on a fixed-term basis.

Section 5(1). Appointment as a civil servant shall be based on public notice, unless the person concerned is appointed after prior employment on probation.

(2). The notice must indicate the appointment area and the designation of the position as well as the current salary level of the position and the current place of employment.

### **Chapter 3. The civil servant's official duties**

Section 10. The civil servant must conscientiously comply with the rules that apply to his position, and both on duty and off duty prove worthy of the esteem and trust required by the position.

Section 12(1). Within his appointment area, a civil servant shall be obliged to submit to such changes regarding the scope and nature of the official duties which imply no change of the nature of the duties and which do not imply that the position may no longer be considered appropriate for him. The civil servant may to the same extent be required to assume another position.

Section 17. A civil servant may solely have other employment than his position as a civil servant in so far as and to the extent that this is compatible with the conscientious performance of the official duties of the position as a civil servant and with the esteem and trust required by the position.

### **Chapter 5. Dismissal**

Section 26(1). Civil servants appointed by the King shall be dismissed by the King.  
(2). Other civil servants shall be dismissed by the Minister whom they serve or by the person who has the powers to do so. However, solely the Minister may announce compulsory retirement.

Section 27. A civil servant shall be entitled to require termination of his appointment by giving three months' prior notice to expire on the last day of any month.

Section 32(1). A civil servant who is dismissed because changes in the organisation or mode of work of the administration imply the abolition of the position shall keep his salary received so far for three years [...].

### **Chapter 6 a. Special provisions regarding fixed-term employment**

Section 33 a(1). Appointment as a civil servant on a fixed-term basis shall apply to persons who

- 1) already are employed as a civil servant,
- 2) hold positions in which employment can be included in the pensionable service accumulated under section 4(1) or (2) of the Civil Servants' Pension Act or
- 3) have retired from positions with a right to current or deferred pension as referred to in paras (1) and (2).

(2). Appointment on a fixed-term basis of others than persons referred to in subsection (1) may take place on the same terms as those that apply to civil servants. However, the provisions regarding appointment by the King and the rules laid down in the Civil Servants' Pension Act shall not apply.

Section 33 b. The Minister concerned shall decide which positions may be held on a fixed-term basis [...].

Section 33 c. Appointment on a fixed-term basis shall cover a period of three to six years. A fixed-term contract may be prolonged by a total of three years. Reappointment subject to renewed position advertisement may not take place more than twice or otherwise if the grounds given for the reappointment are objective circumstances.



## **Chapter 10. Negotiation and organisational matters**

Section 45(1). Pay and other terms of appointment shall be determined subject to agreement between the Minister for Finance and the central organisations referred to in section 49.

(2). Agreements, however, which solely concern the terms of appointment for civil servants under a particular ministry may, subject to specific decision by the Minister for Finance, be concluded by the Minister concerned.

(3). Agreements under subsections (1) and (2) may, however, not be concluded regarding matters that are determined by law or pursuant to law or concern the tasks, organisation or personnel requirements of the administration.

Section 49(1). The collective bargaining rights of civil servants and retired civil servants shall be exercised through the central organisations with which the Minister for Finance [...] concludes a general agreement on the procedure regarding the conclusion of agreements and regarding the rules for the exercise of the collective bargaining rights in general.

(2). The central organisations concerned are required jointly to provide all civil servants and retired civil servants with the opportunity of representation.

(3). In the general agreement, decision shall be taken on the opportunity for the organisations that are associated with the central organisations to negotiate issues that solely concern the members of the organisation.

## **Chapter 15a. Appointment of persons without Danish nationality**

Section 58 c. Persons without Danish nationality shall be employed on terms similar to those of civil servants where persons with Danish nationality are employed as civil servants. The provisions regarding appointment by the King shall, however, not apply.

## **The Civil Servants' Pension Act**

### **Chapter 2. Personal pension**

Section 2. A civil servant shall be entitled to a personal pension when he, after a full ten years' service in a position where employment under the rules [...] may be included in the pensionable service, is dismissed due to age, as a result of health-related unfitness for service or for another reason that is not attributable to any fault of his own [...].

Section 3. A civil servants shall be entitled to retirement due to age from the last day of the month in which the person concerned attains the age of early retirement benefit [...] or attains any lower age which, subject to rules laid down in another statute, may have been stipulated regarding this right.

Section 4. A civil servant's pensionable service shall include the number of years during which he after having attained the age of 25 has served as a civil servant [...] or has been entitled to redundancy payment pursuant to section 32 of the Civil Servants Act or would have been entitled to redundancy pay provided the person concerned had not attained the state pension age [...].

Section 6. The maximum personal pension shall be achieved after 37 years' pensionable service and shall constitute 57 per cent of the civil servant's pensionable salary [...].

Section 24(1). A civil servant who has accumulated pensionable service of at least three years and who resigns from the service without being entitled to a pension under section 2 and without transferring to other employment that, under section 4, is included in the pensionable service shall be entitled to redundancy payment, cf subsection (5).



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