



HOW TO HIRE MY FIRST EMPLOYEE IN AUSTRIA

MAIN LEGAL STEPS TO FOLLOW TO HIRE A FIRST EMPLOYEE

As a general principle, employer and employee may negotiate the content of the employment agreement on a private contractual basis. However, the applicable statutes and collective agreements often prescribe minimum standards (e.g., in the case of minimum wage, overtime supplements, maximum permitted working hours, annual leave) that may not be departed from to the detriment of the employee.

Certain data of new employment contracts have to be forwarded to the health insurance fund before the start of the employment.

Termination by notice is the unilateral, ordinary termination of employment which complies with notice periods and dates. As a general rule, no particular grounds of termination are required. Particular rules apply to certain groups of employees, such as disabled persons afforded special recognition, staff representatives, pregnant women, employees who have taken part-time parental leave, etc.

DESIGN AND CONTENTS OF AN EMPLOYMENT CONTRACT

As a general principle, there is no particular form prescribed for concluding an employment agreement. An employment agreement may be made orally, in writing or implicitly by action. Where a contract is made only orally, a notice of employment (Dienstzettel) must be issued. A notice of employment is a confirmation of the material rights and obligations arising out of the parties' employment agreement.

CAN SOMEBODY DO BUSINESS FOR ME AND NOT BE AN EMPLOYEE?

There is a very important distinction between employees and self employed workers.

Employees

An employment contract obliges the employee to personal, repeated and regular presence. The employee has to follow the personal instructions of the employer, is integrated in the organisation of the employer and gets paid according to the hours worked. The employer takes care of social security and income tax payments of his employees.

Self-employed Workers

In a contract for work and labour (Werkvertrag), a contractor undertakes to carry out a particular service or work. In contrast to the employment contract or persons working as independent short-term contractors, in the contract for work and labour the result of the services rendered is decisive. The contractor is responsible for successfully performing the services (i.e. the specified service) or achieving a specific result.

Characteristics of Contracts for Work and Labour

- personal and economic independence from the principal
- no obligation to perform the work or service personally (sub-contracting is allowed)
- they are not incorporated into the corporate organisation of the contract assigner

Self-employed workers have to fulfil their obligations concerning social security and income tax payments themselves.