

## Financing adult learning database

<b>Name of the instrument - Local language</b>	VEU-godtgørelse
<b>Name of the instrument - English translation</b>	Training allowance (compensation for lost wages and travel grant)
<b>Scheme ID</b>	62
<b>Country</b>	 Denmark
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Grant for companies
<b>Sub-type of instrument</b>	Support for wage costs
<b>Type of entry</b>	Single instrument

<b>Short description</b>	<p>During participation in training, a wage replacement is made available, paid either to the enterprise (in case the enterprise continues to pay the wage during the training spell) or to the individual (in case that the employer provides no wage during the training). In the former case, it is an incentive to the enterprises, in the second case, it is the equivalent of unpaid educational leave with a public wage replacement payment. General conditions for individuals to be eligible groups are that they must be employed at the time of applying for training. This includes employees, self-employed, full-time, and part-time workers. Their educational background should not exceed general vocational training (ISCED 5) unless qualifications have not been in use for the past 5 years. If the individual is paid by his/her employer during the training period the company may apply for reimbursement of the wage costs . If the individual is not paid during the training period, he/she is entitled to wage compensation up to DKK 4 405 (approx. EUR 589) per week. Travel costs may also be covered.</p>
<b>Short description of the related instruments</b>	Not applicable

<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for</b>	Not applicable

<b>regional instruments)</b>	
<b>Name of the sector (for sectoral instruments)</b>	Not applicable
<b>Relevance</b>	Key instrument
<b>Legal basis</b>	Godtgørelsesloven ("Act on Reimbursements")
<b>Objective(s) and target(s)</b>	To strengthen the skill level in the labour force by making access to IVET and CVET easier for individuals and companies. A specific focus on the unskilled or low qualified workforce, to ensure a continuing learning and competence increase in the existing workforce.
<b>Year of implementation</b>	2001
<b>Year of latest amendment</b>	2017
<b>Operation/management</b>	The Training allowances are a part of the Employers' Reimbursement system (AUB). The law behind AUB was adopted in 1977 and made employers' contribution the AUB legally binding. All employers need to contribute a fix amount per employee to the fund. The contribution are managed by the ATP (the biggest pension fund in Europe founded in 1964). The Agency for Education and Quality monitor the economy and budget of AUB and ensures that the grants are used after the purposes described in the law.
<b>Eligible group(s)</b>	General conditions for eligible groups are that they must be employed at the time of applying for training. This both includes employees, self-employed, fulltime, and part-time workers. Their educational background should not exceed general vocational training (ISCED 5) unless qualifications have not been in use for the past 5 years.
<b>Group(s) with preferential treatment</b>	No
<b>Education and training eligible</b>	Single subject courses or part time programmes. IVET and CVET training.
<b>Source of financing and collection mechanism</b>	Since 2019, the training allowance has been a part of the AUB Fund, the funding is collected from companies (both private and public) as well as additional support from the State.
<b>Financing formula and allocation mechanisms</b>	If the individual is paid during the training period the company applies for reimbursement. If the individual is not paid during the training period, it is up to the employee to apply for wage compensation. Wage compensation: up to DKK 4 405 (approx. EUR 589) per week (DKK 4 405 per week amounts to 100% of the highest unemployment insurance benefit rate). Covering travel costs: DKK 0.98 per travelled kilometer to and from the school (the learners pays him/herself for the first 24 km travelled and can maximum be reimbursement for 576 km travelled per day). Allocation: The reimbursement is transferred directly to the learners bank account.

	<p>Before the costs are reimbursed the school have to report on any absence during the training period, which will not be reimbursed. Members of unemployment insurance funds receive the reimbursement from the specific fund, while learners who are not members of any unemployment insurance fund receive the reimbursement from the National Agency for Quality and Supervision (part of the Ministry of Education). If the learner is payed during the training period, the wage reimbursement goes directly to the company.</p>
<b>Eligible costs</b>	Wage compensation, travel costs, accommodation cost.
<b>Volumes of funding</b>	<p>The total collected funding to training allowances was DKK 779 000 000 (approx. EUR 104 392 806) in 2018 and DKK 940 000 000 (approx. EUR 125 811 417) in 2019. The training allowances is however a subscheme under the AUB Fund where a total of DKK 5 817 000 000 (approx. EUR 779 528 825) were collected in 2018 and DKK 6 023 000 000 (approx. EUR 806 129 961) in 2019. In 2017: DKK 251 000 000 (approx. EUR 33 726 133) were disbursed to training allowances, the number increased to DKK 739 000 000 (approx. EUR 99 032 457) in 2018 and DKK 750 000 000 (approx. EUR 100 381 450) in 2019.</p>
<b>Beneficiaries/take up</b>	Approx. EUR 125 811 000 in 2019
<b>Organisation responsible for monitoring/evaluation</b>	<p>Since January 2019 the Employers Reimbursement system (AUB) is monitoring the Training allowance, before 2019 the Quality and Supervision Agency, under the Ministry of Education were the responsible body.</p>
<b>Monitoring/evaluation reports available</b>	<p>Effekevaluering af voksen- og efteruddannelse  <a href="https://www.vive.dk/media/pure/8735/2038069">https://www.vive.dk/media/pure/8735/2038069</a></p>
<b>Recent changes</b>	<p>December, 2017: Based on the tripartite agreement, an amending of the law on educational contributions, allowances and grants was passed in December 2017. The law increased the training allowance for skilled and unskilled workers, as well as workers with an outdated higher education, participating in adult vocational training programmes (AMU/arbejdsmarkedsuddannelser). The training allowance was increased from a maximum of 80 pct. of the unemployed insurance benefit rate to a 100 pct. of the benefit (in 2020 the highest benefit rate is 4770,75 DKK (639.7 EUR) per week). Furthermore, a new temporarily attempt was introduced, making room for vocational education and training with 100 pct. online training sessions and a test at the end, instead of only physical training sessions. The training allowance is built around a funding system where companies pay an amount annually to the Employers' Reimbursement System (AUB). With the amendment of the law in 2017 the contribution amount changed from a fix amount to a flexible amount following the training allowance. Furthermore, the companies received a surplus of 680 mill. DKK back (91.2 million EUR). Since 2017 several smaller amendments of the law have passed. The changes have focused on the level of employers' contribution and are therefore not affecting the training allowance for individuals and companies. The main aim as described in the tripartite agreement was to ensure a qualified working</p>

	<p>force, especially vocational trained workers</p> <p>Recent changes in response to COVID-19</p> <p>The scheme had been suspended during the first lockdown (16th of March and 26th of May 2020) due to the closed training facilities, with only few exceptions applied.</p>
<b>Sources</b>	<p>ATP (yearly reports for AUB): <a href="http://www.atp.dk/resultater-rapporter/aars-og-kvartalsrapporter/aub">http://www.atp.dk/resultater-rapporter/aars-og-kvartalsrapporter/aub</a></p> <p>Public <a href="https://indberet.virk.dk/arbejdsgivernes-uddannelsesbidrag/arbejdsgiver...">https://indberet.virk.dk/arbejdsgivernes-uddannelsesbidrag/arbejdsgiver...</a></p>