

Austria

1.1 A few words about the country.

Austria is situated in south central Europe and borders on eight countries, Germany, the Czech Republic, Slovakia, Hungary, Slovenia, Italy, Switzerland and Lichtenstein. It extends on a surface of 83.858 sq.m. Its territorial morphology is characterized by the eastern Alps which cover almost two thirds of its territory and the Danube area, which crosses the country along 350 kilometers (220 miles).

Together with huge forest areas (46% of its surface) it creates a wide variety of landscapes and climatic conditions.

It has a federal structure formed of nine independent federal states. Its population amounts to 8.1 million people. 98% of the population speaks German. The majority of Austrians (78%) are Catholics while 5% are Protestants.

This region has always been an economic and cultural crossroads. The country nowadays has a strong economy based on its industry (foodstuffs and quality products, mechanical equipment, steel, chemicals, cars), agriculture and exports (foodstuffs, energy). Since 1995 Austria is a member of the European Union and has adopted the single European currency. [1].

.1.1 Conditions and quality of living

- Cost of living

Austrian economy is vigorous and the living standards are high with significant social benefits. The unemployment has undergone its major fall since the 50's, the current unemployment rate being 3.3% according to the data of the Ministry of Trade and Labor. The growth of the economy is mainly due to the expansion of the industrial sector.

The cost of living is slightly higher than the European and North American average but it is lower than that of neighbouring Switzerland and Great Britain. Rural areas offer cheaper accommodation and food but higher transportation costs [1].

- Finding residence

In urban centers the rent depends on the neighborhood, the quality of the construction and the flat equipment. In rural areas, the amount of the rent is mainly influenced by the

year of the building's construction, the time of the lease and the type of residence to let, i.e. whether it is a flat or a house. The price refers to the square meter.

The interested persons seeking for residence may find information at [2]:

- *Relocation agents*. These are centers, which bring the interested parties together with real estate agencies for the sale and purchase or the lease of real estate. They also give advice with regard to the areas where there are available properties as well as how beneficial the purchase or lease of residence may be in a particular period of time.
- *Residence renting offices*. These are private businesses, which arrange the availability of properties to be rent for short or long periods of time. The rent depends on the size, the condition, the age and the location of the property as well as the duration of the lease.
- *Real estate agents*. They deal with the purchase of property. They also provide useful information for potential funding and loans from banks or other financial institutions.
- *Mass media*. There is plenty of information with regard to residence finding in the internet, the websites of big real estate agents as well as big national Austrian newspapers and in particular on Fridays, Saturdays and Sundays.

Relevant websites:

General: www.austria.gv.at
Other links: www.help.gv.at,

- Language learning

German is the official language in Austria, however in some business and government sectors English is used. In any case, in order to contact the public authorities, social services and working places you must speak German. Moreover, most information in electronic or printed form about residence, employment and other issues which interest foreigners are in German, some in English and very few in French. Austrians prefer to use their language, even to a limited extent, with foreigners.

German language courses are provided by:

- the Higher Educational Institutions of the country in special classes
- municipal adult training centers,
- state institutes or institutes approved by the State or
- private schools.

For EU citizens language courses at public institutions are free of charge.

Generally speaking there is a well organised information network at public services for all topics. This useful information is available by the Austrian consulates in your home country.

Relevant websites:

Public authorities: www.help.gv.at

Other links: www.austria.gv.at

- Education for children

The education in Austria is divided into compulsory primary, post-compulsory secondary and higher education.

Full time **compulsory education** lasts 9 years and applies to children between the age of 7 and 16. This education is mainly provided at state schools (90%) and to a smaller extent at private schools (10%). After the end of the ninth year the pupils may choose to continue their studies to the tenth year. The school year usually lasts from the second Monday of August till the 20th of June.

Primary school compulsory education is provided to all children in Austria. Children staying in the country for at least 6 months are also subject to the regulations of compulsory education. The entire compulsory education is the same for all and is provided free of charge. Books and other educational materials are provided to pupils for use only.

The municipal authorities are obliged to offer mother tongue courses to children coming from countries of the European Union. These courses are taught to such pupils at their primary school after the end of the regular courses.

The progress of pupils students is monitored through continuous assessment, though no scores are given until the eighth grade. Pupils automatically enrol in the next grade regardless of their annual performance. A pupil may, however, - with his/ her parents' approval- attend the same course twice, if there are reasons which dictate that such pupil will benefit from this measure.

When they finish primary school, pupils obtain a diploma, which certifies the courses that were taught, the final scores for their performance all over the year and the results of the exams. There are no general compulsory examinations. The second cycle of **post-compulsory secondary education** may be divided in:

- second cycle general secondary education:

Gymnasium and higher level preparatory courses for the exams

- second cycle professional secondary education:

initial professional training, higher level commercial and technical courses.

Gymnasium corresponds to a 3-year higher secondary education and it usually applies to pupils between the age of 16 and 19. It is based on the ninth and tenth grade of Folkeskole and ends in the final exams of the higher secondary school, which determine the admission to tertiary education. Gymnasium is addressed to pupils capable of pursuing academic studies in higher education. An alternative of Gymnasium is Studenterkurser, with a 2-year duration of studies for pupils who have finished the tenth grade and offers the same level and the same subjects, as Gymnasium. The studies in the state general higher secondary school are free of charge. School books in Gymnasium are available to pupils for use only while the other educational materials must be bought by the pupils.

The school year in Gymnasium, as well as in the HF course usually begins around the 15th of August and ends in May, when the exams begin.

Following the secondary post-compulsory education, pupils may get on with **tertiary education**, which includes university and non-university studies.

Tertiary education institutions are divided in Universities, university centers, other higher education institutions and non-academic higher education institutions in the field of professional (technical and commercial) education.

University studies provide regular, long-term postgraduate education in traditional disciplines. Regular university studies nowadays are formed by studies leading to a Bachelor's degree and followed by a 2-year course leading to a Candidatus degree (Master level). Three years of supervised postgraduate studies after the Master lead to a Ph.D.

The other higher education institutions of university level provide education and training in fields such as engineering, veterinary medicine, medicine, pharmaceuticals, architecture, music, fine arts and commercial studies.

Non-academic tertiary education institutions provide short and medium-term courses, especially in the fields of commercial and technical studies, education, social work and health. Special colleges train teachers for Folkeskole. The academic year normally begins on the 1st of September and is divided in two semesters, from September to January and from February till the end of June. Higher secondary education diplomas are required for admission to tertiary education institutions. These diplomas are: the higher secondary school certificate of final examinations, the higher preparatory examinations certificate, the higher commercial examinations certificate and the higher technical examinations certificate. Students not possessing such diplomas may, however, be admitted to the non-academic institutions.

EU citizens should have a secondary education certificate of studies, recognized as equivalent to the Austrian certificate. The admission system for all faculties with numerus clausus operates according to the so-called Two Quota System, which means that there

are two admission groups with different criteria and methods of selection. The first admission group selects students who have a high average in the final exams. The second admission group selects students who have a low average in the final exams or possess alternative certificates or an equivalent foreign certificate of secondary studies. EU citizens are selected within the framework of the second group. If an additional admission or preparatory exam is required in their home country, candidates must have passed that exam, as well.

As far as the language is concerned, EU citizens should have a good knowledge of Austrian and English. They have to pass the language test, which is held at national language centers.

Relevant websites and addresses:

Relevant links : www.help.gv.at

1.1.1. Working conditions

- Job seeking (links)

Looking for a job in Austria is more or less the same as in most of the other member states of the European Union. Though, contrary to other industrialised countries, the labour market in Austria is still rather traditional. Although there is an increased trend to use the Internet, this process is not popular either to employers or to job applicants. The two main information sources are the general and specialised Austrian Press and the Labour Market Service -Arbeitsmarktservice (AMS)- which is supported by the State [3].

“Der,” the main liberal newspaper in Austria, is an important information source, especially the Friday paper. It also includes a career (Karriere) section, which offers practical advice for employment in Austrian and international labor markets.

The general aim of the employment agencies through the Labor Market Service (Arbeitsmarktservice) is to prepare and facilitate the placement of job applicants and then to ensure employment and the corresponding financial resources for workers.

There is also the regional delegation of employment services where the interested parties may file an application through the local employment agency assisting the EU citizens.

Finally, private placement bureaus, which are allowed in Austria under certain conditions, are listed in the telephone directory [3].

However, it is not rare for Austrian companies to hire foreign workers due to the high demand for specialized workers.

Relevant websites and addresses:

Labor Market Service (Arbeitsmarktservice /AMS) : www.ams.or.at

Relevant links : www.help.gv.at

www.atmg.at

E-mail: gerald.musger@gpa.at

- Unemployment (rates and benefits)

In 1997 the average unemployment rate in Austria was 7.1% or 4.4% as it was estimated according to the E.U. criteria [3].

There are three types of work permit for foreigners in Austria: a limited work permit (RWP), a general work permit (GWP), and an unlimited work permit (UWP). The RWP requires attestation, is valid for one year and permits the employee to work in a business in a particular place, provided that there is no Austrian citizen willing to and capable of performing the work. Finally the number of foreign employees in relation to Austrian employees should not exceed a threshold, which is set by the government (for the moment being 8% for most industries). There are variations for special placements, which are crucial for the operation of the business.

Relevant websites and addresses:

Labor Market Service (Arbeitsmarktservice /AMS) : www.ams.or.at

Relevant links : www.help.gv.at

- Workers' rights (working hours, public holidays, leave, benefits)

According to Austrian labor law, the minimum wages are determined by laws which apply to the collective labor agreements and consequently any business agreements [2].

Austrian laws provide for the minimum workers' rights with regard to working hours, health, security, unemployment benefits, leaves, the protection of disabled employees etc.... There is also a law (Arbeitsverfassungsgesetz), which establishes the rights of individuals and business councils. It also regulates the collective agreements, including the operation of European business councils.

Collective labor agreements cover the majority of the private sector and normally define the basic wages, supplementary payments, working hours and regulations as well as the flexibility of overtime hours, special leaves etc. In the public sector, collective labour agreements are codified by laws or circulars.

Business agreements are concluded by the local business council and the management and cover all employees. Their scope is accurately defined by the law of charters of employment.

The individual contract: Professionals will usually negotiate and sign an individual contract prior to their employment. For the legality of such a contract it is necessary to know the collective labor agreement and the business agreements with regard to remuneration and other benefits, in order to be able to negotiate the improvement of working conditions. The workers' unions provide significant assistance.

Wages: In Austria, wages are defined as the monthly remuneration prior to tax deduction and social security payments. In the absence of relevant law, most collective labor agreements stipulate 14 monthly payments per year. It is important to know whether the wages negotiated for include supplementary pension contributions or not and if overtime pay is additional to the salary.

Statistical researches on wages are held and published by state insurance bodies, employers' unions and workers' unions. The relevant union will provide you the best possible guidance, taking into account your education, your position and the current condition of the labour market. The average gross monthly income of employees amounts to 28.700 Schillings (against 28.200 Schillings of the previous year) [3].

Working hours: Regular working hours are 40 hours per week, however there are collective labor agreements with 38.5 or 37 hours. A working day has eight hours and it usually begins at 8 and 9:30 and is consecutive. The law permits maximum regular working hours from 9 to 10 hours per day. There is a lunch break for at least 30 minutes. Public servants have paid lunch breaks, however this does not usually apply to the employees of the private sector but only per case. Overtime is quite usual, especially in big businesses and the pay is high. The actual average working hours per week have many variations among professionals. So, you should clarify if overtime pay is inclusive the salary or if it is paid extra, as well as the type of compensation. In case of non financial compensation you should refer to the collective labour agreement in order to see the exchange hedging of hours. Children work is prohibited. Young people, women and mothers enjoy special protection as workers. Work inspectors monitor compliance with the applicable regulations (including measures against industrial diseases and industrial accidents) [2].

Annual leave: Pursuant to the law you are entitled to a minimum 5 weeks' leave annually, which is increased to 6 weeks after 25 years of service. Mothers may not work eight weeks before and after labor. Parents are entitled to a two-year parental leave

(from the date of birth). During this period parents receive maternity benefits and they may not be dismissed from their work.

Dismissal: The notification period depends on the duration of the employment contract and so is the issue of severance payment when the contract is terminated by the employer. The business councils have special rights in case of scheduled layoffs. Dismissed employees are also entitled to appeal against dismissal.

Relevant websites and addresses:

Labor Market Service (Arbeitsmarktservice /AMS) : www.ams.or.at

Relevant links : www.help.gv.at

- Representation of engineers (associations, organizations, chambers)

For detailed information, about the union you should join, do not hesitate to contact electronically the Austrian Federation ÖGB, or to contact the Eurocadres delegation in Austria. ÖGB signed the framework charter of Eurocadres for the mobility of citizens and the member states of the EU in 2000, in relation to unions being under the umbrella of the Austrian Federation and protecting employees according to their field of employment (in the private or public sector etc.). Here are some of the unions in Austria:

- Gewerkschaft der Privatangestellten (employees of the private sector)
- Gewerkschaft der Öffentlichen Bediensteten (federal public services, education etc.)
- Gewerkschaft der Post- und Fernmeldebediensteten (public post and telecommunications)
- Gewerkschaft der Eisenbahner (railway services)
- Gewerkschaft der Gemeindebediensteten (local public services)
- Gewerkschaft Kunst-Medien-freie Berufe (Art –Media) [3].

The main representative body of engineers is the “**Austrian Engineers and Architects Association**” (ÖIAV), with registered offices in Vienna. Its activities expand throughout the federal state and it is regionally divided into separate unions allocated in groups based on the specializations of the engineers. ÖIAV is a non profit-making organization, aiming at promoting safe and proper technology implementation through its members, for the benefit of the society. To achieve its goals it provides engineers with further education in technical issues in order to increase their training and their professional competence. Moreover, the association aims not only at the technical training of its members, engineers and architects, but also at the promotion of common interests on a scientific and cultural level. The activities of the ÖIAV also include safeguarding the common interests of engineers and architects and increasing their professional repute through conferences, lectures, special seminars and classes of technical general education, which contribute to the exchange of experience and knowledge and strengthen relations among all those involved with technology. A precious tool for this

effort is also the guidance provided by the existing library which is mainly specialized in technical issues [4].

Apart from the Austrian Engineers and Architects Association (ÖIAV), since 1946 there is also in the country the **Austrian Association of Engineers (VOI)**, which constitutes the association of technical engineers, graduates of Higher Technical Schools (HTL), who complete their education with a three (3) - year training in the field [11].

In Austria there is also the European Federation of National Engineering Associations (**FEANI**), for the engineers of the country who wish to obtain the professional title of European Engineer (Eur-Ing). The initial examination of the application and the necessary supporting documents is held by the national committee of FEANI and then they are forwarded to the competent European Committee in Brussels [6].

Relevant websites and addresses:

Austrian Engineers and Architects Association (ÖIAV) : www.ojav.at

Austrian Association of Engineers (VOI) : www.voi.at

European Federation of National Engineering Associations (FEANI) www.feani.org.at

Austrian Syndicates Federations : www.oegb.or.at

Labor Market Service(Arbeitsmarktservice /AMS) : www.ams.or.at

Relevant websites : www.help.gv.at

E-mail : Eurocadres / gerald.musger@gpa.at
Austrian Engineers and Architects Association (ÖIAV) / office@ojav.at
Austrian Association of Engineers (VOI) / voi@voi.at

1.2. Recognition of diplomas

2.2.1. Engineers

2.2.1.1. Studies – diplomas – specializations

Undergraduate university studies in Austria in engineering lead to the award of “BSc in Engineering”. The courses usually last ten semesters (five years). Training in the industry or technical companies for a period of one year is required for some specializations.

These specializations are the following [7]:

- civil engineer
- electronic engineer
- electrical engineer

- chemical engineer
- mechanical engineer
- manufacturing engineer
- metals engineer
- minerals engineer
- petroleum engineer
- gas fuel engineer
- information technology engineer
- hydraulic and water management engineer
- construction economist engineer
- mechanical economist engineer
- technical chemical economist engineer

A certification of training is required for the specializations of construction economist engineer and hydraulic and water management engineer.

Austrian engineers are trained in engineering, applied engineering, electrical applied engineering, civil engineering, chemistry and biology and agricultural applied engineering. Engineering and applied engineering is an important sector which supplies Austrian industry with manpower and new technologies and for this reason the Austrian government strongly supports such initiatives and programs. Special emphasis is given to the production of engines as some of the top representatives of the car industry operate in Austria. Due to high demands of the Austrian industry for specialized personnel there is significant demand for foreign specialized and experienced engineers [9].

Relevant websites and addresses:

Austrian Engineers and Architects Association (ÖIAV) : www.oiaiv.at

Austrian Association of Engineers (VOI) : www.voi.at

Relevant links : www.goinglobal.com/

2.2.1.2. Authorisation to practice the profession, bodies and how it is granted

Since Austria is a member of the EU, foreign diplomas are accepted as equivalent to the relevant Austrian ones. For the moment being, an effort is made to promote the use of the professional title of European Engineer (Eur-Ing) in order to standardize certifications and eliminate differences among the European countries [9].

The profession of engineer, apart from the general framework of recognition of diplomas is subject to special rules in Austria. In order to pursue the profession an authorisation is normally required by the relevant chamber of the engineer's establishment [7]. Engineers are obliged to enrol in the chamber of the district where they practice. There are chambers of Architects and Consultant Engineers in Vienna, Graz, Linz and Innsbruck.

You must submit the following documents:

- 1) An application
- 2) Proof of nationality
- 3) Certificates concerning the engineer's tests or supporting documents exempting the applicant from such tests
- 4) A PhD diploma, if applicable
- 5) Diploma from the home country and fees
- 6) A police certificate concerning the applicant's record and fees
- 7) Fees for the issuance of a certificate by the Ministry (only for special cases), requiring the certification of training.

When an authorisation is granted everyone is obliged to have a seal. If the practice is interrupted upon request, you are not entitled to use your seal and you must submit a new relevant application.

Relevant websites and addresses:

Austrian Engineers and Architects Association (ÖIAV) : www.oiaav.at

2.2.1.3 Recognition and parity of diplomas

Generally speaking, each engineer is entitled to benefit from the recognition of diplomas according to the Community Directives, if his professional qualifications entitle him to practice the engineer's profession in his home country. The subject matter of the recognition is the diploma or the set of diplomas, which give access to the engineer's profession in the member state of origin (for example, university degree + professional experience) [5].

The host country may give the applicant the right to choose between an adaptation period or an aptitude test, if there are material differences between the education provided in the home and the host country. The existence of such differences justifies the

implementation of correction measures but it does not justify (if the other requirements are met) the refusal of recognition [5].

In this case the authorities of the host country must reply within a four months' period to the application for recognition of qualifications. In case of refusal, the decision must be reasoned and it must give the applicant the possibility to appear before a court or tribunal in accordance with the rules, which are in force in the host country. The absence of such a decision within the above four months' period is deemed as indirect rejection. Community institutions are not entitled to repeal administrative decisions that have been made by national authorities. Only the competent national institutions may repeal a decision which rejects an application for recognition of your professional qualifications. The decisions of the European Court of Justice are limited to acknowledging a violation by a member state due to infringement of community law or due to the existence of national law which is not in compliance with community law. It's up to the authorities of this state to amend the individual decisions that have been made in accordance with practices or laws that have been condemned by the Court [5].

After the recognition of the professional qualifications, an application may be filed for a job as an engineer on equal terms as for holders of national qualifications and with the same rights and obligations.

Reference documents: Directives 89/48/EC and 92/51/EC + Guide for users of the general system for the recognition of professional qualifications.

Relevant websites and addresses:

Austrian Engineers and Architects Association (ÖIAV) : www.oiav.at

2.2.2. Architects

2.2.2.1. Studies – diplomas – specializations

Studies are similar to the engineering studies and a training period of one year is required prior to the granting of authorisation to practice the profession [7].

2.2.2.2. Authorisation to practice the profession, bodies and how it is granted

Architecture and the profession of architect are subject to special rules in Austria and in order to pursue the profession an authorisation is required by the relevant chamber of the architect's establishment [7]. Architects are obliged to enrol in the chamber of the city

where they will set up their practice. There are chambers of Architects and Consultant Engineers in Vienna, Graz, Linz and Innsbruck.

You must submit the following documents:

- 8) An application
- 9) Proof of nationality
- 10) Certificates concerning the engineer's tests or supporting documents exempting the applicant from such tests
- 11) A PhD diploma, if applicable
- 12) Statement of oath and fees
- 13) A police certificate concerning the applicant's record and fees
- 14) Fees for the issuance of a certificate by the Ministry (only for special cases), requiring the certification of training.

When authorisation is granted everyone is obliged to have a seal. If the practice is interrupted upon request, you are not entitled to use your seal and you must submit a new relevant application.

Relevant websites and addresses:

Austrian Engineers and Architects Association (ÖIAV) : www.ojav.at

2.2.2.3. Recognition and parity of diplomas

The architect's profession in the European Union is governed by Council Directive 85/384/EC, of June 10th 1985. Pursuant to this directive its recognition requires the relevant qualifications which are provided by article 11 of the directive or the statement provided by article 7 [5].

However, this directive does not provide for complete harmonisation of all architectural training. There are therefore perfectly lawful types of architectural training that do not comply with the Directive in question. These (and the qualifications concerned) may be recognized pursuant to article 52 of the EC Treaty, as interpreted by the European Court of Justice in its judgment of May 7th 1991 in case C-340/89 «Vlassopoulou». According to this case law the host member state to which an application for admission to a profession is made by a migrant who is already admitted to practice the same profession in his country of origin, must take into consideration the migrant's diplomas, certificates and other evidence of qualifications and the professional experience he or she has gained. If

his or her qualifications are equivalent to those required under national legislation for working in the field of architecture, the migrant must be authorised to practice that profession. Otherwise, he or she must be allowed to make good any deficiencies in his or her training. Finally, any administrative decision must be reasoned and capable of being made the subject of legal proceedings in order to review its conformity with community law [5].

The recognition which is provided by the directive (as well as that which is directly based on article 52 of the EC Treaty) does not apply to diplomas that have been obtained by Community nationals in a non-EU member country. When the diploma is obtained in a third country, its recognition is optional and is subject to the jurisdiction of each member state. The recognition of a diploma by a member state does not oblige the other member states to recognize it as well.

It is for the national legislation of the host Member State to define what is covered by the field of architecture and to lay down the rules governing the profession (rights, obligations, scope of activities, etc.). The legal status of the migrant will therefore be the same as that of professionals who qualified in the host Member State. As a consequence, the migrant may lose in the host Member State some rights which he or she enjoyed in the Member State of origin [5].

In order to get authorisation, you must submit the file to the competent chamber (Architekten- und Ingenieurkonsulentenkammer) of your district where you wish to practice your profession.

You must submit the following documents to the competent authorities:

- proof that the applicant lawfully practises the relevant activity in a Member State and is established there;
- a diploma, certificate or other qualification within the meaning of Articles 7 to 11 of the Architecture Directive;
- a certificate, issued by the competent authorities of the applicant's country of origin, attesting to at least three years' experience;
- a certificate that the applicant has not been declared bankrupt in the last five years and a certificate concerning the applicant's criminal record (both of these must not have been issued more than three months previously);
- proof of nationality.

If you wish to provide services, you must describe if the provided services include the implementation of a project in the Austrian territory, give proof of permanent practice of architecture in the country of establishment and make a statement of non residence in

Austria. In any case related to the provision of services, the procedures have to be flexible and fast and the enrolment in the chamber is almost automatically made [5].

Relevant websites and addresses:

Austrian Engineers and Architects Association (ÖIAV): www.oiaav.at

2.3. Labor relations

2.3.1. Engineers

Engineers in Austria may be employed in the industry, in construction works, in private companies, in the public sector or they may practice the profession as freelancers. In the private sector the wages are defined by the free market while in the public sector they are defined by collective agreements.

The national laws concerning the construction of public works or other special matters are available at the website of the Internet legal search service.

2.3.2. Architects

Architects in Austria may be employed in technical companies or offices, in the public sector or they may practice the profession as freelancers. In the private sector their wages are defined by private agreements while in the public sector there are collective agreements in force.

In order to participate in architectural competitions of the public or private sector, you must be a member of the Austrian Association of Architects, which is usually the implementation and supervisory body of the competitions.

2.3. Insurance for engineers

Social security

The social security system in Austria is compulsory and applies both to employees and the self-employed.

There is coverage available to employees in the following fields: sickness, pregnancy, maternity and parental leaves, accidents at work and professional diseases, disability, old age, benefits for the living, unemployment and family benefits.

The self-employed security systems provide for benefits such as sickness, pregnancy and maternity benefits in kind, benefits in case of accidents at work and professional diseases, disability, old age, benefits for the living and family benefits.

As soon as you have taken up employment, your employer must take the necessary steps to register you with the insurance scheme (except in the case of marginal part-time employees, when special rules apply). Registration is with the sickness insurance fund, which provides accident, pension and unemployment insurance as well. You will be given a social security number under which the periods of your insurance cover and your earnings that are liable to insurance contributions will be recorded. On completion of the registration procedure, your employer will provide you with a copy of the notification, duly certified by the sickness insurance fund [5].

In Austria there are various insurance contributions depending on the type of risk covered. Right now the employee's contribution to the security system is 21% of his income, while the employer's contribution is an additional 30%.

Sickness insurance

The contribution is the same for all insurance schemes. The amount differs for salaried employees and manual workers. In 2002, it was 6.9 % of earnings for white-collar workers and 7.6 % for manual workers. Half is paid by the employee and half by the employer. In the case of the unemployed, contributions are paid by the unemployment insurance scheme.

Persons who are voluntarily insured pay their contributions themselves.

Accident insurance

The employee's contribution is 1.4 % of earnings, the entire amount being paid by the employer.

Pension insurance

The pension insurance contribution is 22.8 % (2002) of the employee's earnings: 12.55% is paid by the employer and 10.25 % by the employee. Persons who are voluntarily insured pay the full amount. Where the unemployed are concerned, the unemployment insurance scheme pays the compulsory contributions into the pension insurance scheme.

Unemployment insurance

In 2003, the contribution was 6.0% of the earnings, half of which is paid by the employee and half by the employer. In order to get the unemployment benefit, the employee must contact the local offices of the Labour Market Service (Arbeitsmarktservice).

In general, everyone is entitled to use the facilities provided by the Austrian Health Service (in case of sickness, maternity, preventive tests, medical care, medicine and medical care benefits, dental care, hospitalization) including the member states of the European Union. Contributions and coverage are available at the local health insurance authorities (Gebietskrankenkasse). If you are sent abroad by your employer, he must provide the necessary insurance for you. Costs are estimated based on the Austrian social security system or in case of difficulty based on social welfare.

You have to pay for some medical services (e.g. dental care such as pivot teeth or doctors and hospitals that have no contracts with health insurance funds of the relevant bodies) but you will be reimbursed part of the amount paid by the fund of your insurance. If you are hospitalized, you must pay a small daily fee based on your wages, which is additional to your contribution to your insurance fund.

If the employee is no longer able to work due to sickness, he is entitled to receive his full wages for a certain period of time and then to receive part of his wages according to the insurance system of the country.

Women are also entitled to the relevant health benefits during their pregnancy as well as during and after labor. Pregnant women must get a maternity card, containing information about the necessary tests before and after labor [8].

2.4. Taxation for engineers

Taxation (Austria)

If you are resident in Austria, you will have to pay income tax on your worldwide income there. Austria has, however, entered into agreements with all other Member States, which are designed to help you avoid paying tax twice on the same income in different countries. The tax is paid in the country of residence irrespective of the country in which the income has been earned [5].

Income tax is based on the taxable income received during a fiscal (calendar) year from the following sources: agriculture or forestry, self employment and provision of other freelance services, wages, capital, rents and rights and some other special forms of income. Income which does not fall into one of the above categories is not subject to

taxation. Profits from sales are generally not included in the taxable income, except for profits from commercial transactions, profit making acts and the sale of shares or bonds. The income tax is progressive. During tax assessment you are entitled to a minimum allowance, which may be increased depending on your personal state. You may be also entitled to certain deductions for certain expenses.

The income tax is withheld by your employer together with the social security contributions. The withheld amount is reimbursed to the state and is offset to the annual tax, which is assessed upon submission of the annual tax return, with the corresponding reimbursement to the taxpayer or not. For most employees, the amount, which is withheld by the employer fully, covers the income tax due. The actual income tax rates follow a step by step system: the annual income (after deduction of the social security contributions) is not taxable up to the amount of about 3633 Euros, for the next 3633 Euros you pay 21%, for the next 14535 Euros the rate is 31%, the next 29069 Euros are taxed by 41%, and the total income is taxed by 50%. The V.A.T. rate is regularly 20%. If you are self-employed, you ought to pay income tax in advance in quarterly installments and to file your tax return not later than March 31st of the year following each fiscal year. The tax authorities will forward your tax receipt and you must pay the tax due within one month. If the payment of taxes exceeding a certain amount is delayed, penalties are imposed. There is no property tax in Austria.

For advice and more information you may address to the competent tax authority of your district or the mediator (Volksanwaltschaft). The competent mediator of the Federal Ministry of Economics may also give you useful advice. [5].

2.5. Frontier workers (engineers)

Free movement of workers within the European Union applies to frontier workers too, i.e. to persons who work in one EU country but live in another. However, the definition of a frontier worker may vary from one field to another (e.g. tax law, right of residence, welfare entitlements, etc.).

Given the special situation of frontier workers who, by definition, are employed in a country other than their country of residence, Community law does not require the country of employment to provide them with residence permits. However, the competent authorities there, may provide them with a special card [5].

The concept of frontier worker is fairly loosely defined where the right of residence is concerned. A frontier worker is taken to mean any person who, while having his

residence in one Member State, to which he normally returns each day or at least once a week, he is employed in another Member State [5].

Community rules on social security contain certain specific provisions on frontier workers. The Community definition of a frontier worker (that is used in EC legislation coordinating social security schemes) is an employee or self-employed person who carries on a business activity in a Member State other than the one in which he lives and to which he returns at least once a week.

When non-resident workers (this category may be broader than that of frontier workers) are taxed in their country of employment, the non-discrimination principle in Community law obliges that country, in certain circumstances, to treat them in the same way as resident workers. This is the case when the situation of non-resident workers is comparable to that of residents, namely when they earn all, or virtually all, of their income in the country of employment and do not have sufficient income in their country of residence in order to be taxed there. Their personal and family circumstances are also taken into account.

Provided that these conditions are met, the country of employment must grant non-resident workers the same tax concessions as it grants to residents by virtue of their family circumstances.

The tax treatment of frontier workers is rather complicated. For this reason it is better to ask for advice by the local tax authorities of the place of employment or by a taxation expert.

If a frontier worker does not reside in Austria but works there, Austria usually has the right to tax his income from employment (though this may depend on the time of his stay in Austria) You may be entitled to some or all tax exemptions provided for residents when your debt is assessed, with regard to national and municipal income taxes, which are deducted at source by your employer.

If the frontier worker does not reside in Austria but is self-employed there, Austria may be entitled to tax his income from this activity (as well as income from other sources in Austria). He may also be entitled to some or all tax exemptions provided for residents. Tax is normally paid through a system of provisional assessments, payable in ten monthly instalments.

Relevant websites and addresses:

- Bundesarbeitskammer
Prinz-Eugen-Str. 20-22
1041 Vienna

AUSTRIA
Tel.: (+43) 150165/2388
Fax: (+43) 150165/2199

- Arbeitsmarktservice Österreich
Bundesgeschäftsstelle
(EURES Österreich)
Dr. Richard Bauer
Treustrasse 35-43
Vienna
AUSTRIA
Tel.: (+43) 1331 780
Fax: (+43) 1331 78150,

2.6. Comments-Remarks

Austria provides ideal conditions for the employment of engineers, especially in fields which are related to research and technological developments, as well as the industry which is well developed in the country. It has a strong position and constitutes one of the richest and most stable EU countries. Its financial system, i.e. the free market economy with strong emphasis on the social factors which favor the less privileged, aims at a successful cooperation model between economy and social benefits. Based on the above, the economic situation of the country today as well as the expectations for its future ensure quick absorption in the labor market with satisfactory remuneration. Besides, the social security and the state benefits may burden the citizen with high taxation but they contribute to the establishment of a comfortable and safe way of living.

2.7. Useful addresses

The most important useful addresses about Austria are briefly mentioned in the table below.

| | |
|--|--|
| Information about Austria | www.austria.gv.at |
| <u>Ministries – Various institutions</u> | |
| Austrian Academic Exchange Service (OAD) | www.oead.ac.at |
| Austrian Research Information System | www.auris.ac.at |
| Austrian Science Fund (FWF) | www.fwf.ac.at |
| Austrian Institute of Economic Research (WIFO) | www.wifo.ac.at |
| Career Center, WU- Wien | www.wu-wien.ac.at/inst/zbp |
| Institute f. Advanced Studies (HIS) | www.his.ac.at |

| | |
|---|--|
| International Research Center for Cultural Studies | www.adis.at/dit |
| Bureau f. Int. Research a. Technology Cooperation (BIT) | www.univie.ac.at/bit |
| Ministry of Economic and Business Affairs | www.bmwa.gv.at |
| Ministry of Education | www.bmbwk.gv.at |
| Ministry of Transport | www.bmvit.gv.at |
| Ministry of Science, Technology and Innovation | www.bmwf.gv.at |
| Gewerkschaft Kunst-Medien-freie Berufe (art-media-freelancers) | www.kmsfb.at/ |
| Gewerkschaft der Gemeindebediensteten (local public services) | www.oegb.or.at/gdg/index.htm |
| Gewerkschaft der Eisenbahner (railway services) | www.oegb.or.at/gde/index2.html |
| P&MS special interest group in the private sector | www.interesse.at |
| Gewerkschaft der Privatangestellten (employees of the private sector) | www.gpa.at/index.htm |
| Gewerkschaft der ÖffentlichenBediensteten (federal public services, education) | www.goed.or.at/ |
| Gewerkschaft der - und Fernmeldebediensteten (public post and telecommunications) | www.oegb.or.at/gewerkschaften/post/index.html |

BIBLIOGRAPHY REFERENCES

- [1]: Public website www.austria.gv.at
- [2]: Public website www.help.gv.at
- [3]: Website www.eurocadres.org/mobilnet
- [4]: Website of the Austrian Engineers and Architects Association (ÖIAV) : www.oia.v.at
- [5]: Website of the European Union <http://citizens.eu.int/citizens>
- [6]: European Federation of National Engineering Associations (FEANI) www.feani.org.at
- [7]: Workgroup "PRACTICING ENGINEERING IN THE EUROPEAN UNION", TEE/TKM , 1999-2000
- [8]: Website of the Labor Market Service (Arbeitsmarktservice /AMS) : www.ams.or.at
- [9]: Website www.overseasdigest.com
- [10]: Website www.rotman.utoronto.ca/Exchangeprogram/profile-tsinghua.htm.
- [11]: Website of the Austrian Association of Engineers (VOI) : www.voi.at