

Figuring out both statutory and additional compensation and benefits is an integral part of expanding your business into Denmark. Every country differs in its minimum wage requirements and government-sponsored benefits. As a new employer in Denmark, you'll need to stay on top of every employment law to remain compliant. Globalization Partners is here to help. We will source the best benefits for your employees and make sure you meet every compliance law.

Denmark Compensation Laws

[Denmark employment law](#) is relatively simple in terms of compensation laws. There aren't many statutory compensation and benefits laws. Instead, trade unions or collective bargaining agreements outline these rules for specific employees. For example, the country does not have a minimum wage, but collective bargaining agreements will often include minimum wage regulations.

Payslips are required, but you can decide the frequency of your employees' salary payments. Many businesses pay their employees at the same time each month, but you could choose daily, weekly, or biweekly based on the employee's job description. Denmark compensation laws do not dictate a specific payment mode, but most employers use electronic payments instead of cash or check.

Guaranteed Benefits

All Denmark employees receive 25 working days of vacation each year as long as they worked a whole calendar year the year before. They also get 1% of their gross salary as a lump sum each May as a holiday allowance. Although Denmark has 10 public holidays, no law dictates whether an employee must have those days off. Collective bargaining agreements or an employment contract will outline which days the employee is expected to work.

Part of Denmark benefit management involves understanding the country's extensive tax laws, which also cover employees' health insurance. The country's social security program includes health insurance, child allowance, maternity benefits, disability benefits, and more.

Both employees and employers contribute to this fund.

Denmark Benefit Management

It's a good idea to include any supplemental benefits in an employment contract. This contract can attract a bigger talent pool and ensure those benefits are adequately outlined. Incentive bonuses are one additional benefit that is not required but is becoming increasingly common in Denmark. Flexible work hours are also growing in popularity and can be included in an employment contract. One other thing to note is employees who commute should receive a statutory allowance for the expense of commuting.

Expanding into Denmark means either distributing compensation and benefits yourself or choosing to outsource. Working with a [global PEO](#) such as Globalization Partners for your Denmark compensation outsourcing brings a variety of advantages, including:

- The liability goes off your shoulders and onto ours
- We have expertise in Denmark compensation laws, so you won't need to learn every intricacy
- We'll source great benefits for your employees
- You can leave Denmark benefit management to us while you focus on running your new subsidiary

Restrictions for Benefits and Compensation

While Denmark does not have too many statutory restrictions for benefits and compensation, it's essential to work with trade unions or carefully read over collective bargaining agreements to make sure you are meeting any stipulations such as minimum wage requirements and working hours.

Choose Globalization Partners

Find freedom from Denmark benefit management and avoid risk. [Contact Globalization Partners](#) today to learn more about our services.