



# GLOBAL EMPLOYER GUIDE

# GREENLAND





## Basic Country Facts

### Full name

- Greenland

### Capital

- Nuuk

### Main Languages

- Greenlandic
- English

### Population

- 56,025

### Monetary unit

- Danish krone

### Internet domain

- .gl

### International dialing code

- +299

### Currency

- Danish krone

# STATUTORY LABOR REQUIREMENTS

## Probation Period

- There is no general legislation regarding probationary periods in Greenland
- It is possible to agree on a probationary period of 3 months during which both parties can terminate the agreement with 14 days' notice

## Public Holidays

- New Year's Day (1st January)
- Epiphany (6th January)
- Maundy Thursday (9th April)
- Good Friday (10th April)
- Easter Monday (13th April)
- Greater Prayer Day (8th May)
- Ascension Day (21st May)
- Whit Monday (1st June)
- National Day (21st June)
- Christmas Day (25th December)
- New Year's Eve (31st December)

## Maternity Leave

- As a mother, you are entitled to maternity leave from two weeks before the expected time of birth and up to 15 weeks after the birth.
- If you give birth to twins, then – depending on your employment contract – it may be possible to have your maternity leave extended to 19 weeks after the birth.
- If you have a problematic pregnancy, or if your doctor assesses that your work may pose a risk to your health or that of your child, you will be able to commence your maternity leave earlier than two weeks before the birth.



## Paternity Leave

- As a father, you are entitled to paternity leave for a period of three weeks within the first 15 weeks following the birth of the child, or within the first 19 weeks in the case of twins.

## Sick Leave

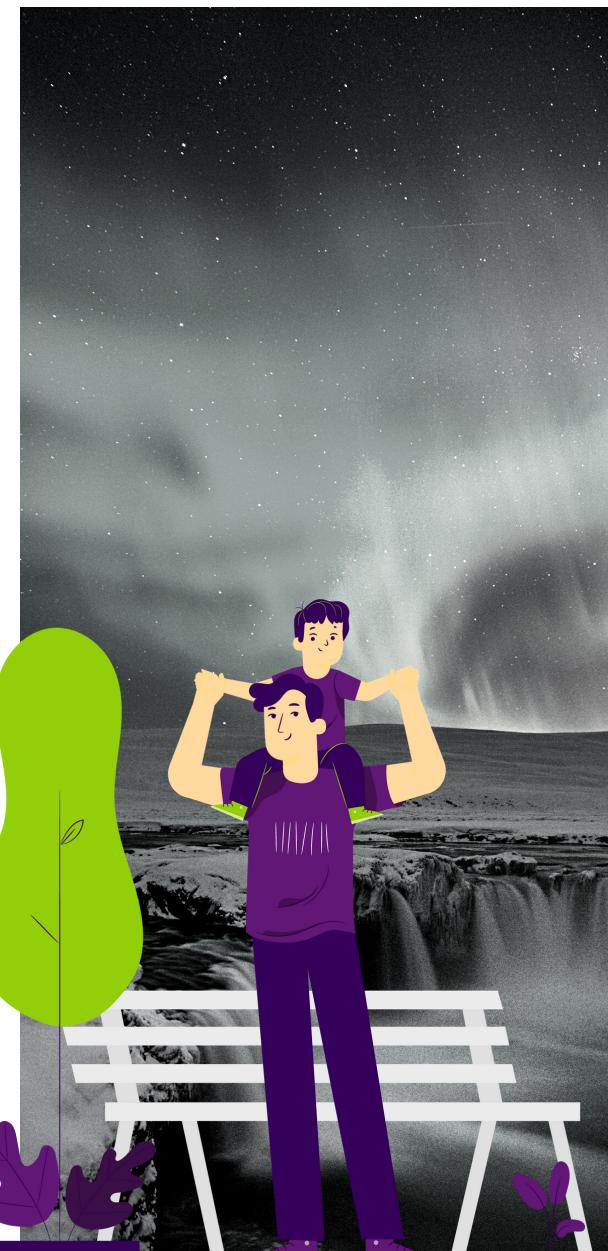
- In order to be entitled to receive unemployment benefit in Greenland in case of illness, you must:
  - Be at least 18 years of age, or have dependents
  - Be registered with the national population register in Greenland
  - Have worked for at least 182 hours as a paid employee in the course of the past 13 weeks.
- You can receive unemployment benefit for 13 weeks, paid from the third day of illness.
- If you are unemployed or laid off and already receive unemployment benefit, your unemployment benefit will continue without interruption once you have registered as ill.
- In some cases, you can receive unemployment benefit from the first day of illness.
- This applies if the sick leave is due to a work injury, or if you are registered sick for two weeks or longer.
- If you are often ill for short periods of time, or if you are on sick leave for longer than three weeks, the local municipality will decide whether you should be offered another form of assistance.

## Work Hours

- Normal working hours must not exceed 8 hours within a 24-hour period and 40 hours per week

## Overtime

- Greenland has no general regulation regarding overtime.
- Many contracts state that the salary includes payment for overtime.
- All collective bargaining agreements have rules on overtime payment.



## **Notice Period**

- Notice periods of the employer will depend on the length of the employee's continuous employment; the longer the employment, the longer the notice period
- Statutory notice period of the employer are as follows: -
  - If an employee has worked for 5 months, notice period is 1 month
  - If an employee has worked for 2 years and 9 months, notice period is 3 months
  - If an employee has worked for 5 years and 8 months, notice period is 4 months
  - If an employee has worked for 8 years and 7 months, notice period is 5 months
  - For an employment period that is greater than 8 years and 7 months, the notice period is 6 months
- The 6-month notice period is the maximum afforded by the Salaried Employees Act
- The employee may terminate the employment agreement with one month's notice to the end of a month regardless of the length of the employment

## **13th Month**

- 13th month pay is not mandatory in Greenland

## **Severance**

- The employer is liable to pay compensations if he dismisses salaried employees who have been continuously employed for 12 years or more, regardless of the fairness of the dismissal.
- The amount of compensation depends on the length of the employment
  - 12 years of employment entitles the employee to a compensation of 1 month's salary
  - 15 years of employment will attract a compensation of 2 months' salary
  - 18 years will attract the maximum of 3 months' salary



## Income Tax

- An individual may be taxed in Greenland on the basis of full or limited tax liability.
- An individual who is resident in Greenland is subject to full tax liability on one's worldwide income unless the individual is considered a resident of another country according to a double residence clause in a relevant double taxation treaty (DTT).
- An individual who is fully tax resident in Greenland will, as a main rule, be taxed at up to 44%, depending on the municipality of taxation.
- An individual not fully tax liable may have limited tax liability to Greenland.
- An individual with limited tax liability to Greenland will, as a main rule, be taxed at up to 44% on income from sources in Greenland.
- Generally, individuals are subject to state taxes (national income tax) and municipal tax.
- The tax percentages may be adjusted every year, and the 2020 percentages are as follows:



Municipality	Municipality Tax (%)	National tax (%)	Joint local municipality tax (%)	Total tax (%)
Kujalleq	28	10	6	44
Sermersooq	26	10	6	42
Qeqqata	26	10	6	42
Qeqertalik	28	10	6	44
Avannaata	28	10	6	44
Outside municipal areas	26	10	N/A	36



## Social Security

- The pension system in Greenland comprises three different types of pension:
  - Statutory pensions
  - Labor market pensions
  - Individual pensions
- Statutory pensions are pensions regulated by the public authorities, such as retirement pension and invalidity pension.
- There are no Greenlandic social security contributions for individuals (only for employers).
- The rate applicable to employers is 0.9 % on payroll.

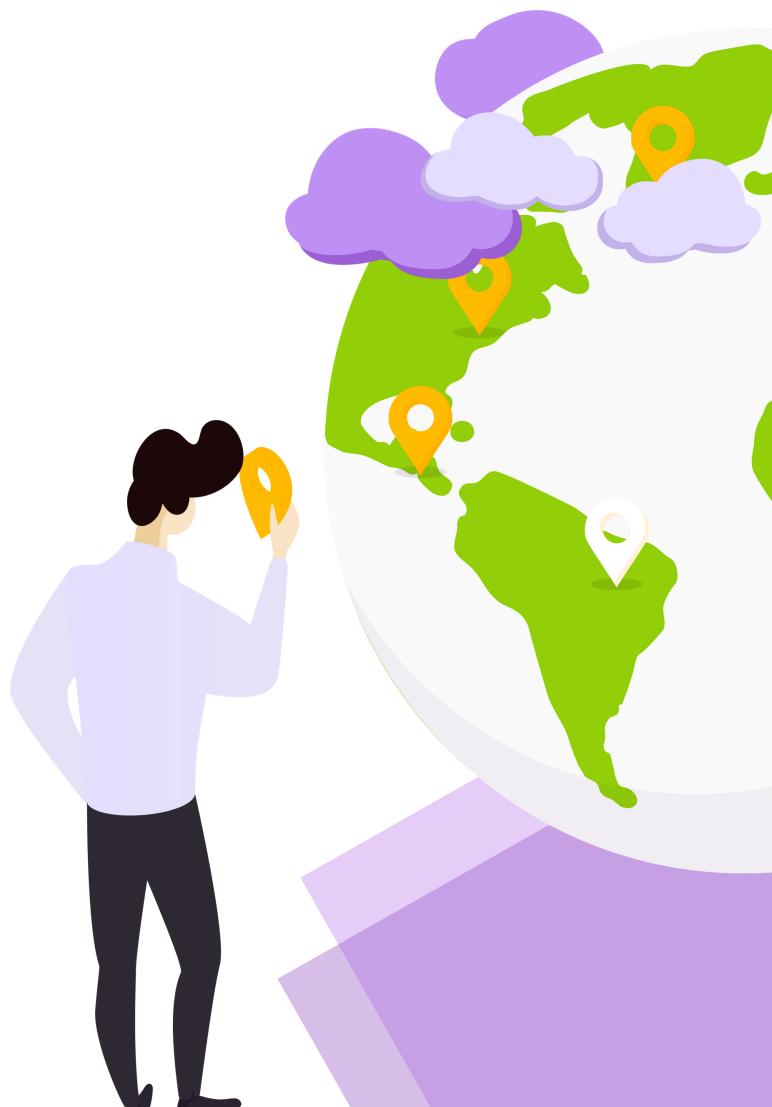
### Social Security Contribution

Employer	0.9%
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# Immigration

- Citizens from the Nordic countries, the European Union (EU) and European Economic Area (EEA) and Switzerland are entitled to live and work in Greenland.
- However, if you are an EU/EEA or Swiss citizen and intend to reside in Greenland for more than three months, you must apply for an EU residence document.
- Citizens from countries outside the Nordic region must have a work and residence permit in order to live and work in Greenland.
- Greenland is part of the Danish commonwealth, and enjoys a high degree of autonomy.
- The area of immigration has not been transferred to the government of Greenland, and so it is Denmark that decides who can enter and work in Greenland.
- Non-Nordic EU citizens and citizens of other countries around the world do not have free access to Greenland – they are so-called “third-country nationals”.
- If you are a citizen of a third country, then in addition to a possible municipal permit, you must also have a Danish work and residence permit, and possibly a visa to Greenland. You must apply to the Danish Immigration Service for a work and residence permit.
- The application procedure takes around three months, and if the answer is positive, you can be hired. You may not begin to work until you have obtained your work and residence permit.
- A work and residence permit takes the form of a letter or an identity card (a plastic card similar to a credit card).
- You must have the permit on you at all times.
- A work permit always applies to a specific job in a particular company, and for no longer than a year.
- If you wish to change your job or workplace, you must apply for a new permit before you can start work at the new job.
- Some of the main Danish work and residence permit schemes that individuals can apply under are as follows:
  - Pay Limit Scheme
  - Positive List
  - Fast Track Scheme
  - Startup Denmark



Type of Visa/ Permits	Documentation	Validity	Eligibility
<b>Pay Limit Scheme</b>	<ul style="list-style-type: none"> <li>• Documentation of paid fee</li> <li>• Copy of all pages of your passport</li> <li>• Employment contract or job offer which contains information about your salary and terms of employment and a job description. The offer or contract must not be more than 30 days old.</li> <li>• Documentation of education relevant to the job offered</li> <li>• Documentation of authorization. Only relevant if the job requires a Danish authorization</li> </ul>	<ul style="list-style-type: none"> <li>• If you are employed for a shorter period than 4 years, your residence and work permit will normally be valid for the period of your employment.</li> <li>• If your employment is for a period of 4 years or more, you will normally be granted a permit valid for 4 years.</li> </ul>	<ul style="list-style-type: none"> <li>• It is a requirement that you have been offered a job with an annual salary of DKK 436,000 or higher (2020 level).</li> <li>• Salary up to and including the Pay Limit Scheme's minimum amount must be paid to a Danish bank account in a bank operating legally in Denmark.</li> <li>• You must have a contract or a specific job offer showing that your salary and work conditions correspond to Danish standards and that your working hours will be at least 30 hours a week.</li> <li>• In some cases, it is required that you have a Danish authorization. For example, you need to obtain an authorization from the Danish Patient Safety Authority if you are a medical doctor.</li> </ul>
<b>Positive List</b>	<ul style="list-style-type: none"> <li>• Documentation of paid fee</li> <li>• Copy of all pages of your passport</li> <li>• Employment contract or job offer which contains information about your salary and terms of employment and a job description. The offer or contract must not be more than 30 days old.</li> <li>• Documentation of education relevant to the job offered</li> <li>• Documentation of parts of your salary or benefits that do not appear in the employment contract, e.g. paid rent for housing or salary paid to you abroad</li> <li>• Documentation of authorization. Only relevant if the job requires a Danish authorization</li> </ul>	<ul style="list-style-type: none"> <li>• If you are employed for a shorter period than 4 years, your residence and work permit will normally be valid for the period of your employment.</li> <li>• If your employment is for a period of 4 years or more, you will normally be granted a permit valid for 4 years.</li> </ul>	<ul style="list-style-type: none"> <li>• The Positive List is a list of professions experiencing a shortage of qualified professionals in Denmark.</li> <li>• If you have been offered a job included in the Positive List, you can apply for a Danish residence and work permit based on the Positive List Scheme.</li> <li>• You must have an educational background that makes you qualified for the job.</li> </ul>

Type of Visa/ Permits	Documentation	Validity	Eligibility
<b>Fast Track Scheme</b>	<ul style="list-style-type: none"> <li>Documentation of paid fee</li> <li>Copy of all pages of the applicant's passport</li> <li>Power of attorney from the applicant</li> <li>Employment contract or job offer which contains information about your salary and terms of employment and a job description. The offer or contract must not be more than 30 days old.</li> <li>Documentation of educational background</li> <li>Documentation of authorization. Only relevant if the job requires a Danish authorization</li> </ul>	<ul style="list-style-type: none"> <li>90 days for a short term stay</li> <li>If you are employed for a shorter period than 4 years, your residence and work permit will normally be valid for the period of your employment.</li> <li>If your employment is for a period of 4 years or more, you will normally be granted a permit valid for 4 years.</li> </ul>	<ul style="list-style-type: none"> <li>The Fast-track scheme makes it faster and easier for certified companies to recruit foreign employees with special qualifications to work in Denmark.</li> <li>This means that you, as a highly qualified employee, can have a quick and flexible job start in the certified company.</li> <li>It is a requirement that your employer is certified by the Danish Agency for International Recruitment and Integration (SIRI).</li> </ul>
<b>Startup Denmark</b>	<ul style="list-style-type: none"> <li>Documentation of paid fee</li> <li>Copy of all pages of your passport</li> <li>Approved by the Danish Business Authority's panel of experts</li> <li>Documentation that you can support yourself during your stay in Denmark</li> <li>Documentation of company ownership if relevant</li> </ul>	<ul style="list-style-type: none"> <li>2 years (may be extended for up to 3 years at a time)</li> </ul>	<ul style="list-style-type: none"> <li>Your business idea must be approved by the Danish Business Authority's panel of experts</li> <li>Your business must contribute innovative ideas and potential for development to the Danish business community.</li> <li>You must provide documentation that you have sufficient funds to cover your first year in Denmark.</li> <li>It is a condition that you play an active part in running the business, and your presence must be necessary for the establishment of the business.</li> </ul>



## **Value Added Tax (VAT)**

- Greenland is not a part of the VAT agreement of the EU, which is why a Greenlandic business or company is not required to register for the VAT when operating in Greenland.
- Sale to a citizen, business or company with residence in Greenland, should be considered as a sale out of the EU - it should be considered a sale with VAT exemption or with VAT refund.

## **Withholding Tax**

- Greenland has the following WHTs:
  - Dividends: 36% to 44%, depending on the local municipality (may be reduced by treaty). It should be noted that paid dividends are deductible in the corporate tax base.
  - Interest: There is no WHT on interest.
  - Royalties: 30% (may be reduced due to treaty reduction).

WHT	
Dividends	36% to 44%
Interest	0%
Royalties	30%





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## Statutory Benefits

- These are mandatory benefits as postulated by law
- These include probationary period, public holidays, sick leave, maternity leave, paternity leave, overtime pay, notice period, and severance pay
- Statutory benefits also include social security benefits

### Statutory Benefits

Probationary Period

Public Holidays

Maternity Leave

Paternity Leave

Sick Leave

Overtime Pay

Notice Period

Severance Pay

Social Security Contributions

## Payments and Invoicing

- In Greenland you may have full or limited tax liability, depending on how long you stay in the country.
- Your tax return form will be pre-printed by the Tax Agency on the basis of income information submitted by your employer.
- If you wish to change or modify your tax returns, you can do so online at the Tax Agency's website, or you can contact the local tax office.
- If you do not have any changes or modifications, you do not have to do anything.
- Your tax returns must be submitted to the Tax Agency no later than 1 May in the year following your income year.
- You will receive a final statement showing whether you owe outstanding taxes or are due a tax rebate.
- The final statement will be sent at the end of August in the year after your income year.



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## GREENLAND



**GX GLOBAL  
EXPANSION**

An Equus Software Company