

Coronavirus - A third package of measures for employers and other affected groups - Slovakia

17 April 2020

Recently the Slovak Government has amended some of the previously adopted measures for employers and self-employed persons for maintaining employment and helping overcome the current crisis. It even extended the state aid to persons who were not eligible for any contribution pursuant to the previous plan.



Extended financial aid including “kurzarbeit” for employers

The Government of the Slovak Republic passed a resolution by which it amended the previously adopted two employment support measures applicable during the state of emergency.

Below are the means by which the Government aims to support employers and other entitled groups in their decision to maintain employment even when they are unable to assign work to employees. So far only details concerning the first three measures have been published and the process of submission of requests for the last measure is so far unknown.

Measure 1 – “kurzarbeit” alternative 1

Employers, that

- at the time of declaration of emergency event, emergency state and serious state of emergency based on the Measure of the Public Health Authority of the Slovak Republic, **closed or restricted their sites** (except public administration entities) and
- retain jobs even in the event of an obligation to interrupt or limit their operation, will be eligible for a state contribution

Amount of the contribution: payment of the employee's wage amounting to 80% of his / her average earnings, up to a maximum of EUR 1,100 per month. The maximum contribution of EUR 800,000 per employer was canceled. The competent Labour Offices accept requests for this contribution from **6 April 2020**.

Contribution eligibility conditions

- payment of an employee's wage compensation in the amount of 80% of their average earnings
- commitment that two months after the month for which the contribution is requested, the employment relationship will not be terminated or no legal action resulting in the termination the employment relationship for organizational reasons will be taken
- submission of data on the number of employees as of 31 March 2020
- declaration that as of 31 December 2019 the business was not in crisis (applies also to self-employed persons)

Other facts to be declared via an affidavit by the employer

- compliance with tax obligations under specific legal regulation
- compliance with the obligation to pay advance payments for public health insurance, social insurance and mandatory contributions to retirement pension savings
- non-violation of the prohibition of illegal employment in two years prior to the submission of the contribution application
- absence of due financial liabilities with respect to the Labour Office
- employer is not in bankruptcy, liquidation, forced administration or does not have a fixed payment schedule under specific legal regulation
- employer does not have registered unsatisfied claims of its employees resulting from employment
- employer is not sentenced with a legally valid and effective penalty of prohibition to receive subsidies or subventions or with a penalty of prohibition to receive aid and support provided from the European Union funds, if the employer is a legal person
- declaration that as of 31 December 2019 the employer was not a company in difficulties

Measure 2

Self-employed persons, that

- at the time of the declaration of the state of emergency closed or limited their operations based on a decision of the Public Health Authority, or
- who suffered loss of revenue and
- who do not have a simultaneous employment relationship or did not cancel or interrupt the trade license, will be eligible for a state contribution

The amount of the contribution will depend on the loss of revenue in comparison with the same period in 2019 (or if the trade license was not operated in that time, in February 2020), as follows:

| Loss of revenues | March 2020 |
|------------------|------------|
| Less than 10% | EUR 0 |
| 10 % - 19,99% | EUR 90 |
| 20 % - 29,99% | EUR 150 |
| 30 % - 39,99% | EUR 210 |
| More than 40% | EUR 270 |

| Loss of revenues | April, May 2020 |
|------------------|-----------------|
| Less than 20% | EUR 0 |
| 20 % - 39,99% | EUR 180 |
| 40 % - 59,99% | EUR 300 |
| 60% - 79,99% | EUR 420 |
| More than 80% | EUR 540 |

Besides the loss of revenues, the self-employed person must also demonstrate compliance with other conditions for the entitlement, e.g. that he/she was not in crisis prior to 31 December 2019, that all tax, social and health insurance obligations are complied with, he/she did not violate the illegal employment legislation and that he/she is not in bankruptcy, liquidation, forced administration or does not have a fixed payment schedule under specific legal regulation.

The competent Labour Offices accept requests for this contribution from **8 April 2020**.

Measure 3 – “kurzarbeit” alternative 2

Employers, that at the time of declared state of emergency retain jobs during the interruption or limitation of their operation (i.e. who were not obliged to close or limit the operation based on a decision of a Public Health Authority), will be entitled to a state contribution.

The amount of the contribution, to which the employer will be entitled, will be either in the amount of maximum 80% of the employee's average monthly earning, to whom the employer could not assign work due to obstacles at work (maximum EUR 880), or a contribution in the lump sum calculated pursuant to the tables in Measure 2 above, in which case the eligible employee may be assigned work, but not less than 50% of his/her monthly working time. The employer may choose whichever type of contribution is more favourable for them, but the chosen alternative shall apply to the whole period of entitlement.

As of **17 April 2020**, the Labour Offices started to accept the requests for this type of state aid.

Measure 4

Selected groups of persons who do not have any income during the state of emergency

Selected persons who do not fall within any of the above schemes and have no income, e.g.

- self-employed persons who interrupted or limited their gainful activities
- self-employed persons who ceased the gainful activity as of 13 March 2020
- a person carrying out work based on agreements outside the employment relationship

may be entitled to a contribution in the amount of EUR 105 in March 2020 and EUR 210 in April and May 2020.

As of today the Labour Offices do not accept the requests for this type of state aid and details for submission of requests is still to be announced.

Amendments in the Labour Code

On 2 April 2020, Slovak Parliament approved amendments of the Labour Code to increase employers' flexibility in cases of declaration of emergency event, emergency state and serious state of emergency.

The **most important changes** are:

- the employer is entitled to order the employee to work from the employee's household if it is possible with regard to the agreed type of work
- the employer is obliged to notify the employee about the working time schedule at least two days in advance, unless a shorter period of time is agreed with the employee and this working time schedule is to be effective for at least one week. This measure provides employers with more flexibility, previously it was necessary to notify the employee about their work schedule at least a week in advance
- the employer may order an employee to draw holiday at least seven days in advance and at least two days in advance for last year's unused vacation. The time limit may be shortened with the employee's consent

- if the employee cannot perform work entirely or partially due to ceasing or limitation of the employer's activity (i.) caused by the decision of the competent public authority or (ii.) as a result of the declaration of emergency event, emergency state and serious state of emergency, this constitutes an obstacle to work on the employer's part, for which the employee is entitled to the wage compensation amounting to 80% of his/her average earnings, but at least in the amount of the minimum wage. An agreement with neither employees' representatives nor the employee is required

The above-mentioned amendments shall apply during the emergency event, emergency state and serious state of emergency and during two months after their cancellation.

For more information please contact



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through this together**

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- we will draft all necessary documents
 - affidavits and application, and
 - to obtain a financial contribution

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