

# News Flash

January, 2018



**Increase of minimum wage by  
EUR 45 in Slovakia as of 2018**

## The minimum monthly wage in Slovakia increases by EUR 45 as of January 2018

For 2018, the Government of Slovak Republic has set a higher minimum wage. That means the increase of minimum wage by EUR 45 to EUR 90 per month, depending on the degree of labour difficulty. In practice, increasing the minimum wage also means an increase of for example wage allowances for night work and standby duty.

### Increase of minimum wage

From 1 January 2018, the monthly minimum wage has increased from the current **EUR 435 to EUR 480**. The hourly minimum wage increases from EUR 2,500 to EUR 2,759 per hour.

The calculation of the minimum wage at the first degree of labour difficulty:

	Calculation of the minimum wage in 2017 in EUR	Calculation of the minimum wage in 2018 in EUR	Difference in 2017 vs. 2018
<b>Minimum wage</b>	<b>435</b>	<b>480</b>	<b>45,00 €</b>
Employee's payments to social insurance	40,89	45,12	4,23 €
Employee's payments to health insurance*	6,6	12	5,40 €
Employer's payments to social insurance	109,62	120,96	11,34 €
Employer's payments to health insurance	16,5	30	13,50 €
Tax (when applying tax-free allowance)	13,4083	19,7049	6,30 €
<b>Labour costs</b>	<b>561,12</b>	<b>630,96</b>	<b>69,84</b>
Net wage	374,1017	403,1751	29,07 €

\*In the calculation, we assumed that the employee applied a deductible item to the health insurance, based on -their written request.

### Increase of wage allowance for night work and standby duty

We would also like to draw your attention to the fact that raising the minimum wage also means **an increase in the minimum wage claim - depending on the degree of labour difficulty**. For example, for employees with a degree of 6 (when the minimum wage claim is calculated as 2 times the minimum wage), the increase goes from EUR 870 to EUR 960, meaning an additional 90 € per month.

The employee's wage also depends on the complexity, responsibility and difficulty of their work. For example, if an employee has a material liability, their wage is at least 1.2 times the minimum wage, i.e. 576 EUR since January 2018.

Degree of labour difficulty	Coefficient of minimum wage	Minimum payroll claim in 2017 in EUR	Minimum payroll claim in 2018 in EUR	Increase in 2018 in EUR	Minimum hourly wage in 2018 in EUR
1	1	435	480	45	2,7590
2	1,2	522	576	54	3,3108
3	1,4	609	672	63	3,8626
4	1,6	696	768	72	4,4144
5	1,8	783	864	81	4,9662
6	2	870	960	90	5,5180

The increase in the minimum wage will also **affect the amount of wage allowances for night work**. Such employees are entitled to a wage allowance at least 20% of the amount of the minimum wage, which is EUR 0.5518 per hour since January 2018. We would also like to inform you that from 1.5.2018 a 50% increase of wage allowances is being planned, but we will further inform you about this change.

Allowance for **standby duty** is also calculated from the minimum wage, whereby for each hour of inactive time **at the workplace** the employee is entitled to a wage equal to the proportion of the basic wage component, or at least to the amount of minimum wage. For each hour of inactive time **outside the workplace** the employee is entitled to at least 20% of the amount of minimum wage.

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