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Labour Law and Employment Slovakia | 2023 Guide



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ENTITLEMENT TO WORK IN SLOVAKIA

Pursuant to the Act on Illegal employment, it is prohibited for an employer to employ persons without an established employment relationship. This is applicable for all types of individuals bellow:

- Slovak citizens,
- citizens of European Union (“EU”) or of contracting states of the Agreement on the European Economic Area and Switzerland (“EEA”),
- non-EU and non-EEA citizens.

A third-country national has the same right to use employment services as a citizen of Slovakia, **with the following restrictions:**

EU citizens

3 months

EU citizens are entitled to stay in Slovakia without any conditions or formalities for three months after the date of entry into the territory of Slovakia.

An EU citizen staying in Slovakia for more than three months is required to apply for registration of residence in Slovakia, while one of the reasons under which an EU citizen is authorized to stay in Slovakia is an employment in Slovakia.

NON-EU citizens

Citizens of other countries than the EU or EEA countries are entitled to work in Slovakia if they meet the specific conditions set by legislation (e. g. to have a work permit / temporary residence permit for the purpose of employment).

Throughout 2018 have been introduced several new regulations to make employment of non-EU citizens more flexible in areas of industry with lack of workforce, in particular in relation to shortening the time periods for granting of temporary residence permits and reducing of a related administrative burden.



EMPLOYMENT CONTRACTS

Minimum specifications

The employment contract contains the employer's and employee's identification details. In order to conclude an employment contract, the employer and the future employee need to agree on the following minimum specifications that will be included in the contract:



job description



place of work or places of work, if more than one, or the rule that the place of work shall be determined by the employee



date on which employment commences



the salary (unless this has been agreed in a collective bargaining agreement)

Information about employment terms and conditions

With regard to other essentials, such as the method of determining the place of work in the case of multiple workplaces, the scheduling of working time, the amount of leave, the payment of wages and pay dates, the employer may decide whether to specify them in the employment contract or to provide them to the employee **in the written form** (or in electronic form, if this is possible under the law) **or by reference to the relevant provisions of the Labour Code**. In case the information is not directly contained in the employment contract, the employer is obliged to provide the employee with given information within the period of 7 days or 4 weeks, depending on the type of information to be provided.

Obligations

On taking up the employment, an employer is obliged to acquaint the employee with work rules, health and safety regulations and collective agreements, if any.

Pursuant to the Act on Illegal work and illegal employment, it is prohibited for an employer to employ persons without an established employment relationship.

Contract duration

The employment contracts in Slovakia can be concluded for:



Definite period



Indefinite period

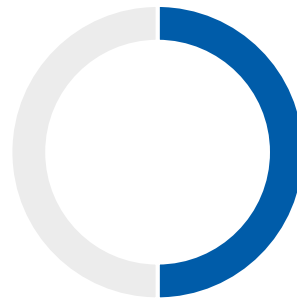
The Labour Code contains certain **limitations** in respect to the employment contract concluded for **definite period** of time. Such contracts can be concluded for a maximum of two years and it is possible to extend them or conclude them again only twice within these two years. The limited duration (i.e. definite period of time) of the contract must be agreed in writing in the contract, otherwise the contract is deemed to be concluded for indefinite period.

Probationary Period

The parties can agree on an initial probationary period of:



Maximum **3 months**
for general employees



Maximum **6 months**
for certain managerial positions

The employment agenda brings complex obligations. Take advantage of our:

- Labour law and employment support
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Avoid the risks of non-compliance

TERMINATION OF EMPLOYMENT

Cases

The employment contracts in Slovakia can be terminated **in writing** by both parties as follows:



mutual agreement



immediate termination

- the employer must terminate the employment within two months since becoming aware of the grounds for the immediate termination, and at the latest within one year of the day on which those grounds arose
- this method of termination of employment relationship can be used only in exceptional circumstances stipulated by the Labour Code



termination in the probationary period

- by both the employer or employee who may terminate the employment during probationary period without providing any reason for termination
- by a written notice that should be given and delivered to the other party at least 3 days before the day of stipulated termination



notice

- both employer and employee may terminate an employment contract by a written notice
- the employee may terminate the employment contract for any reason or without stating any reasons
- the employer may terminate the employment contract only in the situations expressly stipulated in the Labour Code

The employment contract terminates also:



by lapse of time in case of the employment contract concluded for definite period

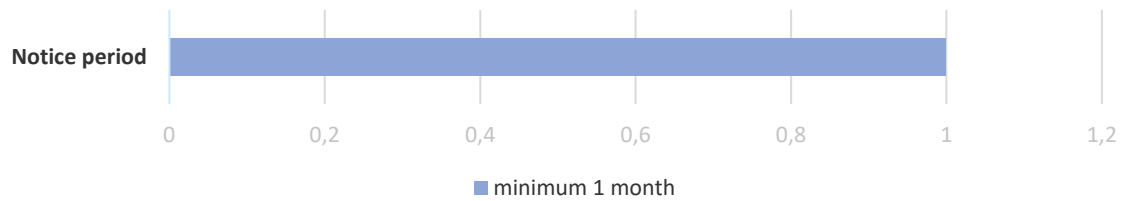


expiry of residence permit in case of foreign employees, either by virtue of time or revocation.

Notice period

Both employer and employee may terminate an employment contract by a written notice. As mentioned above, the employee may terminate the employment contract for any reason or without stating any reasons. On the other hand, the employer may terminate the employment contract only in the situations expressly stipulated in the Labour Code:

- a) **The employer or its part:**
 - *is being wound up or*
 - *relocated and the employee does not agree with the change of the agreed place of work.*
- b) **The employee has become redundant** because of a written decision of the employer or a competent authority to change the employer's function, its technical equipment, or to reduce the number of employees in order to ensure labour efficiency, or other organisational changes, and the employer that is a temporary employment agency may also give notice to an employee if the employee has become redundant with regard to the termination of the temporary secondment prior to the expiry of the period for which the employment for a definite period of time was agreed,
- c) **with regard to his or her medical fitness pursuant to medical opinion the employee has lost, for an extended period, his or her capacity to carry out their current work or must not carry out such work** because of an existing occupational disease or the risk of occupational disease, or if the employee has reached in his or her workplace the maximum permissible exposure as determined by decision of a competent public health authority.
- d) **The employee:**
 - *does not satisfy the prerequisites for the agreed work provided in legal regulations,*
 - *has ceased to satisfy the requirements referred to in Section 42 Subsection 2 of Labour Code,*
 - *does not satisfy, without any fault of the employer, the requirements for properly carrying out the agreed work as determined by the employer in its internal regulation, or*
 - *performs his or her work tasks in a dissatisfactory manner and during the last six months the employer has delivered to the employee a written notice requesting him or her to remedy such underperformance and the employee has failed to remedy it within a reasonable time,*
- e) **reasons exist in relation to the employee for which the employer could have terminated his or her employment with immediate effect, or could have terminated it for a less serious breach of work discipline;** notice may be given to an employee on the grounds of a less serious breach of work discipline if the employee has been notified in writing during the last six months of the possibility of termination of employment.
- f) **the employee has reached the age of 65 and the age for entitlement to a retirement pension;** however, in December 2021 the Constitutional Court of the Slovak Republic decided to suspend the effectiveness of this Article of the Labour Code, which means that the provision of the law in question will not apply from January 1, 2022 and employers are therefore not able to use it. In the following months, the Constitutional Court will decide whether the given provision of the Labour Code is in accordance with the Constitution of the Slovak Republic and will therefore enter into force or is not in accordance with the Constitution of the Slovak Republic and will be deleted.
- g) **The general length of the notice period for a Slovak labour contract is:**



- the statutory **minimum** notice period is **1 month** (unless longer notice period is stipulated by the Labour Code),
- **2 months**, if the employee was employed for at least 1 year but less than 5 years,
- **3 months**, if the employee was employed for at least 5 years.

Longer statutory notice period depends on the length of employment and the reason of its termination.



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SOCIAL CONTRIBUTIONS AND INCOME TAX

Social contributions

The employer is obliged to pay monthly contributions to health insurance, social insurance and advances on the income tax. The amounts of contributions are presented in the table below.

Payrolls and Contribution	Employee rate	Employer rate	Maximum monthly assessment base
Sickness insurance	1.40%	1.40%	EUR 8,477
Pension contribution	4.00%	14.00%	EUR 8,477
Disability insurance	3.00%	3.00%	EUR 8,477
Unemployment insurance	1.00%	0.50%	EUR 8,477
Insurance to finance support during short-time work	-	0.50%	EUR 8,477
Guarantee insurance	-	0.25%	EUR 8,477
Accident insurance	-	0.80%	unlimited
Reserve fund	-	4.75%	EUR 8,477
Health insurance	4.00%	10.00%	unlimited
TOTAL	13.40%	35.20%	

Please note that as of January 1st, 2023 the minimum monthly wage in Slovakia is EUR 700 in case of the 1st degree of labour difficulty. The minimum wage depends on the degree of labour difficulty rating. Minimum hourly wage is EUR 4.023.



Calculate the indicative net salary using our 2023 payroll calculator

Income tax

An individual's tax liability is derived from the taxable income. Slovak tax residents are liable to personal income tax on their worldwide income, subject to provisions under applicable double taxation treaties. The tax year is the calendar year and the income is taxed at a progressive tax rate of 19 % and 25 %.

The tax rates applicable for income derived in 2023 are:

19% at which annual taxable income (except for income from business activity, capital and dividend income) up to EUR **41,445.46** is taxed

25% at which annual taxable income (except for income from business activity, capital and dividend income) above EUR **41,445.46** is taxed



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WORKING TIME AND VACATION

Regular working time

The maximum weekly **working time is 40 hours**, employees working on the basis of a two-shift system may work up to 38.75 hours per week and employees working on a three-shift system or who are involved in continuous operation may work up to 37.5 hours per week. It is also possible to agree on an uneven distribution of working time with the representatives of the employees.

Overtime

In general, upon agreement with the employer, employees may perform overtime work. Overtime work may reach up to 400 hours per calendar year. Of this time, the employer may order the overtime work in the extent of up to 150 hours per calendar year, the remainder of overtime work shall be agreed with the employee. For the work performed in excess of the standard working time, the employee is entitled to an allowance, specifics of which are regulated in the Labour Code.

Time off

Any employee who works for the same employer constantly for at least 60 days in a calendar year is entitled to annual paid leave on a proportionate basis. The basic annual leave entitlement is at least 4 weeks, rising up to 5 weeks for employees who are 33 years old or older (already in the year in that the employee reaches the age of 33, regardless of the birth date of the employee).

From 2022, employees who permanently take care of a child are entitled to an aliquot of 365 days, according to the number of days counting from the date they permanently take care of a child and date of its written announcement to their employer. For example, if the child was born in the 200th day of the year and its parents announced it to the employer at the exact day of its birth, they are then entitled to:

$200/365 \text{ days} * 5 = 2.75$, which is 3 days of extra time off after rounding.



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MOST COMMON EMPLOYEE BENEFITS

Benefits include **cash benefits** and **non-cash benefits** provided by the employer to the employee.

The cash benefit refers to the financial bonus on top of the standard wage or salary.

The most common non-cash benefits in Slovakia are:

- | | |
|---|---|
|  meal tickets with the remittance of the employer |  premium health care |
|  company cars also for private use |  contribution to old-age pension scheme |
|  company computers or mobile telephones also for private use |  reimbursement of sporting and cultural events |
|  extra holiday |  flexible working hours or optional home working |

As of January 2019, the employers with more than 49 employees are obliged to provide their employees with recreational vouchers that can be used for payment of vacation costs in the Slovak Republic. The contribution shall amount to 55 % of eligible costs, maximum of EUR 275 per year. It is available based on application made by an employee working for a particular employer for at least 2 years.

As of January 2020, the employer may provide the employee (working for him constantly 24 months at least) with contribution to sport activities of his/her child amounting to 55 % of eligible costs, maximum of EUR 275 per calendar year for all employees' children together. Child has to be registered at the sport organization at least 6 months before the employee applies for the contribution.

As of March 2021, the employer is obliged to allow his employees to choose between a meal voucher or a financial contribution for meal. **As of January 2023**, the employer can only provide meal voucher to employees in electronic form. Paper meal voucher may only be used if the use of a gastrocard (electronic form of meal voucher) at or near the employee's workplace during the work shift would not be possible. The amount of the financial contribution for meal should be the same as the amount in which the employer contributes to the meal voucher to other employees (on the comparable job positions). It must be at least EUR 2.81 (55 % of the minimum value of the meal voucher, i. e. for 2023 from the EUR 5.10) and the most EUR 3.74 per one shift. *Find out more about meal vouchers and financial contributions for meal in our [News Flash](#).*



TEMPORARY WORK CHARACTERISTICS

Special types of contracts

Besides an employment contract, the Labour Code recognizes three other contract types: (a) Work performance contract, (b) Work activities contract and (c) Temporary student job contract.

As of November 2022, the work conditions have to be transparent, which means in case of mentioned contracts that the employee must be **informed about the days and time periods** during which the employer may require him/her to perform work. Also, it will be no longer possible to require these persons to come to the workplace as soon as possible, if necessary, since the amendment introduced a period of at least **24 hours prior notice** by which the employer will be obliged to inform the employee about assigned work task. Even in this case, the employee will need to be informed in writing of any change at the latest on the day it takes effect. If the employer fails to comply with these conditions, the employee will be entitled **to refuse** to perform such work. On the other hand, if the employer cancels the work without giving less than 24 hours' prior notice, the employee will be entitled to a **refund of at least 30% of the remuneration he would normally receive**.

Work performance contract

The work performance contract may be concluded if the anticipated extent of work (work tasks) for which the agreement is concluded is not in excess of 350 hours in a calendar year. It can be concluded for maximum 12 months.

Work activities contract

Under the work activities contract the working period may not exceed 10 hours per week and the contract can be concluded for maximum 12 months.

As of January 2023, in the case of the performance of seasonal work under Annex 1b of the Labour Code, a new type of work activities contract may be concluded, which for these purposes is referred to as a **work activities contract for the performance of seasonal work**. The working period may not exceed 520 hours per calendar year and the weekly average working time for the duration of that contract, up to a maximum of four months, may not exceed 40 hours. The contract can be concluded for maximum 8 months.

Temporary student job contract

The temporary student job contract can be concluded only with a person with the status of student, who is under the age of 26 years. Work performance may not exceed 20 hours per week and the contract can be concluded for maximum 12 months.

Personnel leasing

Temporary assignment (personnel leasing) is also one form of employing individuals. This is a flexible form of employment where employees are temporary assigned to a so-called user employer, while the employee is in employment relationship with another employer or a temporary employment agency.

A temporary employee cannot be assigned to a particular user employer for more than 24 months. Subject to that 24-month limit, a temporary assignment of a temporary employee to a particular user employer can be extended or renewed up to four times. A temporary employee is entitled to be paid at the same rate as the user employer's core employees. If there is a difference between those pay rates, the user employer is obliged to pay any shortfall to the temporary employee. The user employer is not permitted to assign a temporary employee on to another user employer.



OVERVIEW OF APPLICABLE LEGISLATION

- The Labour Code
- Act on Illegal Employment
- Occupational Safety and Health Protection Act
- Act on International Cooperation when Posting Employees
- Act on Travel Allowances

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