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News Flash

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Contributions to support the maintenance of employment in Slovakia due to coronavirus

Contributions to support the maintenance of employment

One of the first forms of aid approved by the Government of the Slovak Republic in connection with the mitigation of economic impacts is to provide a contribution for the maintenance of jobs. Here is more information about who is eligible for such a contribution and how to proceed when applying for it. The measures below apply only to employers and not self-employed persons.

Should you have any questions or need assistance in completing the application form, please do not hesitate to **contact our Law Office Accace Legal at the e-mail address Legal_SK@accace.com**.

Entitlement to contributions

Employers who, at the time of the emergency declared based on the Regulation of the Public Health Authority of the SR:

- were obliged to shut down or limit their operations and in spite of being forced to shut down or limit their operations, they will maintain jobs (**Group 1**)
- were not obliged to shut down or limit their operations but had a decrease in sales of at least 20% and, in spite of the situation, they will maintain jobs (**Group 2**).

Please note that for the purposes of the contribution an employee means only an employee with an employment relationship.

An employer who belongs to the so-called Group 1, is entitled to a contribution for each employee to whom no tasks may be assigned due to obstacles on the part of the employer, i.e. **according to Article 142 of the Labour Code**. The amount of the contribution per employee will be in the amount of the salary compensation for the time of the obstacles to work on the part of the employer, up to 80% of their employees' average salaries paid during the relevant obstacles, max. up to EUR 1,100.

An employer who belongs to the so-called Group 2, is entitled to a contribution for each employee to whom no tasks may be assigned due to obstacles on the part of the employer, i.e.

also according to Article 142 of the Labour Code.

The amount of the employer's contribution in Group 2 per employee **shall be no more than 80% of the employees' average salaries, a maximum of:**

- EUR 180 for a reduction of revenues by at least 20%
- EUR 300 for a reduction of revenues by at least 40%
- EUR 420 for a reduction of revenues by at least 60%
- EUR 540 for a reduction of revenues by at least 80%.

For March, special rates apply as follows:

- EUR 90 for a reduction of revenues by at least 10%
- EUR 150 for a reduction of revenues by at least 20%
- EUR 210 for a reduction of revenues by at least 30%
- EUR 270 for a reduction of revenues by at least 40%.

Calculation of the reduction of revenues

If an employer was engaged in business last year, then e.g. 03/2020 will be compared with 03/2019 and 04/2020 with 04/2019, respectively.

If an employer was engaged in business during the full year 2019, but had fluctuating results throughout the year, e.g. due to seasonality, the employer will compare revenues for instance for 04/2020 with 04/2019 or with the average for 2019. This will depend on the employer's decision. Please note that this method can only be applied if the employer was engaged in business during the full year 2019.

If an employer was not engaged in business in the same month of the last year 2019 because they started up their business after the relevant month, then the amount of revenues in the current month, e.g. for 04/2020 will be compared with the revenues in 02/2020.

Most of these facts will be documented by a company's affirmation, and the facts will be subject to subsequent controls.

Conditions for granting contributions

A precondition for the employer's contribution is:

- Payment of salary compensation for obstacles on the part of the employer,
- Accepting a commitment that two months after the month for which the contribution is applied for, the employment relationship will not be terminated by the employer by notice or agreement for the reasons stated in Article 63 par. 1 letters a) and b) of the Labour Code,
- The employer must submit a statement of its employee count as of 31 March 2020,
- The employer could not have been defined as a "business in difficulty" as of 31 December 2019.

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