

# News Flash

July 27, 2020



**Increase of the subsistence  
minimum from July 1, 2020 in  
Slovakia**

## Increase of the subsistence minimum from July 1, 2020

The subsistence minimum is a limit that sets the minimum livelihood in Slovakia. If a natural person falls below this limit, a state of emergency occurs. **The change in an amount of the subsistence minimum in Slovakia this year, occurred on Wednesday, July 1, 2020 and its amount increased by EUR 5.13.**

The amount of the subsistence minimum is adjusted annually based on recalculations of the growth coefficient of net cash income per person or growth coefficient of living cost of low-income households.

### The change in the amount of the subsistence minimum

The amount of the subsistence minimum is determined by Act no. 601/2003 Coll. on the subsistence minimum and on the amendment of certain acts, as amended.

- The growth coefficients of net cash income per person for the 1st quarter of the current calendar year are compared with the 1st quarter of the previous calendar year, which should be lower than the growth coefficient of living costs of low-income households for the given period.
- The growth coefficients of living costs of low-income households for the given period are compared. If the growth coefficient of living costs of low-income households for the given period is lower than the growth coefficient of net cash income per person than again, the 1st quarter of the current calendar year is compared with the 1st quarter of the previous calendar year.

### The current subsistence minimum

The subsistence minimum will increase this year by 2,2 % which is EUR 5.13. Increase in the amount of the subsistence minimum will also increase the tax bonus, the non-taxable part of the tax base, parental allowance and the minimum pension.

**The current level of the subsistence minimum valid from July 1, 2020 to June 30, 2021 represents the amount of:**

- **EUR 214.83 per month** for an adult natural person

- **EUR 149.87 per month** for another considered adult natural person
- **EUR 98.08 per month** for a dependent child or a minor child

### The impact of the subsistence minimum on income tax in 2021

The subsistence minimum was adjusted on July 1, 2020 and in the run-up to this there are also other changes associated with it and will occur from January 1, 2021.

It all depends on which Act we consider and how this change is defined. In the case of income taxes, this shall be based on Act No. 595/2003 Coll. on income tax, as amended.

The individual amounts in the terms of the income tax will be valid from January 1, 2020 to December 31, 2021 and their amount will be:

- Tax bonus for a child above 6 years: EUR 23.22
- Tax bonus for a child below 6 years: EUR 46.44
- Non-taxable part of the taxpayer's tax base: EUR 375.95 (monthly)/ EUR 4,511.43 (yearly)
- Personal income tax base beyond, the annual non-taxable part of the tax base is decreased: EUR 19,936.22
- Personal income tax base beyond, 25 % tax rate is applied: EUR 3 165.16 (monthly) / EUR 37 981.94 (yearly)
- Income tax is not levied and not paid if the taxpayer's total taxable income does not

exceed the amount EUR 2,255.72 (or if the tax for 2021 does not exceed EUR 17)

### Parental allowances, child allowances and unemployment benefits

The change in the amount of parental allowance and child allowance from January 1, 2021 to December 31, 2021:

- Parental allowance (if the parent did not receive maternity leave): EUR 275.90
- Parental allowance (if the parent received maternity leave): EUR 378.10
- Child allowance: EUR 25.50

- Supplement to child allowance: EUR 11.96

The change in the amount of pension, remuneration of “unemployed” valid from July 1, 2020 to June 30, 2021:

- The amount of the maximum monthly remuneration of a citizen registered at the employment office: EUR 214.83
- The basic uncollectible amount in a case of foreclosure deductions: EUR 214.83

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