

ECONOMIC MEASURES – STATUS 6.4.2020		
1. SUPPORT OF EMPLOYMENT/SELF-EMPLOYMENT		
1.1.	The state will pay 80% of the employee's salary, if the business is closed based on decision of the state	Valid from 4/4/2020
1.2.	Contributions for the self-employed and employees in companies that have recorded a drop in revenues will depend on how much they were affected	Valid from 4/4/2020
1.3.	Employees in quarantine and parents who are at home with their kids will get 55% of their gross salary from the state	Valid from 27/3/2020
1.4.	Postponement of the payment of the social insurance contributions for the self-employers and employers whose revenues dropped by more than 40% (applies for the period of March 2020)	Valid from 6/4/2020
2. TAXES		
2.1.	Tax administration measures, change of statutory deadlines, income tax measures	Valid from 4/4/2020
3. FINANCING SUPPORT		
3.1.	Bank guarantees in the amount of EUR 500 mil. for employers to be able to finance their business	Valid from 4/4/2020
OTHER MEASURES- UNDER DISCUSSION		
The payment of payroll tax will be delayed for the companies whose revenues drop by more than 40%		
The deadline for paying income tax advance payments for the companies with a revenue drop of more than 40 percent will be postponed.		
Companies will be able to include unutilised tax loss since 2014 (including) in its tax base, if they haven't utilised it so far		
Loan repayment measures		

1. SUPPORT OF EMPLOYMENT/SELF-EMPLOYMENT

1.1 The state will pay 80% of the employee's salary, if the business is closed based on decision of the state.

The salary compensation of 80% of the employee's average salary is limited by the amount of EUR 1.100. It means that the state will contribute not more than EUR 1.100 for 1 employee per month.

Conditions for obtaining the contribution by employer (it is also applicable self-employed employers):

- must pay the employee compensation of 80% of his average salary,
- has a commitment that two months after the month for which he is applying for the compensation cannot take any action to terminate the employment relationship with the employee,
- has to present the number of employees by 31/3/2020,
- has to confirm, that the employer was not in crisis at 31/12/2019.

The employers also have the option to reimburse employees less than 80% of their average salary, but the contribution they can get from the state is equally reduced (for example: at 60% limit the contribution limit will be EUR 880).

1.2 Contributions for the self-employed and employees in companies that have recorded a drop in revenues will depend on how much they were affected.

From April 2020, the state will contribute the salaries of the employees in companies whose revenues dropped as follows:

Decrease in revenues	March	April and other months during the pandemic period
≥ 20%	EUR 90	EUR 180
≥ 40%	EUR 150	EUR 300
≥ 60%	EUR 210	EUR 420
≥ 80%	EUR 270	EUR 540

The entrepreneur must compare the sales (turnover, income) of the:

- respective month (for example April 2020) with the sales of the same month of the previous year (in this example April 2019), or
- average for 2019, or
- comparable period for February 2020 shall be documented, if the entrepreneur has not yet conducted business in the previously mentioned period.

How to apply for the contributions according to measures 1.1. and 1.2.:

First, it is important to note, that only the entity which was established and started business on 1/2/2020 at the least can be an applicant for the contribution.

The financial contribution will be provided by the **local competent Office of Labour, Social Affairs and Family** in which the employer or the self-employed employer retains jobs. The maximum total amount of contribution per applicant is EUR 200.000 per month. The maximum total amount for one applicant is EUR 800.000 for the project implementation period.

The employer may request for the both mentioned refunds by **affidavit**, where the employer must prove the following:

- payment of the salary compensation of 80% of the employee's average salary (*measure no.1*),
- has to declare the decrease in sales for employers and self-employed persons, whose sales declined at the time of the declaration of the extraordinary period (*measure no.2*),
- commitment that two months after the month for which he is applying for the refund cannot take any action to terminate the employment relationship with the employee (*common*),
- was not in crisis on 31/12/2019 (*common*),
- fulfilment of the other general conditions – acc. to §70,7 of the Employment Services Act (*common*).

Please note that all facts which the applicant proves by affidavit will be subject to ex-post controls.

1.3 Employees in quarantine and parents who are at home with their kids will get 55% of their gross salary from the state

“**Pandemic sickness benefit**” – for the employee, who has become temporarily incapacitated due to ordered quarantine or isolation (PN). From the first day of PN for these employees the Social Insurance Company will pay sickness benefits in the amount of 55% of the daily assessment base (which represents approximately 70% of his gross salary). Thus, the employee no longer asks the employer to pay income compensation for the first ten days, as was the case before the amendment was enacted. Employee entitlement arises from 27/3/2020.

“Pandemic nursing benefit” – may be granted to an employee only during the coronavirus crisis period for the entire period of quarantine or isolation ordered, as well as for the entire period of closure of the social services facility, schools and kindergartens. The insured (parents) may take turns in the care.

The following conditions have to be met:

- The employee personally and all-day care for the child until the age of 16 (necessary confirmation from the paediatrician of the child is after the age of 11),
- if the child until the age of 11 or the age of 18 has a long-term adverse health condition the confirmation is not required,
- if the child has ordered a quarantine measure or a school, kindergarten or social service facility has been closed,
- the person, who otherwise cares for the child has become sick or has been subject to a quarantine measure (medical / hygienic confirmation is necessary),
- cares for the close relative, who was in the social service facility, which was closed or quarantined.

1.4 Postponement of the payment of the social insurance contributions for the self-employed and employers for March 2020

Under this measure is introduced the postponement of the payment of social insurance contributions for self-employed persons and premiums paid by the employer for the **March 2020**. The due date is **postponed to 31/7/2020**. The insurance for the employee paid by the employer remains the employer’s obligation to pay at the original due dates. This exemption will apply to employers and compulsorily insured self-employed persons, whose sales dropped by more than **40%**.

It is proposed that the method of determining the decrease in sales (turnover, income) pursuant to a special regulation shall be established by the Government of the Slovak Republic by decree. The government may decide to postpone the payments of social insurance contributions for the following months.

2. TAXES

2.1 Tax administration measures, change of statutory deadlines, income tax measures

Validity of measures:

- Measures shall be applied during so called „pandemic period“ which **begins 12/3/2020 and will end last day of the month in which the Government recalls „extraordinary pandemic situation“**. Government may decide that some measures shall be applicable also after the pandemic period.

Tax administration measures:

- Missing of the deadline (other than filing of the tax return and payment of the tax) shall be excused provided it is done until the last day of the month following the end of pandemic period,
- Tax audit - the statutory deadline for proceeding of the tax audit is terminated during pandemic period. In case of VAT tax audit, the tax authorities may issue partial protocol entitling the taxpayer for VAT refund, although it does not consist legally required findings and proves,
- Overdue tax which arises the during pandemic period shall not be considered as overdue tax provided it is paid until last day of the calendar month following the pandemic period,
- The tax authorities do not update the list of taxpayers with the overdue tax liability, VAT black list and the list of deleted VAT payers,

- Individuals and other entities not obliged to communicate with the Tax Office via portal may file tax returns via email,
- Tax executions shall be terminated,
- Sanction interest shall not be imposed provided the tax is imposed by the tax authorities during pandemic period and it is paid last day of the calendar month following the pandemic period.

Change of the statutory deadlines:

Overview of the selected government-approved deadlines:

TYPE OF THE TAX DOCUMENT	NEW DEADLINE
Motor vehicle tax return (other than annual taxation period)	The last day of the calendar month following the end of pandemic period
Deadlines under the Act on Accounting (including the obligation to keep accounting documents in the register of Financial statements)	The end of the third calendar month after the end of pandemic period or the deadline for submitting the tax return, whichever comes first
Submitting of the income tax return (including assignation of the part of the income tax paid)	The last day of the calendar month following the end of the pandemic period
Submitting the assignation of the part of the income tax paid (if not stated in the tax return)	The end of the second calendar month following the end of the pandemic period
Issuing the confirmation on tax paid for the employees for the purpose of assignation of the part of the income tax paid	No later than 15 days of the second calendar month following the end of the pandemic period
Annual payroll tax report	The last day of the calendar month following the end of pandemic period
Delivery of the annual settlement confirmation	The end of the second calendar month following the end of the pandemic period
Report of the tax accounting and total employment income provided to individual employees, withholding tax advances, employee bonus, tax bonus and tax bonus for interest paid	The end of the second calendar month following the end of the pandemic period
Submitting the notice on withholding and paying the health care provider's income tax and paying the tax	The last day of the calendar month following the end of pandemic period

Income tax measures:

- The income tax return for the taxation period on which the last day of the period for submitting the income tax return expires during the pandemic period is submitted by the end of the calendar month following the end of the pandemic period. The taxpayer is also obliged to pay the tax within the same period.
- If the last day for submitting the income tax return expires during the pandemic period, the taxpayer shall postpone the deadline by a maximum of 3 calendar months or 6 calendar months, if its income includes taxable income from sources abroad. The taxpayer must notify the Tax Office of this fact by the end of the month following the end of the pandemic period.
- The taxpayer in bankruptcy or liquidation may request the Tax Office to postpone the deadline for submitting the income tax return by up to 3 calendar months.
- Provided taxpayer is obliged to file additional income tax return (personal or corporate) during pandemic period, taxpayer shall not be penalised provided it is filed last day of the calendar month following the pandemic period. In case the result of the income tax return is increase of the tax, in such a case the penalty shall be calculated only up to 12.03.2020.

3. FINANCING SUPPORT

The Ministry of Finance may provide financial assistance to eliminate the negative consequences of the pandemic and to support the maintenance of business in small and medium-sized companies (“SMEs”). As for large corporations, the government will discuss with them and take targeted measures as needed.

3.1 Bank guarantees in the amount of EUR 500 mil. for employers to be able to finance their business

Financial assistance to support the maintenance of the business in SMEs:

Financial assistance is provided through institutions, such as Export-Import Bank of the Slovak Republic and the Slovak Guarantee and Development Bank in accordance with the State Budget Act for the relevant financial year and the agreement between the Ministry of Finance and the Bank.

The financial assistance may be granted in the form of guarantees for credit granted by the Bank and repayment of interest on a loan granted by the Bank (“interest bonus”).

The loan guarantee is the obligation of the Ministry of Finance to the small employer to satisfy its obligation under the loan agreement between the bank and the small employer if the small employer fails to do so. Guarantee can be provided if at the date of signature of the credit agreement:

- It is not the small employer, who is authorized to recruit for remuneration or it is the temporary employment agency,
- Social and Health insurance companies do not register any receivables overdue for more than 180 days against the small employer,
- No bankruptcy or restructuring has been initiated against the small employer,
- The small employer meets the other conditions set by the bank.

Interest bonuses can be provided to the small employer from the state budget if the small employer will maintain the level of employment in period specified in the contract with the bank and will not have any arrears in insurance premiums.
