

WTS Slovenia

PKP8 for business and increase in minimum wage 2021

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The following newsletter is a summary of the essential information affecting businesses and employers, that have been introduced with the **Act of Additional Measures to limit the consequences of Covid-19 (s.c. PKP8)**, applicable from 5. February 2021 on and applied mainly for the first half of 2021.

Summary of measures for business entities 2021

Measures for the economy are the following:

- **Minimum wage subsidy** is EUR 50 monthly– details in the following chapters;
- salary compensation reimbursement in the amount of **80-100%** due to absence from work due to the **quarantine decree**;
- compensation for furlough – details in the following chapters;
- co-financing of **part-time work** is extended until 30. June 2021 (half-time financing brings EUR 448 per month); a condition for shorter working time is not the decrease in income, but rather the employer's estimation, that he cannot provide at least 90% of work to at least 10% of employees;
- the possibility of using absence leave for employees for up to **3 working days** due to illness **without a personal doctor confirmation**. This compensation is reimbursed to the employer from Social security bureau (ZZSZ) within 3 months at the latest. The employee can be absent for three consecutive working days only once in 2021. The employee informs the employer about his absences due to illness in **writing or via email on the first day of his absence**. If the employee referred to in this measure was already at home in 2020, this measure can be applied again until 31.12.2021;
- crisis allowance for working employees of EUR 200 – details in the following chapter.

Minimum wage for 2021 is EUR 1024,24

The minimum wage for full-time work, carried out from 1. January 2021, is EUR 1.024,24 gross and represents a nearly 9% increase in gross earnings compared to 2020.

Subsidy for minimum wage 01. January 2021 till 30. June 2021

As a result of the pandemic, the government has decided that for each **employee whose full-time salary without the allowances** provided by the laws, regulations and collective agreements, part of salary for performance and pay for performance agreed by a collective or employment contract, does not exceed EUR 1.024,24, the employer will be entitled to reimbursement of part of the minimum wage in the form of monthly subsidy of EUR 50.

The employer is entitled to subsidy from 1.1.2021 to 30.6.2021.

The employer should not initiate the termination procedure for business reasons for the employees for whom he received the subsidy until 3 months after the last subsidy is received.

The employer who has applied the subsidy in period from 5.2.2021 to 31.12.2021 is not allowed to pay out profits, buy his own shares or pay out bonuses to management. This restriction applies to all of these payments in the period from 5.2.2021 to 31.12.2021, as well as to all those payments that have their basis in the 2021 results.

Covering fixed costs for the period January till March 2021

The following business subjects are eligible for covering the fixed costs:

- legal and natural persons performing business activity at least from 01.09.2020 onwards;
- have at least 1 employee based on employment contract for an indefinite period (it does not matter for how many weekly hours the person is employed), employed no later than 01.10.2020;
- the person is self-employed (sole entrepreneur) and included in pension and disability insurance (full s.p.);
- the proprietor is included in compulsory social insurance as a manager of the company; and
- decrease in **net sales revenues** in the months of January till March 2021 by more than 30% compared to the same months in 2019.

The companies are divided in the following two groups according to the revenue decrease:

revenue decrease	share of recognized fixed costs of annual sales revenue 2019
30 – 70 %	0,06 % per month Jan – March (1,8 % for 3 months)
over 70 %	1,2 % per month Jan – March (3,6 % for 3 months)

The support may not exceed:

- EUR 1.000 per full-time employee per month for the period January till March 2021, if the decline in net sales revenue is between 30% and 70%;
- EUR 2.000 per full-time employee per month for the period January till March 2021, if the net sales revenue is decreased by more than 70% compared to the same period of 2019;

- not more than 70% (medium and large companies) or 90% (small enterprises) of the beneficiary's **net loss** (AOP 187) in the profit and loss account for the period January till March 2021.

Beneficiaries apply for reimbursement of fixed costs with a statement on the estimated income loss with their **own statement** that they are "a person who meets Art. 109 of the ZIUOPDVE".

The application is to be submitted not later than till 31. March 2021.

Example:: Subsidy calculation for fixed costs:

1. criteria: sales revenue 01-03/2021, compared to 01-03/2019

sales revenue 2019	1.000.000,00 €
expected sales revenue 01-03/2021	400.000,00 €
reimbursed fixed costs (1,8 % from sales revenue income 2019 for all 3 months)	18.000,00 €

The expected revenues of a small company in 2021 are 60% lower than the revenues in 2019. The first condition for the reimbursement of fixed costs is thus met. The maximum reimbursed fixed costs are 1,8% of the total annual sales revenue in 2019.

If for the applicants is more beneficial that the average sales revenue is considered, then it can use the criteria of average sales revenue on average employees or on the value of fixed assets.

2. criteria: average number of employees in the period 01 Dec 2019 till 30. Nov 2020

average no. of employees	4,55
maximum subsidy	13.650,00€

The average number of employees is determined on the basis of the working hours in the period 01.12.2019 until 30.11.2020, divided by 2088. Subsidy is **limited according to the employee count** and can in this case amount to a maximum EUR 13.650 (4,55 x EUR 3.000).

3. criteria: net loss 01-03/2021

actual loss 01-03/2021	150.000,00 €
limit 90 %	135.000,00 €

Regarding the criterion of net loss the company would be entitled to subsidy in the amount of EUR 135.000.

Conclusion: An overview of all 3 criteria shows us that the criterion of employees is the lowest, since the company is limited to EUR 5.000 of subsidy for each month or a cumulative EUR 15.000 for October to December 2020, according to the number of employees in the period 10-12/2020.

Crisis allowance EUR 200 with salary December 2020

Every employee **who works** and whose paid monthly salary for **November 2020** did not exceed twice the minimum wage (EUR 1.881,16) is entitled to the crisis allowance. The payment for business success is not included in salary for November 2020.

In addition to the salary for December 2020, the employer pays a crisis allowance in the amount of EUR 200, which is exempt from all taxes and contributions. If an employee has been on vacation, sick leave, on standby or absent from work due to force majeure, the crisis allowance shall be reduced accordingly.

The application must be submitted by 31 March 2021 at the latest.

Example:

Full time employee has in December used 3 vacation days, was 4 days on standby, had 15 working days and 1 national holiday; the employee is entitled to EUR 139,20 of crisis allowance, which is paid with salary December 2020 in the beginning of January 2021.

200 EUR / 23 days = 8,70
8,70 EUR/day x 16 working days = 139,20 EUR

The employer requests the reimbursement of the paid crisis allowance to the employee by **submitting a statement** about the already paid crisis allowance via the e-Taxes (e-Davki) portal **by 31.03.2021 at the latest**. The reimbursement of the crisis allowance will be made by the Financial Administration of the Republic of Slovenia no later than 20.04.2021.

The employer must pay the crisis allowance, otherwise it is punishable by a fine of EUR 3.000 to EUR 20.000 or in case of smaller employers employing 10 or less, the worker is fined EUR 1.500 to EUR 8.000.

Furlough from 01.02.2021 till 30.04.2021

Furlough is regulated by the following conditions in Slovenia:

- all business activities and employers with **decrease in sales revenue** in 2021 by **more than 20%** compared to 2019 or 2020 and parental care allowance;
- employee is entitled to salary compensation **in the amount of 80% of the basis**;
- employer **receives a refund of the compensation** in the following amount:
 - o 80% of the basis paid salary compensation to the employee, but not more than EUR 1.821,44 (gross I.);
 - o 100% paid salary compensation to the employee, but not more than the amount of the average Slovenian salary (currently EUR 1.821,44) and under condition, that the company did not receive cumulative subsidy over EUR 1,8 million in 2020 and 2021;
- The employer who, as a result of a Government decree, is **unable to carry out his activity**, is reimbursed
 - o **100% of cost of profit** (gross II.) provided that the undertaking has not received subsidies exceeding EUR 1,8 million;
- the allowance cannot be claimed for an employee in the running notice period, regardless of who gave the reason for the employment contract termination;

- the employer may not pay rewards and part of the salary for business performance to the management, but may pay these to employees;
- submission of the application to the Slovene Employment Office (ZRSZ) 30.06.2021 at the latest or within 8 days from the beginning of furlough.

Simplified procedure for registering work at home and application submission

Work at home is defined as work performed by a worker at his home or premises of his choice and not in the employer's business premises. Working from home is also working remotely using information technology.

It is necessary to inform the Labour Inspectorate of the Republic of Slovenia about work from home **before starting work at home**. The employer fulfils the obligation by submitting the prescribed **form** on the e-Vem website. The form can be submitted **exclusively electronically** via the information system for support of business entities (SPOT), managed by the Ministry of Public Administration.

If the employer does not register work at home, a fine of EUR 750 to 2.000 is prescribed (for a smaller employer up to EUR 1.000) and for each responsible person of a legal entity EUR 100 to 800.

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For further information, do not hesitate to contact our consulting team.



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