

**ECONOMIC MEASURES (COVID-19)**

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**1st aid package for entrepreneurs**

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Dear Client,

On 31st March 2020 during its 6th meeting the Government of the Slovak Republic approved *the terms and conditions draft of the project to support the maintenance of employment during the declared extraordinary situation, state of necessity and state of emergency and to eliminate their consequences* in accordance with the amended wording of Act No. 5/2004 Coll. on employment services.

In accordance with § 54 (1) letter e) of Act No. 5/2004 Coll. on employment services this draft shall be subsequently approved as a specific project by the Ministry of Labour, Social Affairs and Family of the Slovak Republic or by the Central Office of Labour, Social Affairs and Family.

**Updated on 6 April 2020 at 8 a.m.**

The employers and self-employed persons (SZČO) may apply for the first contribution (Support for the employers whose operations have been closed down by emergency measures) via electronic delivery from **6 April 2020 from 12 p.m.** through a new web platform [www.pomahameludom.sk](http://www.pomahameludom.sk).

The other employers, i. e. employers and self-employed persons with a decline in their turnover will be able to apply for the contribution (Contribution for the employers and self-employed persons with a decline in their turnover during the emergency situation) from **Wednesday, 8 April 2020 from 12 p.m.**

The draft includes the conditions for the following projects:

## **I. Support for the employers whose operations have been closed down by emergency measures**

Legally eligible state support in the form of wage contribution per employee in order to maintain the post even in the case of closed operation which has been closed down by Measure of the Public Health Authority of the Slovak Republic.

### **Eligible applicant:**

- A. **An employer**, who during the declared extraordinary situation, state of necessity and state of emergency (hereinafter referred to as „ES“) retains posts even in the case of the mandatory interruption or limitation of its operating activities on the basis of measure taken by the Public Health Authority of the Slovak Republic

### **Amount of the contribution:**

- **80 %** of the employee's average earnings, up to EUR 1,100 per employee

### **Basic conditions for granting the contribution:**

- ✓ to register an employee to whom the employer cannot assign the work because of the obstacle on the part of the employer pursuant to § 142 of the Labour Code;
- ✓ to pay to an employee a wage compensation in the amount of 80 % of its average earnings;
- ✓ to fulfil the obligation that two months following the month for which the employer applies for the contribution, the employer shall not :
  - 1) terminate the employment with the employee (s) or
  - 2) take any legal action that would (in the future) terminate the employment with the employee (s);
- ✓ to present the status of employees at the date of 31st March 2020;

### **Specific criteria**

In addition to the basic conditions for granting the contribution, an applicant must demonstrate that he:

- ✓ has fulfilled tax and levy duties;
- ✗ has not violated the ban on illegal employment in the last two years prior to the application;
- ✗ has no payment obligations due towards the grantor of the contribution;
- ✗ is not in bankruptcy, liquidation, receivership or has no reimbursement schedule according to a special regulation,
- ✗ has no registered outstanding claims of its employees arising from the employment,
- ✗ has no final sentence concerning the ban on receiving grants or subsidies or ban on receiving assistance and support provided by the European Union funds, if it is a legal entity;

## **II. Support for employers and self-employed persons (SZČO) with a decline in their turnover caused by an emergency situation**

Legally eligible state support in the form of a wage contribution per employee or income contribution per SZČO.

### **Eligible applicant:**

- A. **An employer**, whose operation has not been closed down by emergency measures, but despite the decline in its turnover will retain posts;
- B. **A self-employed employer**, who is also an employer, with a decline in its turnover caused by interruption or limitation of its self-employment activity during the emergency situation, but despite this fact he will retain posts;
- C. **A self-employed employer** with a decline in its turnover caused by interruption or limitation of its self-employment activity during the emergency situation; it does not apply to a self-employed person who has a parallel employment relationship;

### **Amount of the contribution**

The contribution for the employer or self-employed person who is an employer to cover the part of the employee's wage or a flat rate contribution for income losses for self-employed persons is set as follows:

<b>Decline in turnover</b>	<b>March 2020</b>	<b>April 2020 and further months</b>
≥ 20 %	90,- EUR	180,- EUR
≥ 40 %	150,- EUR	300,- EUR
≥ 60 %	210,- EUR	420,- EUR
≥ 80 %	270,- EUR	540,- EUR

The amount of the decline in turnover is supported in comparison with:

- a) the same period in 2019, or
- b) the average of 2019, or
- c) the period of February 2020, unless the applicant operated in previous periods (letter a) or b)).

The maximum total amount of contribution per eligible applicant is **EUR 200.000,-**.

### **Basic conditions for granting the contribution to the applicants A. and B.:**

- ✓ to have a decline in turnover, at least in the amount of 20 % during the declared extraordinary situation, state of necessity and state of emergency;
- ✓ to pay to an employee a wage compensation in the amount of 80 % of its average earnings;
- ✓ to fulfil the obligation that two months following the month for which the employer applies for the contribution, the employer shall not:
  - 1) terminate the employment with the employee (s) or
  - 2) take any legal action that would (in the future) terminate the employment with the employee (s);
- ✓ to present the status of employees at the date of 31st March 2020;

### **Basic conditions for granting the contribution to the applicants C:**

- ✓ to have a decline in turnover, at least in the amount of 20 % during the declared extraordinary situation, state of necessity and state of emergency;

### **Specific criteria**

In addition to the basic conditions for granting the contribution, an applicant must demonstrate that he:

- ✓ has fulfilled tax and levy duties;
- ✗ has not violated the ban on illegal employment in the last two years prior to the application;
- ✗ has no payment obligations due towards the grantor of the contribution;
- ✗ is not in bankruptcy, liquidation, receivership or has no reimbursement schedule according to a special regulation,
- ✗ has no registered outstanding claims of its employees arising from the employment,
- ✗ has no final sentence concerning the ban to receiving grants or subsidies or ban to receiving assistance and support provided by the European Union funds, if it is a legal entity;

## **COMMON ARRANGEMENT**

The applicant for a contribution cannot be the so called ***company in difficulty*** at the date of 31<sup>st</sup> December 2019 for example, in particular a company which has lost more than half of its subscribed registered capital due to accumulated losses.

An applicant shall demonstrate fulfilment of basic conditions and specific criteria by a *affidavit*, which will be subject to subsequent controls by the relevant public authority.

An applicant can apply for the contribution only for the so called ***eligible period***, which is the period from 12 March 2020 till the end of the calendar month when the decision of the Public Health Authority of the Slovak Republic on the closure of operations will be cancelled;

***The locally competent Office of Labour, Social Affairs and Family*** will pay both contributions upon request and demonstration of the fulfilled conditions. *The Central Office of Labour, Social Affairs and Family* is entitled to designate another Office of Labour, Social Affairs and Family in order to pay contribution.

The maximum total amount of contribution per applicant is EUR **800.000,-** for the period of overall project implementation.



## **SUMMARY** (UPDATED: 01. April 2020)

The above-mentioned presented measures are currently only in the form of the government proposal of the conditions (basic criteria) which will be defined in detail in the approved project of the Ministry of Labour, Social Affairs and Family of the Slovak Republic or the Central Office of Labour, Social Affairs and Family.

All information is available on our website [www.prosman-pavlovic.sk](http://www.prosman-pavlovic.sk)

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