



An overview of payroll changes effective as of 1 January 2022

We have summarized the most important changes in the Slovak payroll legislation in 2022, especially in the area of taxation, social and health insurance and labour law. In case you have any questions or are interested in more details, do not hesitate to contact us.

Subsistence minimum

- **€218.06 / month** – subsistence minimum for an adult natural person from 1 July 2021 to 30 June 2022
- **€152.12** – subsistence minimum for another adult natural person being evaluated jointly
- **€99.56** – subsistence minimum for a child

In the event that an employee is remunerated with hourly wage with an established weekly working time below 40 hours per week, the minimum wage is as follows:

- **€3.833** per each hour worked by an employee at **38.75 hours/week**
- **€3.961** per each hour worked by an employee at **37.50 hours/week**

Minimum wage 2022

- **€646** per month for an employee remunerated with a monthly salary
- **€3.713** per each hour worked by an employee

Work difficulty level	Minimum wage coefficient	Rates for employees remunerated monthly	40 h/w	38.75 h/w	37.50 h/w
1.	1.0	€ 646.00	€ 3.713	€ 3.833	€ 3.961
2.	1.2	€ 762.00	€ 4.379	€ 4.520	€ 4.671
3.	1.4	€ 878.00	€ 5.046	€ 5.209	€ 5.382
4.	1.6	€ 994.00	€ 5.713	€ 5.897	€ 6.094
5.	1.8	€ 1,110.00	€ 6.379	€ 6.585	€ 6.804
6.	2.0	€ 1,226.00	€ 7.046	€ 7.273	€ 7.516

Work difficulty level	Type of job
1.	cleaner, maid, warehouse worker
2.	cashier, assistant cook
3.	nurse, chef, accountant
4.	senior accountant, driving instructor
5.	medical doctor, production manager
6.	CEO, senior medical doctor

Wage allowance rates 2022 – minimum rates

	Validity	Rate	Amount
Wage allowance rate for work on a bank holiday	2022	100% of average pay	
Wage allowance rate for overtime work	2022	25% of average pay	
Wage allowance rate for overtime work - high-risk	2022	35% of average pay	
Wage allowance rate for work on a Saturday	2022		1.79
Wage allowance rate for work on a Sunday	2022		3.58
Wage allowance rate for night work	2022		1.43
Wage allowance rate for night high-risk work	2022		1.79
Wage compensation for work under difficult conditions	2022		0.72
Inactive part of a standby duty	2022		0.72
Active part of a standby duty	2022		3.713

Maximum assessment base for 2022

€ 7,931 - applies to sickness insurance, pension insurance, guarantee insurance, unemployment insurance and contributions to the reserve fund. The assessment base for health and accident insurance is not limited.

Exemption from contributions on student work agreements

€200 - this is the level under which students do not pay contributions (regardless of whether they study at high school or university) from part-time work agreements. The exemption from the payment of insurance continues to be applied with the employer in writing through a Notice and honourable declaration attached to the student work agreement. If a student has entered into several student part-time work agreements, he or she can claim an exemption on only one agreement.

If students exceed the limit amount, they pay pension insurance from the difference between the income received and this amount. Pension insurance is paid at 4% when applying the exemption only on income above €200 and disability insurance at 3% when applying the exemption only on income above €200.

How much does an employer pay for a student?

- Pension insurance: 14% (exemption only on income above €200)
- Disability insurance: 3% (exemption only on income above €200)
- Guarantee insurance: 0.25% (from the entire income)
- Accident insurance: 0.8% (from the entire income)
- Reserve fund: 4.75% (exemption only on income above €200)

Health insurance from dividends

For dividends from 2013 to 2016 inclusive that are paid in 2022, the maximum assessment base shall be **EUR 67,980** (60-times the average wage in 2020, 60 x 1,133).

For natural persons who are taxpayers with unlimited tax liability (Slovak tax residents), dividends from resources in the territory of the Slovak Republic for

2017 and onwards are taxed at source by withholding tax under Section 43.

- 7% on dividends, if the taxpayer is resident of Slovakia or a contractual country
- 35% on income under Section 43(2) and (3) (including dividends) if the taxpayer is resident of a non-contractual country

Employee sickness benefit

- The employer pays income compensation during the first 10 days of sickness absence. From the 1st to the 3rd day, it is 25% and from the 4th to the 10th day, it is 55 % of the employee's daily assessment base.
- The highest possible daily assessment base for the calculation of the sickness benefit is EUR 74.4987.
- The highest possible daily assessment base for income compensation due to sickness absence is **EUR 74.4987**. The calculation is the same as above, but the result is rounded down to 4 decimal places.

Maternity leave benefit

The maximum maternity leave benefit for 2022 is calculated on the basis of gross income in the amount of double the average wage, which is EUR 2,266. This means:

- **EUR 1,676.30** in 30-day months (75% from 74.4987 x 30 days)
- **EUR 1,732.10** in 31-day months (75% from 74.4987 x 31 days)

Pregnancy allowance from 2022

Minimum pregnancy allowance rate in 2022

- **EUR 223.50** in 30-day months (10% from 74.4987 x 30 days)
- **EUR 231** in 31-day months (10% from 74.4987 x 31 days)

Maximum pregnancy allowance rate in 2022

- **EUR 335.30** in 30-day months (15% from 74.4987 x 30 days)
- **EUR 346.50** in 31-day months (15% from 74.4987 x 31 days)

Tax on income

Tax rate

- **19%** of the tax base up 176.8-times the subsistence minimum in force inclusive, i.e., **up to EUR 38,553**.
- **25%** of the tax base exceeding 176.8-times the subsistence minimum in force, i.e., exceeding **EUR 38,553**.

For the calculation of advance payments for tax on income from dependent activities, the tax base limit at the 19% rate is **EUR 3,212.75**.

Non-taxable allowance per taxpayer

The non-taxable allowance per taxpayer is **EUR 381.61** per month.

For the annual account statement for 2022:

- If the taxpayer reaches the tax base of up to **EUR 20,235.97** (92.8-times the subsistence minimum), the non-taxable allowance for 2022 shall be **EUR 4,579.26**.
- If the taxpayer reaches the tax base higher than **EUR 20,235.97**, the non-taxable allowance shall be calculated as follows:
 - **EUR 9,638.25** - (the tax base divided by 4), where 9,638.25 = 44.2-times the subsistence minimum

- If the taxpayer reaches the tax base higher than or equal to **EUR 38,553**, the non-taxable allowance shall be zero.

Tax bonus until 30 June 2022

- **€47.14** per month per child aged under 6
- **€43.60** per month per child aged 6 to 15
- **€23.57** per month per child aged over 15
- For annual account statement for 2022, the income limit for the entitlement is 6-times the minimum wage, i.e., €3,876.
- The income limit for the entitlement of an employee is half the minimum wage, i.e., €323.
- parents who are supporting a child aged 6 to 15 (the second age bracket) can decide whether to apply the tax bonus of €43.60 or to apply the so-called free lunch, which is a food subsidy within the meaning of Section 4(3)(c) of the Subsidies Act (subsidy in the amount of approx. € 1.30 per day, in months with 20 working days approx. €26). It is not possible to use both benefits. The aforementioned follows from Amendment No. 257/2021 Coll. to Act No. 544/2010 Coll. on subsidies under the competence of the Ministry of Labour, on the basis of which a subsidy to support the education of a child's eating habits can be provided to provide lunch and other meals in kindergarten and primary school, the so-called free lunch, for each child attending:
 - the last year of kindergarten or
 - a primary school
 - and at the same time living in a household in which no member of the household has claimed for that child the amount of the tax benefit for a dependent child (tax bonus), aged 6 to 15, living with him or her in the household according to a special regulation.

An employee who wishes to claim a tax bonus for a child from their employer is obliged to

prove their entitlement with relevant documents (a copy of the child's birth certificate). If changes occur in connection with the receipt of the tax bonus which have an impact on the termination of entitlement to the tax bonus, in accordance with the applicable legislation, the employee is obliged to notify their employer of these facts no later than on the last day of the calendar month in which the change occurred. He or she notifies this by a change in the tax declaration, or by submitting the necessary documents or a solemn declaration.

From 2022, an exemption for **non-cash benefits** up to a maximum of **€500 per year** is introduced for all employers. The forms of such benefits include, for example, cafeteria system, teambuilding, tickets to various events, membership cards, etc. It must be a non-cash form of income earned from a dependant activity. Such a benefit is a non-tax expense for the employer. In order for such an expense to be tax deductible, it would have to be taxed to the employee and the relevant health and social security contributions would have to be paid. In addition, such benefit must be specified in the employment contract, internal regulations, etc.

Supplementary pension saving contributions (the third pillar)

No changes have been made since 2014. The tax base can be decreased by the amount of demonstrably paid supplementary pension saving contributions up to EUR 180.

This right can only be exercised if the participation agreement on the basis of which the saver paid supplementary pension saving contributions **was concluded after 31 December 2013 or if it was amended and the amendments included the benefit schedule cancellation**. The second condition is that a taxpayer **has not concluded another participation agreement that does not meet the conditions** stipulated by the Supplementary Pension Saving Act.

Tax bonus on interest paid on mortgage.

Conditions to be met by the taxpayer:

- **Age 18 to 35** on the day of submitting the application for mortgage
- Average monthly income calculated from income stated in the tax return **is not higher than 1.3 times the average monthly salary of an employee** in the Slovak economy in the calendar year preceding the calendar year in which the mortgage agreement was concluded
- The amount of the tax bonus is equal to **50%** of interests paid in the relevant year, **the limit amount being EUR 400 per year**. The interests must be calculated from the mortgage received, the **maximum amount per one property being EUR 50,000**.

Recreational contribution

It is obligatory for employers with more 49 employees.

The contribution equals **55%** of provably paid expenses, **the maximum amount being €275 for 2022 for full-time employment**. For part-time employment, the maximum amount is reduced proportionally.

Employees who have worked for the company for **at least 24 months** are eligible for the recreational contribution for stays of at least 2 nights.

Eligible expenses include:

- tourism services with accommodation for at least two nights in the territory of the Slovak Republic
- an accommodation package containing accommodation for at least two nights and catering services, or other services related to recreation in the territory of the Slovak Republic
- accommodation for at least two nights in the territory of the Slovak Republic, which may include catering services

- organised multi-day activities and recovery events during school holidays in the territory of the Slovak Republic for a child of the employee attending a primary school or one of the first four years of a grammar school with an eight-year educational programme; a child of the employee shall also be deemed to be a child of the employee entrusted to the employee's foster care on the basis of a court decision, or a child entrusted to the employee's care prior to a court decision on adoption, or any other child living in the employee's shared household

The period that is decisive for determining the existence of obligation to pay recreational contribution in terms of the number of employees is the preceding calendar year.

The Labour Code imposes on employers the obligation to contribute to the recreation of an employee, but also of the employee's family. Eligible expenses for recreation that the employer is obliged to reimburse to the employee include proven expenses for the spouse, child or any other person living in a common household with the employee that participated in the recreation together with the employee.

The employer may provide the contribution in two ways:

- based on accounting documents (eligible expenses) which the employee submits within 30 days from the end of the recreation, where the name of the employee must be stated on the documents
- recreation voucher – it is the employer's obligation to keep a record of the starting date of the recreation and the actual use of the voucher by the employee for the purposes of including these expenses (costs) in tax expenses

Sports vouchers for children

Unlike the recreational contribution, this contribution is not mandatory for employers.

The amount of the contribution for sports activities of employees' children is limited to **55% of eligible expenses made by the employee and by the maximum amount of EUR 275 per calendar year** – in total for all children of a given employee.

All employees whose **employment with the employer lasts at least 24 consecutive months** are eligible for the contribution. This also applies to part-time employees; however, the amount of the contribution must be reduced. In one calendar year, an employee may request a sports voucher – contribution for sports activities of his children – **only from one employer.**

The following children are eligible for the contribution (sports voucher):

- the employee's own child
- a child in foster care entrusted to the employee based on a court decision
- a child in care entrusted to the employee prior to a court's decision on adoption or any other child living in the same household with the employee
- a child with permanent residence or a similar residence on the territory of the Slovak Republic
- a child who reaches 18 years or less in the calendar year for which the employer requests the sports contribution and the child has been affiliated with the sports organization for at least six months

The employee must demonstrate to the employer eligible expenses made for a sports activity carried out by the child by submitting accounting documents **within 30 days from the day they were issued by the sports organization registered in the register of legal persons operating in sports.**

The accounting documents must include the name and surname of the child carrying out the sports activity and the period to which this document applies.

The provision of a contribution for a child's sports activity (sports voucher) is **exempt from the payment of taxes and contributions by the employee and by the employer.**

Meal allowance

Domestic business trips

- **€5.10** for business trips lasting 5 to 12 hours
- **€7.60** for business trips lasting 12 to 18 hours
- **€11.60** for business trips lasting 12 to 18 hours

Minimum meal voucher value

The minimum value of the meal voucher is 75% of the meal allowance for 5 to 12 hours on a domestic business trip, i.e., **€3.83**.

The employer's contribution for catering is **55% of the price of a meal**, since 1 July 2019 **the maximum has been EUR 2.81** (55% of EUR 5.10).

The employer provides catering:

- In their own catering facility; or
- In a catering facility of another employer; or
- By providing meal vouchers or a financial contribution.

The employer's contribution must be the same regardless of the form— non-cash or cash. The catering allowance must be provided to the employee from the first day of the month. In case this condition is not met, the catering allowance will not be exempt from tax and contributions must be paid to the social insurance agency and health insurance agency.

The employer's contribution may be higher than the one stipulated by law, namely:

- From the Social Fund – in this case, this qualifies as income exempt from tax and contributions on the employee's side and as tax expense at the time of the creation of the Social Fund on the employer's side
- A voluntary contribution from the employer's own resources – this is a taxable income on the employee's side with payable contributions and taxes. For the employer, this is a non-tax expense, unless otherwise specified in an internal regulation, collective agreement or another agreement concluded in line with the Labour Code.

Travel allowance

From 1 June 2019, the basic compensation for the use of road motor vehicles on business trips applies as follows:

- **EUR 0.053** single track vehicles and three-wheelers
- **EUR 0.193** personal road motor vehicles

Exemption from contributions for the long-term unemployed

From 01/01/2022, the exemption from health and social insurance contributions for employing the long-term unemployed is abrogated.

Liability order deductions

Excluded amounts until 30 June 2022:

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- **€305.28** – for a mandatory person (140% of the subsistence allowance of a natural person of adult age)
- **€76.32** – for a dependant person (25% of 305.28)

- In case the mandatory person is a pensioner, the amount for a dependant person is **€109.03**

For deduction of an infant maintenance allowance:

- **€91.58** – for a mandatory person
- **€38.15** – for a dependant person
- In case the mandatory person is a pensioner, the amount for a dependant person is **€76.32**

For deduction of preferential claims:

- **€218.06** – for a mandatory person
- **€54.51** – for a dependant person

For infringement penalties (applies also to pensioners):

- **€109.03** – for a mandatory person (50% of the subsistence allowance of a natural person of adult age)
- In case the mandatory person is a pensioner, the amount for a dependant person is **€152.64** (50% of the mandatory person)

The limit amount above which no exemptions are made is €915.84 (300% of the basic amount for a mandatory person).

Changes to the Labour Code from 1 January 2022

- Section 103(2) adjusts the amount of leave in the case of permanent childcare if it started/ended during the year. The leave is calculated by a ratio based on the proportion of the number of days of permanent childcare in the relevant calendar year to the number of days in the calendar year.
- Section 63(1f) is a new reason for giving notice, i.e., if the employee has reached the

age of 65 and the age required for the entitlement to an old-age pension.

- Section 60(2) is amended if the employment relationship is terminated by agreement and the reason is the attainment of the age of 65, this reason must also be stated in writing in the relevant agreement on termination of employment.
- An employee who is given notice due to the fact that they reached the age of 65 is entitled to severance pay under Section 76 and the notice period under Section 62 applies.

Length of employment	Notice period	Right to severance pay
Less than 1 year	1 month	No
1 year and less than 2 years	2 months	No
2 years and less than 5 years	2 months	At least 1 monthly salary
5 years and less than 10 years	2 months	At least 2 monthly salaries
10 years and less than 20 years	2 months	At least 3 monthly salaries
20 years and more	2 months	At least 4 monthly salaries

- An employee who is made redundant due to the fact that they reached the age of 65 is entitled to severance pay

Length of employment	Entitlement to severance pay
Less than 2 years	At least 1 monthly salary
2 to 5 years	At least 2 monthly salaries
5 to 10 years	At least 3 monthly salaries
10 to 20 years	At least 4 monthly salaries
20 years and more	At least 5 monthly salaries

Act on support in the times of short-time work (Kurzarbeit)

The Act enters into effect on 1 March 2022. The aim of the act is to set out conditions for the support in the times of short-time work. The Act will apply to employers whose operation was restricted – an obstacle on the part of the employer, when the employer is not able to allocate work to at least one third of the employees to the extent of at least 10% of the established weekly working time. The eligibility conditions are as follows:

- Social insurance paid for the immediately preceding 24 months
- The ban on illegal employment has not been breached during the previous 2 years
- Has entered into a written agreement with the employees' representatives or with the

employee to apply for support under Section 142(5) or 142a of the Labour Code

- Has applied for the aid no later than the end of the calendar month following the calendar month for which the aid is applied for
- The employee may not be in the notice period
- The job for which support is requested must be held for at least 2 months. This condition does not apply if the employee terminates the employment relationship on their own or if the employment relationship is terminated due to serious misconduct.
- Employee support can only be drawn once the employee has exhausted their old leave and in the case of a working time account, the employee must have exhausted a positive working time account
- The subsidy may not be granted if the employee can be reassigned to another job

Amount of subsidy = 60% x average hourly pay x number of hours of the obstacle to work. For 2022, the amount is **7.8138 per hour**. The subsidy is tax-free income for the employer.

The **employee** is entitled to wage compensation of at least **80% of average pay** for the duration of the obstacle to work on the part of the employer who requested the support.

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