

WTS Slovenia

Covid-related measures

September 2020 – June 2021

The following newsletter is a summary of the essential information considering business and employers that apply for the period from September 2020 onwards, covered by the *Act on Interim Measures for Mitigation and Elimination of Consequences Covid-19 - ZZUOOP* (hereinafter **PKP5**), published on 23.10.2020 and the *Intervention Measures Act to mitigate the consequences of the second wave of the Covid-19 epidemic* (hereinafter **PKP6**), published on 27.11.2020, applicable from 28.11.2020. Furthermore, we also summarize the novelties of the *Law on intervention measures to mitigate the consequences of the second wave of the Covid-19 epidemic - ZIUPOPDVE* (hereinafter **PKP7**), published in the Official Gazette of the RS No. 203/2020, valid from 31.12.2020.

Summary of measures of PKP5 and PKP6

PKP6 complements the following PKP5 measures already adopted for the **economy**:

- salary compensation reimbursement in the amount of **80-100%** due to absence from work due to the **quarantine decree**;
- wage compensation for **childcare** and for **stopping public transport or closing borders** (force majeure) – details in the following chapters;
- compensation for waiting for work at home (**standby/waiting time**) – details in the following chapters;
- **monthly basic income (MTD)** option for the self-employed and micro-enterprises. The MTD is **EUR 1.100 per month**, EUR 400 of which for compensation of social security contributions;
- co-financing of part-time work is extended until 30.06.2021 (half-time means EUR 448 of co-financing per month);
- 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 (ZZZS) within 3 months at the latest;
- employee testing for COVID-19, referred to from the employer, is not considered as fringe benefit for employees. The cost of testing is tax deductible for the employer only if connected with the usual work process and necessary for the performance of official work-related duties;

- the subsidy for **part-time work** is extended until 30.06.2021 for employees with a full-time employment contract;
- deferral of bank loans payments for 12 months.

Novelties of the 6th anti-Covid measures (PKP6)

In the field of economy, **PKP6 introduces** among others:

- partial coverage of fixed costs for companies with revenue decrease of more than 30% in the period from October to December 2020 compared to the period October to December 2019 – details in the following chapters;
- simplified procedure for registering work at home via the SPOT point - details in the following chapters;
- rent exemption, if owned by the state or a local community, and
- deferral and installment payment of taxes and social contributions - details in the following chapters.

Novelties of the 7th anti-Covid measures (PKP7)

In the field of economy, **PKP7 introduces** among others:

- termination of the employment contract for employees who meet the **conditions for old-age retirement** (usually 60 years and 40 years of service) - the employer can terminate the employment relationship without stating a valid reason, with a notice period of 60 days and upon payment of severance pay;
- the company's management is **not obliged to submit** a proposal to initiate bankruptcy or compulsory settlement proceedings if the **company's long-term insolvency** is the result of a declaration of an epidemic; this measure shall apply until 31.03.2021 with the possibility of extension for 6 months;
- **crisis allowance** - more below;
- measure to alleviate the financial burden on tenants in the field of business premises leases.

PKP7 / 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.

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.

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.

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 28.02.2021 at the latest.

The reimbursement of the crisis allowance will be made by the Financial Administration of the Republic of Slovenia no later than 20.03.2021.

PKP6 / Deferral and installment payment of taxes and social contributions

Deferral or installment payment is possible for the payment of all taxes, tax deductions, tax advances and even **social security contributions**, including the VAT calculation for October 2020. Interest is not charged for the deferral period.

The application for deferral or installment tax payment is submitted by the taxpayer via the eDavki system as an **own document (LD)**. Submission is also possible by registered mail or to the e-mail address of the financial office (FURS) where the taxpayer is enlisted in the tax register. The contacts are available on the SloTax office website (www.fu.gov.si).

PKP6 and PKP7 / Covering fixed costs

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 October to December 2020 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 Oct-Dec (1,8 % for 3 months)
over 70 %	1,2 % per month Oct-Dec (3,6 % for 3 months)

The support may not exceed:

- EUR 1.000 per full-time employee per month for the period October to December 2020, **if the decline in net sales revenue is between 30% and 70%**;
- EUR 2.000 per full-time employee per month for the period October to December 2020, **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 October to December 2020.

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".

Payment will be made on the 20th of the following month. In the event that it later turns out that the conditions were not met, the beneficiary must notify FURS, no later than at the submission of company income tax report (DDPO) for 2020. On this basis, the beneficiary receives a decision for reimbursement of the received support within 30 days.

Example 1: Subsidy calculation of covering fixed costs:

1. criterion: sales revenue income 10-12/2019

sales revenue income 2019	1.000.000,00 €
expected sales revenue income 10-12/2020	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 2020 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 0,6% of the total annual sales revenue in 2019 and therefore for the month of October 2020 amount to EUR 6.000 (0,6% of EUR 1.000.000).

2. criterion: number of employees

number of employees	5
maximum subsidy	15.000,00 €

Subsidies are **limited according to the employee count** and can in this case amount to a maximum EUR 15.000 (5 x EUR 3.000).

3. criterion: net loss 10-12/2020

actual loss 10-12/2020	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.

PKP6 / Rent exemption for premises owned by state or local communities

To the tenants of business buildings or premises **owned by the Republic of Slovenia or self-governing local communities** in the territory of Slovenia, who are due to state measures and the disease spread prevented or significantly hindered from performing economic activities, in the period when, in accordance with the adopted regulations, the performance of business activity was not permitted, i.e. from 19th October 2020 onwards, under certain conditions no rent or part of the rent is charged.

PKP7 / Economic rents

If the tenant of the business premises is prevented from performing economic activity due to the declared Covid-19 epidemic, or cannot use the whole or a part of real estate for the agreed purpose, he can:

- the lessee **terminates the lease agreement** with a written statement with a notice period of 8 days;
- the lessee **requests a deferral of payment** of obligations according to the lease agreement;
- the lessee requests the **extension of the lease**, concluded for a definite period of time.

The lessor may not terminate or withdraw from the lease if the tenant has requested a deferral of rent payment or an extension of the lease.

PKP6 / Standby / Waiting time

Standby or waiting for work at home is regulated by the following conditions:

- all business activities and employers with **decrease in sales revenue** in 2020 by **more than 20%** compared to 2019;
- 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:
 - 80% of the basis for **October 2020** paid salary compensation to the employee, but not more than EUR 892,50;
 - 80% or 100% paid salary compensation to the employee for **November 2020** until January 2021, but not more than the amount of the average Slovenian salary (currently EUR 1.799,07);
- the allowance can not 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) for the period October until 05.12.2020 at the latest or within 8 days from the beginning of standby / waiting time.

PKP6 / Force majeure due to childcare or inability to come to work

As in the spring, due to the closure of schools, kindergartens, suspension of public transport and the closure of state borders, a measure to alleviate the burden on the economy in terms of compensating labor costs for employees who invoke force majeure, is introduced. The conditions for force majeure are defined as follows:

- eligible are all employers in the economy, except for known exceptions (budget users, financial and insurance institutions, foreign companies);

- employee is entitled to a salary compensation in the **amount of 80%** of the basis;
- employer is entitled to compensation in the amount of the compensation paid to the employee (gross I.) **in full** amount;
- employer is not limited at the payment of bonuses and Christmas bonuses to management and employees.

PKP6 / 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.

PKP7 / Financing the rapid tests in the company

Who	Beneficiary is legal or natural person, organized as company, sole entrepreneur or association
Refunding	EUR 40 per employee on application submission day
Application	Request submission until 29.01.2021
Execution	Testing can be performed only by a registered healthcare provider.

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Our consulting team is at your disposal for further information!



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