

SLOVENIA 2009

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Introduction

Tax-benefit policy “country chapters” are made available as part of the OECD series *Benefits and Wages*. They provide detailed descriptions of tax and benefit rules in a consistent format across countries and summarize recent policy changes.

Country chapters for other countries and years are available on the Internet at www.oecd.org/els/social/workincentives.

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1. Overview of the tax-benefit system

1.1. Average Worker wage (AW)

In period January to December 2009 in Slovenia average monthly gross earnings for activities B-N (by NACE Rev. 2) amounted to EUR 1,339.92 (annual value EUR 16,079).

2. Unemployment insurance

Statutory basis for unemployment insurance is “Employment and Insurance in the Case of Unemployment Act” (*Zakon o zaposlovanju in zavarovanju za primer brezposelnosti*) (Official gazette RS, no. 79/2006).

The article 25 of the Act provides for persons older than 50 and 55 years longer maximum duration of unemployment benefit:

The duration of the right to cash benefit shall not exceed:

- 3 months for insurance of 1 to 5 years;
- 6 months for insurance of 5 to 15 years;
- 9 months for insurance of 15 to 25 years;
- 12 months for insurance of over 25 years;
- 18 months for insured persons older than 50 years and for insurance of over 25 years;
- 24 months for insured persons older than 55 years and for insurance of over 25 years.

2.1 Conditions for receipt

Payable for any registered unemployed person who is actively seeking full-time work.

Unemployment benefit conditions:

- involuntary unemployment (i.e. through no fault of their own or against his/her own will),
- fulfillment of a minimum period of insurance,
- registration at the Employment Service of Slovenia (regional unit or branch office),
- application for benefit within 30 days of the termination of employment,
- capable of work,
- available to Employment Service (3 hours per day),
- actively seeking employment.

The insurance against unemployment shall guarantee the rights of insured persons during the period of involuntary unemployment through no fault of their own.

It is necessary to become and remain entitled to the benefit that unemployment person is available for employment and he/she actively seeks employment. The entitlement to cash benefit shall cease if an insured person refuses an appropriate or suitable employment, an insured person unjustifiably refuses to participate in the active employment policy programme, and an insured person does not actively seek employment an insured person breaches an obligation arising from the contract on the participation in active employment policy programme.

2.1.1 Employment conditions

Unemployment Benefit qualifying period:

- at least 12 months of employment with the same or different employers during the previous 18 months (full time equivalent),

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- at least 12 months of insurance during the previous 18 months for seasonal workers employed for a definite period of time after conversion of working hours into the full time equivalent.

2.1.2 *Contribution conditions*

Compulsory insurance for employees (apprentices included). Voluntary insurance for:

- self-employed,
- owners of enterprises that are not insured on any other basis,
- citizens, employed by a foreign employer in a foreign country, who, upon return, cannot exercise their rights in case of unemployment on any other basis,
- spouses of citizens of the Republic of Slovenia employed abroad, if the spouse was employed in the Republic of Slovenia before departure abroad.

2.2 *Calculation of benefit amount*

Earnings taken as reference are person's average monthly earnings (no ceiling) received during the 12 months before the termination of employment, including compensation of salary (health insurance or old-age and invalidity insurance). If the person was not receiving any payment, then their basic wage (increased by any bonuses that they would have received) is taken as a reference.

2.2.1 *Calculation of gross benefit*

Unemployment benefits rates:

- first three months: 70% of the reference basis,
- following months: 60% of the reference basis.

Minimum: at least 45.56% of the Minimum wage in RS (*minimalna plača*) net of taxes and contributions. Until 31 July 2009 this amount was EUR 589.19 and from 1st August 2009 EUR 597.43 per month. Maximum: 3 times minimum unemployment benefit.

2.2.2 *Income and earnings disregards for benefit recipients and those starting a new job*

Reasons for termination of the entitlement to benefits are defined by the law (11 reasons), mainly related to not being available for work, not searching work and unjustifiably declining employment, temporary work, measures of training and education or other measures for reemployment, working illegally (moonlighting).

In some other cases defined by the law the amount of benefit may be reduced.

2.3 *Tax treatment of benefit and interaction with other benefits*

Unemployment benefits are subject to personal income tax.

2.4 *Benefit duration and waiting periods*

Unemployment benefit duration depends upon length of insurance:

- 3 months for insurance of 1 to 5 years,
- 6 months for insurance of 5 to 15 years,
- 9 months for insurance of 15 to 25 years,
- 12 months for insurance of 25 years or more,
- 18 months for insured persons over 50 years of age and insurance period of more than 25 years,
- 24 months for insured persons over 55 years of age with on insurance period of more than 25 years.

2.5 *Treatment of particular groups*

2.5.1 *Young persons*

None

2.5.2 *Older workers*

The duration of unemployment insurance is prolonged for unemployed persons aged 50 or more.

Unemployment Extension of payment of pension fund contribution:

- citizen or foreigner with permanent residence and a work permit,
- less than 3 years to the fulfillment of conditions for retirement.
-

2.5.3 *Others if applicable*

An insured person, who seeks a full-time job but enters a contract on employment for part-time job, is entitled to receive unemployment benefit for the remaining time of entitlement to such benefit.

3. **Unemployment assistance**

Rights to unemployment assistance are not regulated in Statutory basis for unemployment assistance is “Employment and Insurance in the Case of Unemployment Act” (*Zakon o zaposlovanju in zavarovanju za primer brezposelnosti*) (Official gazette RS, no. 79/06) since 27.7.2006.

4. **Social assistance**

Financial social assistance is a residual social benefit which acts as a final safety-net. It is designed as a minimum needed to cover the costs of most needed issues: food, clothes, heating, hygiene & minor-basic health-care costs, etc.

4.1 *Conditions for receipt*

Social assistance is paid conditionally on passing a means test. The need for social assistance is estimated each time case by case.

The aim of financial social assistance is to provide the basic means to individuals and families who are temporarily unable to secure sufficient funds for basic subsistence according to statutory criteria. Social Work Centre (*Center za socialno delo*) may grant Financial Social Assistance (*denarna socialna pomoč*) to help alleviate temporary material hardship of those without sufficient subsistence means.

Beneficiaries are: all permanent residents, as well as those entitled on a basis of international agreements ratified by the Republic of Slovenia.

Financial Social Assistance (*denarna socialna pomoč*) is granted to families and to single persons. As family member claimants are defined: spouse or cohabitant, claimant's children, stepchildren for the duration of his/her obligation to care for them, parents and stepparents, orphaned grandchildren, nephews and nieces of the claimant, if she/he has to support them.

In 2006 Act on Social Assistance was modified and come into force from 2007. In order to become entitled to financial social assistance, the individual without other means of subsistence who is capable of work must actively seek work (this means the person has to be registered at local employment office as unemployed and actively seek a job). Also, the beneficiaries/recipients of Financial Social Assistance are formally obliged to accept all kind of offered employment or work activities (8h/week, max. 56h/month) in non-profit sector for which they are able (physically and mentally).

4.2 Calculation of benefit amount

4.2.1 Calculation of gross benefit

The level of Financial Social Assistance (*denarna socialna pomoč*) is linked to the Basic Minimum Income (*minimalni dohodek*) determined by and adjusted in accordance with the Social Protection Act (*Zakon o socialnem varstvu*); Official gazette 3/07, 23/07, 41/07; and Act regulating adjustments of transfers to individuals and households in the Republic of Slovenia (*Zakon o usklajevanju transferov posameznikom in gospodinjstvo*); Official gazette 114/06; once a year. With the change to the Act Regulating Adjustments of Transfers to Individuals and Households in the Republic of Slovenia, from 1 July 2008 on transfers to individuals and households are adjusted twice a year; the first time in July with the growth of consumer prices in the period January to June of the current year and the second time in January with the growth of consumer prices in the period July to December of the previous year. Due to low inflation, there was no adjustment done in January 2009, but in July 2009 there was a minor adjustment. Since 1 July 2009 the Basic Minimum Income (BMI) amounts to EUR 226.80.

Families are entitled, if their total monthly income does not exceed the following thresholds:

- First adult and single person: 100% of the BMI = EUR 226.80
- Every next adult: 70% of the BMI = EUR 158.76
- Child up to 18 years of age: 30% of the BMI = EUR 68.04

The monthly amount of Financial Social Assistance (*denarna socialna pomoč*) is defined as the difference between corresponding thresholds and total income of family (family members), according to the above mentioned rules.

The duration of Financial Social Assistance (*denarna socialna pomoč*) may not exceed a period of 3 months when granted for the first time or 6 months, if circumstances remain unchanged. Under certain conditions benefit may be granted for maximum of 12 months or even permanently (age over 60 years, permanent inability to work, no income and no one with obligation to financial support). In 2009, the average monthly number of recipients of financial social assistance for a period was 41,286 (persons and/or families). The average monthly number of recipients of permanent financial social assistance in 2009 was 425.

4.2.1.1 Irregular additional payments [NEW ITEM]

In cases where it is found that single persons or families, for reasons beyond their control, found themselves in a position of material threat, they can be granted - according to the needs - the extraordinary financial social assistance:

- In a lump sum when there is a current material threat to a single person or a family (one-off extraordinary assistance)

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- Or for a period for which financial social assistance is allocated when the Social Work Centre finds that there is a material threat which will last more than two months (extraordinary assistance).

The monthly amount of extraordinary social assistance can not exceed the amount of minimum income of the single person or the family, while the amount of one-off extraordinary assistance in one calendar year can not exceed the amount of two minimum incomes.

In 2009, on average every month 3,952 persons or families were given one-off extraordinary social assistance and 1,015 persons or families were given extraordinary social assistance.

4.2.1.2 *Obligations of family members*

Family members of the applicant, who because of inactivity do not meet the obligations regarding active job search (registration at employment office and actively seeking for a job), are not entitled to financial social assistance, so in calculating the amount of financial social assistance they are not taken into account.

4.2.2 *Income and earnings disregards for benefit recipients and those starting a new job*

"Income taken into account" includes inheritance, gifts, income from agricultural and entrepreneurial activities and all wages and earnings of an individual or his family members which are subject to income tax, as well as non-taxable personal earnings, with the few exceptions (scholarships, alimony, child benefits,...),

Financial Social Assistance (*denarna socialna pomoč*) will not be granted; if savings or property (with some exceptions) exceeds the level of 60 times the BMI (the BMI since 1 July 2009 amounts to EUR 226.80).

4.3 *Tax treatment of benefit and interaction with other benefits*

Financial social assistance is not taxed.

Financial social assistance is taken into account as income when child benefits are calculated.

4.4 *Benefit duration and waiting periods*

The duration of Financial Social Assistance (*denarna socialna pomoč*) may not exceed a period of 3 months when granted for the first time or 6 months, if circumstances remain unchanged. Under certain conditions benefit may be granted for maximum of 12 months or even permanently (age over 60 years, permanent inability to work, no income and no one with obligation to financial support).

4.5 *Treatment of particular group*

Financial Social Assistance (*denarna socialna pomoč*) is given primarily to the family as a whole. There are no other conditions relating to age.

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4.5.1 *Young persons*

Assistance is also given to single person aged over 18 years, who do not live in the same household with their parents are neither married nor cohabiting and have no children. If they have children, than they are treated as family.

4.5.2 *Older workers*

No special treatments.

4.5.3 *Others if applicable*

For a single-parent family the financial social assistance – the level of minimum income is increased by an additional 30% of the BMI.

There is also an SA increase which is rent-related. See section 5 for details.

5. Housing benefits for rented accommodation

Housing benefits are under the competence of the Ministry for environment and spatial planning and are defined in the Housing Act (Stanovanjski zakon); Official gazette 69/2003 and 18/2004; that was put in force on October 2003, while a new system of housing benefits was put in force on 1st January 2005. The act among others regulates formation of the non-profit rents and housing benefits.

Analysis of paid subsidies:

Year	Paid subsidies (mio EUR)	Number of claimants	Average monthly subsidy (in EUR)
2004	mio SIT 1,210	6,900	SIT 14,614 (EUR 61)
2005	mio SIT 930	5,400	SIT 14,352 (EUR 60)
2006	mio SIT 1,163	5,700	SIT 17,025 (EUR 71)
2007	5.2	5,870	74
2008	5.4	5,340	84
2009	5,6	5,450	86

Source: Ministry for environment and spatial planning

5.1 Conditions for receipt

Admission census:

Size of the Household	Average household income per month (€)
1 member	up to 430
2 members	up to 730
3 members	up to 860
4 members	up to 1010

5.2 Calculation of benefit amount

Housing benefits depends on the claimant's income and amounts in a range 1% to 80% of the rent for apartment (compulsory 20% minimum payment by claimant). Subsidy is calculated according to the size of apartment defined as appropriate for social apartments and it depends also on the number of the household members.

Beneficiary must pay 20% of the rent and if beneficiary's ability of rent payment is below 20% then beneficiary is entitled for HB in amount of 80% of the rent. If beneficiary's ability is more then 20% of the rent then beneficiary is entitled for HB in amount of difference between the ability and rent.

Rent upper amount for the years 2005-2007

	2005 (in SIT)	2006 (in SIT)	2007 (in EUR)
1 person	18213	20130	85
2 persons	25641	28517	125
3 persons	31393	34748	152
4 persons	37144	41218	180
5 persons	42896	47449	208
6 persons	48647	53679	235

5.2.1 Calculation of gross benefit

5.2.2 Income and earnings disregards

5.2.3 Costs eligible for housing benefits

In the valid housing legislation and its implementing regulations, maximum or acceptable housing costs are not determined, neither as the average nor by types of households. Therefore, the level of allowable or desired costs related to the use of housing in a region or municipality are not monitored or determined in any other way.

5.3 Tax treatment of benefit and interaction with other benefits

Housing benefits are not taxed.

5.4 Treatment of particular groups

5.4.1 Young persons

5.4.2 Older workers

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5.4.3 *Others if applicable*

Standards for the size of non-profit apartment and for housing benefit claimant:

- 1 person: 20-30m²
- 2 persons: 30-45 m²
- 3 persons: 45-55 m²
- 4 persons: 55-65 m²
- 5 persons: 65-75 m²
- 6 persons: 75-85 m²
- for further member +6m²

In the year 2009 was the average housing subsidy EUR 86.

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6. Family benefits

6.1 Conditions for receipt

The claimant (one of the parent or another person for a child) must have a dependent child aged under 18, or under 26 if is still in education or the child is over 18 and has no parents or does not live in a joint household with parents, if the Centre of social work decides so on the basis of the circumstances.

6.2 Calculation of benefit amount

The aim of child benefit is to provide parents or the child supplementary income for living, raising and education when the income per family members does not exceed the maximum limit of income class. For the purposes of family benefits, income is defined as earned income plus unemployment benefits, but excludes family benefits. All included amounts are gross income, not net (after tax) income.

6.2.1 Calculation of gross benefit

Child benefit amounts in 2009 to (in EUR per month):

Income per family member in % of the average monthly wages of all employees = 1391.43 EUR	Amount of child benefit for each child		
	1st child	2nd child	3rd child and subsequent child
up to 15%	112,95	124,24	135,55
over 15% to 25%	96,57	106,76	116,88
over 25% to 30%	73,60	82,26	90,89
over 30% to 35%	58,05	66,24	74,58
over 35% to 45%	47,47	55,40	63,27
over 45% to 55%	30,08	37,65	45,17
over 55% to 75%	22,56	30,08	37,65
over 75% to 99%	19,64	27,17	34,69

If a pre-school child does not attend kindergarten in accordance with the regulations for kindergartens, the amount of the child benefit is increased by 20%.

In addition to child benefit there are following supplementary allowances available:

Child birth allowance – one-time assistance at childbirth (financial assistance – amount EUR 276,11 in 2009 - or a package for the newborn)

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Parental allowance - financial assistance (365 days after the birth of a child) to parents when they are not entitled to parental compensation after the birth of the child. In the year 2008 parental allowance amount to EUR 193.24 per month.

Large family allowance is an annual benefit for families with three or more children. In 2008 large family allowance for three children amount to EUR 378.26, for four or more children amount to EUR 471.90 and is paid as a lump sum payment.

Partial payment for lost income. Partial payment for lost income is a personal benefit to one of the parents who has terminated his or her employment or started to work short time in order to care and safeguard a child with severe disturbance in mental development or severe disability in movement. The monthly amount of partial payment for lost income is the minimum wage for which the person concerned pays social security contributions.

6.2.1.1 *Irregular additional payments* [NEW ITEM]

6.2.2 *Income and earnings disregards*

Child benefit is defined as percentage from the average monthly wage of all employees (A-O) in the Republic of Slovenia for the calendar year before the application is filed and is tested once a year (1212,80 EUR for 2006). The amount of the child benefit also depends on the number of children in the family receiving child benefit.

6.3 *Tax treatment of benefit and interaction with other benefits*

Child benefits are not taxed.

Child birth allowance is not taxed

Parental allowance is not taxed

Large family allowance is not taxed.

Partial payment for lost income is taxed.

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6.4 *Treatment of particular groups*

6.4.1 *Young persons*

6.4.2 *Older workers*

6.4.3 *Others if applicable*

Lone parents: The amount of child benefit is increased by 10% (only for child benefit (6.2.1 page 10))

Special Child Care Allowance for a Child in Need of Special Care: Additional allowance. The monthly amount of special care allowance is in 2007 EUR 90.08. For a child with severe disturbances in mental development and children with severe disability in movement, who need special care, the allowance is EUR 180.21.

The Special Child Care Allowance for a Child in Need of Special Care is not taxed.

7. Childcare for pre-school children

Pre-school education, offered by pre-school institutions, is not compulsory. The curriculum is divided in two cycles (from 1 to 3 and from 3 to 6). The new curriculum promotes different types of programme such as: day, half-day and short programmes. There is also possibility of child minders, pre-school education at home or occasional care of children in their homes. The Curriculum for Pre-school Institutions was approved by Council of Experts and it defines six areas of activities: movement, language, art, nature, society and mathematics. The goals set in individual fields of activities provide the framework for selection of contents and activities by teachers.

fraction of children in childcare

For 2008:

From 1-2 years: 49.2%

From 3-5 years: 84.1%

Total: 70.2%

Compulsory schooling starts at the age of 6 (children whose sixth birthday occurs in the calendar year of their school entry are enrolled).

7.1 Out-of-pocket childcare fees paid by parents

Childcare fees are not tax deductible.

The system of determining parents' payments for kindergarten programs is determined by the Kindergarten Act and the Regulations on Payments of Parents for Kindergarten Programs, adopted by the Minister of Education.

The payment of parents is determined by the municipality on the basis of parents' income and assets held by the family as a percentage of the price of the program in which the child is included.

The price of the program for which parents pay a certain percentage is determined by the municipality on the proposal of the kindergarten. The kindergarten calculates the price on the basis of identified costs of education, care and food in the kindergarten.

Kindergartens conduct all-day programs (lasting from 6 to 9 hours), half-day programs (lasting from 4 to 6 hours) and shorter programs (lasting from 240 to 720 hours). Most of the children (97%) are included in all-day programs.

From 1 September 2008 on the government provides funds for co-financing the payment of parents who have more than one child from the same family included in the kindergarten at the same time. The government provides funding in the amount which is determined by a decision as parents' payment for the kindergarten program in which the younger children are included. In this case parents pay only for the oldest child in the kindergarten, while the other children are exempt from the payment, and the payment for the oldest child is one bracket lower than normally.

The Act and the Regulations stipulate that parents' payment for the kindergarten is set according to the monthly income per family member in comparison with the average earnings per employee in the Republic

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of Slovenia in the past year, taking into account family assets. According to the income per family member, families are classified into income brackets determined by a special scale. The classification into income brackets determines the percentage of the price of the program parents have to pay. The scale has 8 income brackets: parents in the lowest income bracket have to pay 10% of the cost of the program, while parents in the eight income bracket have to pay 80% of the cost of the program. The difference between the parents' payment and the full price of the program is paid by the municipality from public funds.

If a family has assets the value of which exceeds EUR 42,000, the payment determined on the basis of income is increased by one income bracket, if the family has assets in excess of EUR 84,000, the payment is increased by two brackets, if the family has assets that exceed the value of EUR 125,000, the payment is increased by three brackets. If family assets exceed the value of EUR 210,000, the parents pay 80% of the cost of the program. Assets considered in this case are the following movable and immovable property: dwellings and houses which family members do not use for residence, business premises and commercial buildings, facilities for rest and recreation, vessels which in accordance with maritime law must be entered in the register of boats, building land, excluding land on which the residential house in which the family lives is located, personal vehicles worth over 18 minimum wages, equity shares in companies and cooperatives, securities which are traded on a regulated securities market, and other movable property of higher value.

If in the course of the year the number of family members changes, or if one of the family members gets a job or loses it, or there is a change of the type of source of income, or a child is placed into a foster family or some other type of institutional care, payment is determined anew, taking into account the new situation and the current income.

Income brackets according to the average gross earnings in 2007 (EUR 1,284.79) used to determine parents' payments as of **1 January 2009**:

Income bracket	Income bracket (share of gross monthly income per family member compared to average earnings in Slovenia in the previous calendar year)	Monthly gross income per family member in 2007 (EUR)	Payment (% of the program price)
1.	Under 25%	Under 321,20	10%
2.	25% to 35%	321,20 to 449,68	20%
3.	35% to 45%	449,68 to 578,16	30%
4.	45% to 55%	578,16 to 706,63	40%
5.	55% to 70%	706,63 to 899,35	50%
6.	70% to 90%	899,35 to 1156,31	60%
7.	90% to 110%	1156,31 to 1413,27	70%
8.	110% +	1413,27	80%

We have to emphasise that the Kindergarten Act stipulates that parents who receive financial social assistance are fully exempt from payment.

The municipality may, depending on its social policy, further reduce the parents' payment.

The Ministry of Education and Sport collects data on the prices of kindergartens and parents' payments. In 2008, the average price for the 1st age group (for children between one and three years of age) was EUR 422.83 and for the 2nd age group (children from three years of age to entering elementary school) EUR 309.33. On average, parents' payment in Slovenia is 31.8% of the cost of the program, which means that the average parents' payment for the 1st age group is EUR 134.45 and for the 2nd age group EUR 98.36.

7.2 *Child-care benefits*

7.2.1 *Conditions for receipt*

Conditions for receipt

The right to child benefit shall be granted to one of the parents or another person for a child who live registered in the Republic of Slovenia when the income per family member does not exceed the maximum limit of income class pursuant to Parental Protection and Family Benefits Act.

The child shall be a person until the age of 18, or older if she or he attends school for as long she or he has the status of a pupil, apprentice or undergraduate student, but only until the age of 26 at the latest.

The right to child benefit shall not be granted to one of the parents for the child who in order to obtain education, schooling or training lives in an institution which provides fulltime care free of charge.

7.2.2 *Calculation of benefit amount*

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7.2.2.1 Calculation of gross benefit

Gross income includes all the incomes which are subject to personal income tax, transfer income and all other income which is described in the 73. Article of the Parental Protection and Family Benefits Act.

The average monthly income per family member shall be calculated by dividing the family's joint income with the number of months to which income relates and the number of the family members pursuant to the Parental Protection and Family Benefits Act

7.2.2.2 Income and earnings disregards

Families shall be classified into individual classes on the grounds of the average monthly income per family member in the preceding calendar year. When the right to child benefit is applied for in January, February or March, the average monthly income per family member in the calendar year before last shall be taken into account.

7.2.3 *Tax treatment of benefit and interaction with other benefits*

Child care benefits are not taxed.

7.2.4 *Treatment of particular groups*

The amount of the child benefit shall be laid down on the basis of family placement in the income class and the number of the children. The child benefit for the child who lives in a single-parent family shall be increase by 10%.

8. Employment-conditional benefits

1. Employment rehabilitation.

Persons with disability are eligible for employment rehabilitation programme including services for persons with disability for counseling, motivating and empowering persons with disability for taking active part in their employment lives, making assessment on working abilities, knowledge, skills and professional interests, psychosocial rehabilitation and informing of options in labour market, follow-up of social and working environment, helping to find proper job, helping for developing professional goals and social skills, analysis of working environment, analysis of required technology in working environment, training for specific job.

Eligibility depends on:

- Whether there is influence of the effects of physical or mental disability or disease on an individual.
- Needs for services of employment rehabilitation as a part of whole rehabilitation.
- Level of employability by adapting working environment or using of modern technology.
- Assessment of social or working environment.

2. Allowance

Persons with disability who participate in programme of employment rehabilitation are eligible for temporary allowance to compensate loss of income for the time of participation. Allowance also includes travel and accommodation expenses of the participants.

Employment service of Slovenia has the authority to decide about the entitlement of the status or rights of persons with disability.

3. Subsidy of salary

Persons with disability are eligible for compensation of lower incomes due to their lack of productivity.

The subsidy is intended for employees with disability in protected and supported work places. 30-70% of salary is intended for those employed in protected work places, 5-30% of salary for those in supported employment and 5-30% of salary for those employed in companies for persons with disability. Subsidy is dependent on level of disability.

The entitlement for subsidy is decided upon Foundation for promoting employment of persons with disability.

8.1 *Conditions for receipt*

8.2 *Calculation of benefit amount*

8.2.1 *Calculation of gross benefit*

8.3 *Tax treatment of benefit and interaction with other benefits*

Subsidies are taxed in the hands of the employers.

There are tax allowances for the employers (the deduction of the tax base equals to 50% of the salary of the disabled person; or 70% in the cases of the special disability defined by the law.

8.4 *Benefit duration*

Benefit duration is dependent on duration of the participating in Programme of employment rehabilitation, whilst subsidy is not limited.

8.5 *Treatment of particular group*

8.5.1 *Young persons*

8.5.2 *Older workers*

8.5.3 *Others if applicable*

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9. Lone-parent benefits

(see chapter 6 on Family benefits)

9.1 *Conditions for receipt*

9.2 *Calculation of benefit amount*

9.2.1 *Calculation of gross benefit*

9.2.1.1 *Irregular additional payments [NEW ITEM]*

9.2.2 *Income and earnings disregards*

9.3 *Tax treatment of benefit and interaction with other benefits*

9.4 *Benefit duration*

9.5 *Treatment of particular group*

9.5.1 *Young persons*

9.5.2 *Older workers*

9.5.3 *Others if applicable*

10. Tax system

Tax system consists of central government level, local community's level and social contributions.

10.1 Income tax

Personal income tax is levied on six categories of income. Income from employment, business, basic agriculture and forestry, rents, royalties and other income is taxed aggregated at yearly level and at progressive rates and taking into account the allowances and deductions. So-called capital income (interest, dividends and capital gains) is taxed at proportionate rates on a scheduled basis.

10.1.1 Tax allowances and credits

10.1.1.1 Standard allowances

Allowances that reduce the aggregated taxable base for a resident taxpayer on an annual level include:

1. - general allowance: EUR 3,051.35 in 2009 for all resident taxpayers.
 - additional general allowance for residents with lower income:
 - EUR 2,062 for resident taxpayers with active income up to 8,557.30 EUR (together EUR 5,113.35);
 - EUR 1,031 for resident taxpayers with active income more than 8,557.30 and up to 9,897.60 EUR (together EUR 4,082.35).
2. Family allowances are granted to residents who support their family members:
 - 1 An allowance of EUR 2,251.46 is given for the first dependent child. For each subsequent child this amount is raised (by EUR 196.16 for the second child; by EUR 1,830.81 for the third child; by EUR 3,465.46 for the fourth child; by EUR 5,100.11 for the fifth child and by EUR 1,634.65 for any subsequent children)
 - 2 EUR 8,157.99 for dependent child who require a special care
 - 3 EUR 2,251.46 for any other dependent family member.

Family allowance for a dependent child can be granted only to one taxpayer (parent), the other can use only a difference to the granted allowance.

Under the Personal Income Tax Act a dependent family member is a spouse who is not employed and performs no business activities, has no income of her/his own for maintenance or she/he has an income which is less than the level of special relief for a maintained family member (EUR 2,251.46 in year 2009) and the separated or divorced spouse of the taxpayer, if such spouse has been granted the right to

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maintenance paid by the taxpayer under a court order or agreement concluded pursuant to the regulations on marital union and family relations.

3. Special deduction for voluntary additional pension insurance: amounts of premium paid by a taxpayer or his employer but no more than 24% of compulsory contributions for pension insurance paid by a taxpayer but no more than EUR 2,604.54 annually (for 2009).

4. Relief for work related expenses:

- travelling to the work (up to the costs of public transport)
- meal during the work (up to EUR 6.12 per day)
- daily allowance for expenses during business travel
- expenses for business travel (documented)
- expenses for hotel (documented)

10.1.1.2 Standard tax credits

There is no standard tax credit.

10.1.2 *Income tax schedule (central government income tax)*

Tax schedule for the year 2009 is:

Taxable base (EUR)	Rate (%)
up to 7,410.42	16.
7,410.42 to 14,820.83	1,185.67 + 27 % over 7,410.42
above 14,820.83	3,186.48 + 41.% over 14,820.83

10.1.3 *State and local income taxes*

There is no personal income tax on the local level.

10.2 *Treatment of family income*

Tax unit is an individual.

10.3 *Social security contributions and payroll taxes*

There are four compulsory social security insurance schemes: i) pension and disability insurance; ii) health insurance; iii) unemployment insurance and iv) maternity leave insurance.

Persons liable to pay contributions are insured individuals (employees, self employed persons, including farmers, other individuals), employers and other persons.

In general both employers and employees pay compulsory social security contributions.

The basis for social security contributions of employees and employers is the amount of the gross wages and salaries (with no limitations), including other income from employment (such as vacation payments, fringe benefits and remuneration of expenses related to work above a certain threshold).

10.3.1 *Contributions payable by employees and benefit recipients*

Pension insurance	15.50
Health insurance	6.36
Unemployment insurance	0.14
Maternity leave	0.10
Total	22.10

Employees' contributions are deductible for personal income tax purposes.

10.3.2 *Contributions payable by employers*

Pension insurance	8.85
Health insurance	7.09
Unemployment insurance	0.06
Maternity leave	0.10
Total	16.10

Employers' contributions are deductible for corporate income tax purposes.

10.3.3 *Payroll taxes*

Payroll tax was abolished on December 31, 2008.

10.4 Treatment of particular group

10.4.1 Young persons

Resident students are granted special allowance of EUR 3,051.35 for income earned by pupils or students for temporary work done on the basis of a referral issued by a special organization dealing with job-matching services for pupils and students.

In elementary schools school meals are subsidized for pupils who cannot pay in full due to the social situation (the average daily amount of subsidy per pupil is EUR 0.60). The Ministry of Education and Sport finances also the payment for the organizer of school meals and the cook for preparing snacks, so the price of school snacks is reduced for the costs of labour.

In secondary schools all pupils are provided the means for a warm meal in the amount of EUR 2.42 per day.

One generation of pupils is provided funds for co-financing of the open-air school and funds to subsidize the open-air school for those pupils who are unable to pay for the open-air school in full due to their social situation. For children involved in programs for children with special needs and in special programs of education and training, these funds are provided for more than one generation of pupils.

The Ministry of Education and Sport provides free textbooks from textbook funds for all elementary school children. Secondary schools are free to set up textbook funds, while pupils pay a certain fee for textbooks, which, however, must not exceed one third of the price at which the textbook was purchased by the school.

Local communities by law provide free transportation for children whose residence is located more than four kilometres from the elementary school. First-grade children have the right to free transport irrespective of the distance from their residence to their elementary school, while in the other grades they have this right if the competent road traffic safety authority finds that the safety of children on the way to school is endangered.

Children and pupils with special needs have the right to free transport, irrespective of the distance from their residence to their school if so determined by the decision on the assignment. Students that need education in specialised institutions have the right to free care and free transport home during school free days.

Funds for the transport of elementary school children and funds for the protection of commuters who are threatened by large predators on their way to school are provided from the national budget.

Funds to subsidize transport for apprentices, pupils and higher education students are also provided from the national budget. Funds from the national budget to subsidise transport of apprentices, pupils and higher education students attending school at a distance of 5 km or more from their place of residence are provided so that the amount of the subsidy is 70% at the most, depending on the social situation of the beneficiary, the distance from the place of education and the possibility of housing in an upper secondary school boarding home or a student residence hall.

Living in an upper secondary school boarding home: In care that the family has one or more children who reside in an upper secondary school boarding home, it pays only for the first child, while others live there for free.

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10.4.2 *Older workers*

No special regime

10.4.3 *Others if applicable*

Personal allowances for income tax purposes:

- Disabled person's allowance: EUR 16,314.90 in 2009
- Seniority allowance: EUR 1,313.17 in 2009 for the resident older than 65 years of age;

Independent artists, journalists and sportsmen: a special deduction of 15% from their revenues (up to EUR 25000)

Tax credits for income tax purposes:

- equal to 13.5% of the pension received from pension compulsory social insurance.
- equal to 13.5% of the compensation received from disability compulsory social insurance.

Reference date for all information is **July 1st 2009**

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11. Part-time work

11.1 Special benefit rules for part-time work

11.2 Special tax and social security contribution rules for part-time work

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12. Policy developments

12.1 Policy changes introduced during 2009

There were no legal changes in the field of financial social assistance in 2009.

In July 2009, an Act on special financial supplement to socially vulnerable was passed, with the aim to help those in the worst financial situation overcome the period of economic crisis. Based on this Act a one-time supplement was paid off at the end of August 2009 to recipients of financial social assistance and to recipients of other social transfers in case their net monthly income did not exceed 313 EUR. The families receiving financial social assistance received a net supplement of 200 EUR, and individuals receiving financial social assistance got 160 EUR of supplement. Recipients of other social transfers got 120 EUR if their current monthly income was below (or equal) 268 EUR, or 80 EUR in case their monthly income was over 268 but less than 313 EUR.

The amendments to the Housing Act (Official Gazette of the Republic of Slovenia, No. 57/08) expand the scope of beneficiaries eligible for subsidised rent to include the tenants of market-rental housing as from 2009. The material and income censuses valid for these beneficiaries will be the same as for the beneficiaries eligible for non-profit housing subsidies. The subsidies will be granted only to the administratively determined market rents in the regions where they are on average 30% lower than the actual market rents.

Payroll tax was abolished on December 31, 2008.

12.2 Future policy changes announced in 2010

Further action is meant to reduce tax burden on low income individuals, by additional general allowances.

ANNEX

DEFINITION OF SOCIAL SECURITY CONTRIBUTIONS AND PAYROLL TAXES.

The following text has been adapted from Annex A of the OECD *Revenue Statistics*.

Social security contributions to general government

Classified here are all compulsory payments that confer an entitlement to receive a (contingent) future social benefit. Such payments are usually earmarked to finance social benefits and are often paid to institutions of general government that provide such benefits. However, such earmarking is not part of the definition of social security contributions and is not required for a tax to be classified here. However, conferment of an entitlement is required for a tax to be classified under this heading. So, levies on income or payroll that are earmarked for social security funds but do not confer an entitlement to benefit are excluded from this heading and shown under personal income taxes or taxes on payroll and workforce. Taxes on other bases, such as goods and services, which are earmarked for social security benefits are not shown here [...] because they generally confer no entitlement to social security benefits.

Contributions for the following types of social security benefits would, *inter alia*, be included: unemployment insurance benefits and supplements, accident, injury and sickness benefits, old-age, disability and survivors' pensions, family allowances, reimbursements for medical and hospital expenses or provision of hospital or medical services. Contributions may be levied on both employees and employers.

Social security contributions paid to institutions outside general government

Contributions to social insurance schemes which are not institutions of general government and to other types of insurance schemes, provident funds, pension funds, friendly societies or other saving schemes [are included here if they are compulsory or quasicompulsory (e.g., by virtue of agreement with professional and union organisations)]. Provident funds are arrangements under which the contributions of each employee and of the corresponding employer on his/her behalf are kept in a separate account earning interest and withdraw able under specific circumstances. Pension funds are separately organised schemes negotiated between employees and employers and carry provisions for different contributions and benefits, sometimes more directly tied to salary levels and length of service than under social security schemes.

Payroll taxes

This heading covers taxes paid by employers or employees either as a proportion of payroll or as a fixed amount per person, and which do not confer entitlement to social benefits. Examples of taxes classified here are the United Kingdom national insurance surcharge (introduced in 1977), the Swedish payroll tax (1969-1979), and the Austrian Contribution to the Family Burden Equalisation Fund and Community Tax.