

SLOVAK REPUBLIC 2008

1. Overview of the tax-benefit system

On 1 January 2004 went into force the:

Act No. 599/2003 Coll. on assistance in material need and on amending of some acts

Act No. 461/2003 Coll. on social insurance.

On 1 February 2004 the Act No. 5/2004 Coll. on employment service went into force.

On 1 January 2005 went into force the:

Act. No. 43/2004 Coll. on the old-age pension saving system.

Subsystems of social insurance

- a) *sickness insurance* as insurance in case of loss or decrease of income from gainful activities and to make sure for an income due to temporary incapacity for work, pregnancy and maternity,
- b) *pension insurance*, particularly
 1. old-age insurance as insurance to make sure for an income in old age and in case of demise,
 2. disability insurance as insurance in case of decrease in ability to carry out gainful activities due to long-term adverse health condition of insuree and in case of demise,
- c) *accident insurance* as insurance in case of damaging the health or demise due to a working accident, service accident (hereinafter referred to only as „working accident“) and occupational disease,
- d) *guarantee insurance* as insurance in case of insolvency of employer to meet claims of employee,
- e) *unemployment insurance* as insurance in case of losing income of employee's activities due to unemployment and to make sure for an income due to unemployment.

Social insurance is carried out by the Social Insurance Agency. The Social Insurance Agency is a public-service organisation established to carry out social insurance.

Reference date for all information is **July 1st 2008**

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1.1. Average Worker wage (AW)

General assessment (basis is 12-fold of the average monthly wages in the economy of the Slovak Republic as found out by the Statistical Office of the Slovak Republic) relevant sums of general assessment bases for year 2004 was 189 900 SKK, for year 2005 was 207 288 SKK, for year 2006 was 225 132 SKK and for year 2007 was 241 752 SKK.

The average wage that is used by our actuaries was SKK **265711¹** for year 2008.

Comment to the report “Slovak republic 2007”, part AW method through half year assessment basis is using only for maximum assessment basis for paying contributions because Statistical Office of the Slovak republic announced official average wage in 60 days timing schedule after ending reference period.

¹ AW refers to the Average Wage estimated by the Centre for Tax Policy and Administration (www.oecd.org/ctp).

For more information on methodology see *Taxing Wages 2007-2008*, OECD, 2009, part 5, sections 2 and 3

2. Unemployment insurance

The employee has mandatory unemployment insurance and self employed person could be voluntary insured person in unemployment.

The natural person having attained 16 years of age may be voluntarily insured in unemployment, who has permanent residence, permit for transient residence or permit for permanent residence on the territory of the Slovak Republic.

The contribution rate is 1% for employee, 1% for employer and 2% for voluntary insured person.

The payment rate is 50 % of daily assessment basis.

There is no any preference for payment rates or period paid out of benefit depend on the ages or family status of claimant.

2.1 Conditions for receipt

Act on Social Insurance does not define reason of unemployment of insured person that mean same rules are used for redundancy person who has got notice from employer and for person who has given resignation at work.

The most important condition for pay out unemployment benefit is staying in register of jobseekers. According the Act on Employment Services the jobseeker is obligated to cooperate with the Labour Office, active looking for job and available in 3 days time interval on request of the Labour Office.

2.1.1 Employment conditions

Insuree is entitled to unemployment benefit, if he had unemployment insurance for at least three years within the past four years before being included to registry of unemployed citizens looking for employment or for at least two years within the past four years before being included to registry of unemployed citizens looking for employment in case of seasonal workers (i.e. workers with term contract). For the insuree, who met conditions of claiming unemployment benefit, the claim to unemployment benefit arises since the day of being included into the registry of unemployed citizens.

2.1.2 Contribution conditions

The same conditions as introduced in previous article. An eligibility criterion of necessary number of years for unemployment insurance is also applying for voluntary insurance.

2.2 Calculation of benefit amount

2.2.1 Calculation of gross benefit

After the law-settled conditions were met the amount of unemployment benefit is 50% of the daily assessment basis. Daily assessment basis (DAB) to determine the amount of unemployment benefit is a quotient of the sum of assessment bases (AB) to pay premiums for unemployment insurance (the sums from which the insurance was paid) attained by the insuree in the conclusive period and the number of days of the conclusive period.

$$\text{DAB} = \frac{\sum \text{AB in determining period}}{\text{number of days of determining period}}$$

Calculation of unemployment benefit in one month:
50% x DAB x number of days in month

The average unemployment benefit paid in 2008 (January – November) amounts to SKK 7 177 SKK per month. The average amount of unemployment benefit for whole year 2008 will be known later on.

Since 1st January 2006 the maximum amount of unemployment benefit is not limited by the daily assessment basis and it depends on the sum of premiums that one pays for unemployment insurance. So the sum of the unemployment benefit depends only on the parameters used in the formula for the calculation of this benefit. **However indirectly maximum amount of benefit was in time period 2006-2007 determined by maximum assessment bases for paying contribution. Since 1st January 2008 maximum ceiling was increased from the original 3-times the average wage in the SR economy to 4-times the average wage in the SR economy. In context with this change is setting maximum daily assessment base for calculation of benefit (it means that the upper mentioned change has no influence on the maximum sum of benefit) :**

$$\text{MDAB} = \frac{\text{3-times general assessment bases}}{365}$$

General assessment base in this case is similar like for maximum ceiling for paying contribution used half year general assessment bases (from January to June average wage two years before and from July to December one year before).

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

One of conditions of claim to an unemployment benefit is including to registry of unemployed citizens looking for employment (register of jobseekers).

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

Not taxable.

Insuree is not entitled to disbursement of unemployment benefit in the period of time in which he is entitled for payment of sickness benefits, nursing benefits, maternity allowances and parental allowance.

When the retroactive unemployment benefit is approved also for a period when the beneficiary was paid the material need benefit and the additions to this benefit, the approved unemployment benefit for this period will be reckoned with the material need benefit which has been already paid.

2.4 *Benefit duration and waiting periods*

- Where the unemployment benefit has been paid to the beneficiary for the entire supported period of unemployment (6 months or 4 months for seasonal workers), a new entitlement to this benefit shall arise soonest after the expiration of three years or two years since the day when the preceding entitlement finished after the condition of at least three years of

unemployment insurance or at least two years of unemployment insurance in case of seasonal workers over the last four years before entry to the Jobseekers Register has been satisfied;

- Where the beneficiary has not been paid unemployment benefit for the entire supported period of unemployment (6 months or 4 months for seasonal workers) and the insured person was discarded from the Jobseekers Register because of the beginning of the activity as the employee and within a period shorter than 3 years, the entitlement to the payment of unemployment benefit shall arise at the amount of the previous unemployment benefit, and shall terminate upon the lapse of the remaining part of the supported period of unemployment;
- Where the beneficiary
 - has been paid unemployment benefit at least 3 months
 - has been put off the Jobseekers Register on account of undertaking the activity of an employee
 - has claimed in written the lump-sum payment of 50% of the unemployment benefit for the remaining part of the supported period

the insuree is entitled to 50 % of the rest of the untaken unemployment benefit.

Social Insurance Agency is obligated to accept every application form regardless of claimant has right on this benefit or not. However first application form on unemployment benefit is sent through the Labour Office as part of registration procedure of new jobseeker. Social Insurance Agency sent in decision the supported period - client know this reality and we consider if he has any other question (after expired or possibility to continue of pay out benefit) he rather use verbal client information services of Social Insurance Agency.

2.5 *Treatment of particular groups*

2.5.1 *Young persons*

Entitlement conditions for the unemployment benefit and the benefit duration are uniform for every natural person, irrespective of the age of the insuree.

2.5.2 *Older workers*

Entitlement conditions for the unemployment benefit and the benefit duration are uniform for every natural person, irrespective of the age of the insuree. The insuree must satisfy the statutory conditions (irrespective of whether s/he was insured for unemployment obligatorily or voluntarily).

The provisions for possibility not to reduce the early old-age benefit, if the person had not been claiming unemployment benefits have been cancelled by the Amendments of Act on Social Insurance effective since August 1st, 2006 and January 1st, 2008.

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2.5.3 *Others if applicable*

There are no special rules for lone parents and immigrants.

Unemployment insurance is mandatory also for part-time employees. They have same eligibility criteria for benefit, payment rate and contribution rate such as employees (some difference is only for minimum assessment base for paying contribution, see point 10.3).

For self-employed persons is subsystem of unemployment insurance voluntary. They could become voluntary insured persons.

Unemployment insurance does not apply for recipients of disability benefit for the reason of decrease in capacity to perform gainful activities by more than 70%. (Unemployment insurance does not apply also for recipients of old-age benefit and early old-age benefit.) The recipients of disability benefit with adverse health status between 40-70% (employees or voluntary insured persons) are covered by unemployment insurance and have the same conditions like others.

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3. Unemployment assistance

Active measures of the labour market provide

- raising employability of job seekers and persons interested in employment through education, preparation for the labour market, professional consultancy, graduate practice, activation activity, movement toward work
- creation of new jobs

The active policy of the labour market in terms of Act No. 5/2004 Coll. on employment service is being realized through active measures of the labour market which have also financial dimension in providing the contributions (see **Annex**).

3.1 Conditions for receipt

3.1.1 *Employment conditions*

3.1.2 *Contribution conditions*

3.2 Calculation of benefit amount

3.2.1 *Calculation of gross benefit*

3.2.1.1 *Irregular additional payments* [NEW ITEM]

3.2.1.2 *Obligations of family members* [NEW ITEM]

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

3.3 Tax treatment of benefit and interaction with other benefits

3.4 Benefit duration and waiting periods

3.5 Treatment of particular groups

3.5.1 *Young persons*

3.5.2 *Older workers*

3.5.3 *Others if applicable*

4. Social assistance

4.1 *Conditions for receipt*

On 1 January 2004 the Act No. 599/2003 Coll. on assistance in material need and on amending of some acts went into force, which in part superseded the existing Act on social assistance in the section on assistance in material need.

The Act on assistance in material need guarantees a citizen, who is in material need, provision for basic living conditions through the benefit in material need. In addition to the social assistance in material need, the act makes provision for allowances to the benefit, namely the health care allowance, housing allowance, activation allowance and protective allowance, which are component parts of the assistance in material need.

The Act on material need defines material need as a state, in which the income of the citizen and the natural persons jointly assessed with the citizen, does not achieve the subsistence minimum, and the citizen and the jointly assessed natural persons are unable to secure or increase the income through their own endeavours.

For the purposes of assessing material need, providing for the basic living conditions and assisting in material need the following natural persons are jointly assessed:

- the husband and the wife,
- the parents and their dependent children living with them in the household,
- the parents and their children aged up to 25 years, who have no income, or have an income not exceeding the amount of the minimum wage, living with their parents in the household, with the exception of the children, to whom, during the period of registration as job seekers an entitlement to unemployment benefit arose and the children who are in receipt of invalidity pension.

The claimants do not have to meet job-search or work-availability in order to be eligible for the benefit.

4.2 *Calculation of benefit amount*

To determine the claim to state social benefits (for example the allowance for housing costs), the subsistence minimum amounts are relevant as they form the basis of the income test. For 2008, these amounts are:

	MLS monthly (1.1.2008 – 30.6.2008)	MLS monthly (1.7.2008 – 31.12.2008)
First adult	5 130	5 390 (178,92 €)
Second adult	3 580	3 760 (124,81 €)
Child	2 340	2 460 (81,66 €)

The benefit in material need is payable to a citizen in material need, and the natural persons, jointly assessed with this citizen, in order to secure the basic living conditions at six levels.

The benefits available to a family in material need (valid on the 1st of January 2008) are:

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SKK 1,680 per month for an individual
SKK 2,800 per month for an individual with child, or with maximum four children
SKK 2,900 per month for a childless couple
SKK 4,000 per month for a couple with child or with maximum four children
SKK 4,100 per month for an individual with more than four children
SKK 5,360 per month for couples with more than four children

The amounts of the benefit in material need are since September 1 2008:

SKK 1 760 (58,43 €) per month for an individual
SKK 3 300 (109,54 €) per month for an individual with between one and four children
SKK 3 060 (101,58 €) per month for a couple without children
SKK 4 520 (150,04 €) per month for a couple with between one and four children
SKK 4 800 (159,34 €) per month for an individual with more than four children
SKK 6 060 (201,16 €) per month for a couple with more than four children

The amounts of benefit, referred to above, are increased by SKK 370 per month (SKK 390 (12,95 €) per month since September 1 2008), where the citizen or the natural person, jointly assessed with the citizen in material need, is a pregnant woman. The increase is payable to a pregnant woman from the start of the fourth month of pregnancy, where she has substantiated her pregnancy with the production of a pregnant woman's card and where she regularly visits a pregnant women's advice centre throughout her pregnancy.

The Benefit for persons in material need with a child up to one year, SKK 370 per month (SKK 390 (12,95 €) per month since September 1 2008).

In addition to the benefit in material need the citizen may claim his or her right to the following allowances:

- Health care allowance
- Housing allowance
- Protective allowance
- Activation allowance

Health care allowance

Every applicant and persons who are jointly assessed with this person, who have been awarded the benefit, shall also be payable the health care allowance, with the exception of children aged up to 6 years. The amount of health care allowance is SKK 60 (2 €) per person monthly.

Housing allowance

The housing allowance is payable only to one citizen in material need and the natural persons who are jointly assessed with this person, and is payable to one address only, provided one of them is

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- the owner of an apartment,
- the owner of a family house,
- a tenant of an apartment,
- a tenant of a family house,
- or a tenant of a room in a facility designed for housing and he or she pays the cost relating to housing and presents the document of payment of the cost for the preceding six consecutive calendar months, or substantiates the acknowledgement of the debt and an agreement on down payment, in the event he has payment arrears connected with the coverage of the housing cost.

The amount of the housing allowance is

- SKK 1 570 (52,12 €) monthly (SKK 1490 before September 1st 2008), where it involves one citizen in material need
- SKK 2 510 (83,32 €) monthly (SKK 2350 before September 1st 2008), where it involves a citizen in material need and natural persons jointly assessed with this person.

Activation allowance

Activation allowance is payable to a citizen in material need and every natural person jointly assessed with the citizen in material need to support the acquisition, maintenance or upgrading of knowledge, skills, or working habits for the purposes of employment during the period of assistance in material need, where these persons have satisfied entitlement conditions for the benefit.

The entitlement to activation allowance arises

- to a citizen in material need who is employed, or who is registered as a jobseeker, during the period s/he increases his qualification; participates in education/training; or participates in doing minor municipal services or voluntary work, subject to the agreement with the Office or the municipality
- to a citizen in material need who is in receipt of parental allowance, and who studies at a secondary school or university (this does not apply, where the citizen has acquired university education of the second degree).

The amount of activation allowance is SKK 1,900 (63,07 €) monthly.

A long-term unemployed person is also entitled to receive activation allowance, namely

- at an amount of SKK 1,900 (63,07 €) per month for a maximum of 6 months, where s/he starts employment, and before taking up employment was provided basic living conditions and assistance in material need, and his or her income from dependent activity is at least at the level of the minimum wage, but not more than three-times the amount of minimum wage.

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- at the amount of SKK 1,900 (63,07 €) per month for a maximum of six months, where s/he starts self-employment, and before taking up self-employment was provided basic living conditions and assistance in material need.

Protective allowance

Protective allowance is payable to a citizen in material need and natural persons jointly assessed with this citizen, where they have satisfied the entitlement conditions and where they are unable to secure their basic living conditions and help themselves in material need, on account of

- reaching the age required for the right to old age pension,
- disability, where the capacity to engage in gainful employment has been reduced by more than 70%
- being a lone parent who personally, on a daily basis, and properly takes care of a child aged up to 31 weeks,
- personal, daily and proper care of a child, or a citizen who, subject to the assessment of the competent authority, is a child or a citizen with severe disability,
- unfavourable health state lasting continuously for more than 30 days, which is established by the relevant attending physician, or
- participation in resocialisation programmes.

The amount of protective allowance is SKK 1 900 (63,07 €) per month.

The material need benefits as well as the family benefits are regularly increased since September by the government regulation.

4.2.1 Calculation of gross benefit

The mechanism of the calculation of the amount of benefit and allowances is based on determining the difference between the sum of entitlements to the benefit in material need and the allowances to the benefit (health care allowance, housing allowance, protective allowance, and activation allowance) and the income. Section 4.2.2 refers to what is regarded as income for the purposes of the calculation of the benefit in material need and the allowances to the benefit.

4.2.1.1 Irregular additional payments [NEW ITEM]

4.2.1.2 Obligations of family members [NEW ITEM]

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

For the purposes of the calculation of the benefit in material need and the allowances to the benefit, as income is not regarded:

- 25 % of the personal income from dependent activity,
- 25 % of the old-age pension awarded to a pensioner who has acquired at least 25 years of pension insurance; for every additional year of pension insurance this amount is increased by 1% of the awarded old-age pension,
- 25 % of the maternity allowance,
- 25 % of the invalidity pension,
- 25 % of the social pension awarded on the ground of disability (=invalidity),
- 25 % of the orphan's pension,
- 25 % of the widow's pension or widower's pension, where the widow or widower reached the retirement age,
- child allowance,
- a necessary urgent assistance, which is provided by the municipality, subject to a special regulation,
- the income from casual activities, accidental and one-off incomes, up to double the amount of subsistence minimum, received in the current year,
- the income of the secondary school pupil and the income of university student, studying full-time, where this income does not exceed 1.2-times the amount of subsistence minimum for a natural adult person,
- scholarship of pupils and students of secondary and tertiary schools,
- compensation of part of travel expenses and compensation of travel expenses of a jobseeker,
- allowance for compensation of travel expenses related to the activities identified in the individual action,
- reimbursement of expenses for board, accommodation and travel of a jobseeker, who is provided education or training for the labour market,
- allowance towards services for the family with children for a jobseeker, who takes care of a child of pre-school age (before commencing compulsory school attendance),
- allowance for the performance of school leaver's practice,
- tax bonus,

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- one-off state social benefits,
- cash benefits for citizens with severe disabilities for compensation of social consequences of their severe disablement, with the exception of the care allowance.

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

The benefit in material need and the allowances to the benefit are exempt from taxation. The interaction with other benefits has been partly covered under section 4.2.2.

4.4 *Benefit duration and waiting periods*

The benefit in material need and the allowances to the benefit are payable to the citizen on the basis of lawful decision and during the period in which the entitlement conditions last.

4.5 *Treatment of particular group*

The benefits are provided to all citizens who find themselves in material need.

Since September 15, 2004 the revision of the decree No. 3950/2004-II/1 dated September 7, 2004 of the Ministry of Labour, Social Affairs and Family of the Slovak Republic on providing the subsidies has entered into efficiency. Under this decree it is allowed to provide the subsidy for food, the school utensils and scholarship for the children of the compulsory school attendance who live in the family which is provided with the material need benefit and the allowances to this benefit.

- Subsidy for food for a child in a material need would be provided to the subsidy's applicant for the obtaining the food in the pre-school facility, primary school and special primary school (further used only „school“)
- Subsidy for the school utensils for a child in a material need would be provided to a subsidy's applicant for the obtaining the school utensils
- Subsidy for the scholarship for a child in a material need would be provided to a subsidy's applicant in a various level based on the school results which a pupil has achieved.

4.5.1 *Young persons*

4.5.2 *Older workers*

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4.5.3 *Others if applicable*

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5. Housing benefits for rented accommodation

From January 2004 the housing benefit was no longer provided as a separate benefit but within the assistance in material need, subject to the Act No. 599/2003 Coll. on assistance in material need (for more detail see section 4 on social assistance).

5.1 *Conditions for receipt*

5.2 *Calculation of benefit amount*

5.2.1 *Calculation of gross benefit*

5.2.2 *Income and earnings disregards*

5.2.3 *Costs eligible for housing benefits*

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

5.4 *Treatment of particular groups*

5.4.1 *Young persons*

5.4.2 *Older workers*

5.4.3 *Others if applicable*

6. Family benefits

Within the meaning of the SR legislation, family benefits include: state social support benefits such as child allowance, parental allowance and other allowances of state social support.

6.1 Conditions for receipt

From 1 January 2004 the child allowance has been provided under the Act No. 600/2003 Coll. on child allowance and on amending of the Act No. 461/2003 on social insurance, which repealed the Act No. 281/2002 Coll. and the Act No. 658/2002 Coll.

The entitlement conditions for the receipt of child allowance include:

- a) care of a qualifying person after a dependent child,
- b) permanent or temporary residence of the qualifying person and the dependent child in the territory of the Slovak Republic (without prejudice to the rights within the meaning of (EEC) Regulation 1408/71)

The following qualifying persons could claim the child allowance:

- a) the parent of a dependent child, (in the case of child adoption, from the date of the lawful ruling thereof the adoptive parent is the parent)
- b) a person, who has been entrusted a dependent child in care, substituting parental care, on the basis of a lawful ruling of the competent authority,
- c) a dependent child of lawful age, where there is no parent of the dependent child,
- d) a dependent child of lawful age, where s/he has been provided maintenance obligation from the parents,
- e) a dependent child of lawful age that concluded matrimony,
- f) a dependent child of lawful age, whose matrimony has terminated.

The child allowance is provided at a flat rate, monthly, for every dependent child.

6.2 Calculation of benefit amount

6.2.1 Calculation of gross benefit

The child allowance is provided at a uniform amount monthly per 1 child. From September 1, 2007, the Government regulation set the amount of child allowance at SKK 540 per child and per month (SKK 540 before September 1st 2007).

In January 2008 an extra allowance for dependent children whose parents are not eligible for the non-wastable child tax credit was introduced. The monthly amount of this allowance is SKK 300.

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6.2.1.1 *Irregular additional payments* [NEW ITEM]

6.2.2 *Income and earnings disregards*

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

The child allowance is exempt from personal income tax.

6.4 *Treatment of particular groups*

6.4.1 *Young persons*

6.4.2 *Older workers*

6.4.3 *Others if applicable*

7. Childcare for pre-school children

Compulsory school attendance starts, as a rule, at the beginning of the school year, following the date on which the child reached the age of six. A child who has not become school mature can have his or her school attendance put off by one year.

7.1 *Out-of-pocket childcare fees paid by parents*

In pre-school facilities which include kindergartens and special kindergartens, parents pay a monthly fee per child to cover part of the costs related to the material provision for the education process in a pre-school facility, ranging from SKK 50 to 7.5 % of the amount of the subsistence minimum for an adult natural person. The amount of subsistence minimum is currently laid down under the Act No. 601/2003 Coll. on the subsistence minimum and on amending of some acts, as later amended, at SKK 5 130 (July 1st 2007). Based on this amount, the upper limit of the monthly fee paid by parents for a child currently must not exceed SKK 384.75. The lowest amount of monthly fee paid by the parent is SKK 50 per one child.

The fee is also paid in respect of a child, who has reached 5 years of age, and the child with postponed compulsory school attendance that are placed in a pre-school facility.

The parent does not pay the monthly fee upon fulfilment of the following conditions:

- the child is placed in a kindergarten set up by an education state administration body as part of a health care facility,
- the child has been ordered institutional care,
- the child has interrupted his or her kindergarten attendance for more than 30 consecutive days in consequence of being admitted to a healthcare facility, with the parent producing a certificate thereof from the attending physician,
- the child did not attend kindergarten owing to health reasons for 30 consecutive days, with the parent having to produce a certificate, stating the beginning and end of the sickness issued by the attending physician,
- the child did not attend the kindergarten at the time of school holidays, or the operations of the kindergarten have been suspended for reasons related to the founder of the kindergarten or other serious reasons. In these cases the parent pays only a proportionate part of the set fee,
- the parent produces a document certifying provision of assistance in material need to the kindergarten director.

The actual amount of the monthly fee per child, varying from SKK 50 to 7.5 % of the amount of the subsistence minimum for an adult person, is determined by the director of the pre-school facility.

In addition to monthly fee per child, referred to above, the parent pays for the child's meals in the kindergarten. The amount for meals varies, depending on the actual way of taking meals by the child. Full-day board (morning and afternoon snacks, lunch) will amount to circa SKK 600 monthly.

The actual amount of fee, in the stipulated range, is determined by the director of the pre-school facility/ kindergarten or special kindergarten/, with a possibility to have the fee differentiated, for example, according to the number of siblings in the kindergarten, the child's age, duration of stay in the pre-school facility, etc.

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The above scales for the fee paid by the parent, are laid down in the regulation on pre-school facilities.

The childcare fees paid by parents are not tax deductible.

Fees are not taken into account when determining entitlement to other benefits, including social assistance.

7.2 *Child-care benefits*

Parental allowance is provided under the Act No. 280/2002 Coll. as amended in the later regulations.

7.2.1 *Conditions for receipt*

Since July 1, 2005, the entitlement conditions of the qualifying person for receipt of the benefit

- proper care of the parent for at least one child
 - a) up to the age of 3 years or
 - b) up to the age of 6 years, in case of long-term or heavy handicapped child or
 - c) up to the age of 6 years, in case of child who was entrusted into substitute parental care, namely up to 3 years from a valid ruling
- permanent residence or temporary residence (applies to foreign nationals only) of the qualifying person in the territory of the Slovak Republic (without prejudice to the rights within the meaning of (EEC) Regulation 1408/71),
- permanent residence or temporary residence (applies to foreign nationals only) of the child in the territory of the Slovak Republic (without prejudice to the rights within the meaning of (EEC) Regulation 1408/71).

The condition of proper care of the parent or the qualifying person is satisfied even where

- the parent during the performance of gainful activity or study at secondary school or university secures the necessary childcare to be given by another adult person or juridical person except the school facility which is included into the school net and school facilities net and which was provided for a child the means from the state budget or income tax revenue
- the child regularly attends a treatment and rehabilitation facility on an outpatient basis,
- the child with long-term unfavourable health state attends a rehabilitation nursery, kindergarten, social service facility, or other equivalent facility in the scope of maximum four hours a day,
- the child attends a nursery, kindergarten, or other equivalent facility in the scope of maximum four hours a day, and both parents or a lone parent (single, divorced, widowed) are persons with severe disability,
- the child is in an institutional health care owing to medical reasons for a maximum of three consecutive calendar months.

The proper care is the care regarded after a child provided in the interest of the child's physical and mental development, by which the child is given in adequate nutrition, hygiene, and compliance with preventive inspections.

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The parent's allowance is providing neither of parents if one of both is eligible for maternity benefit or benefit of sickness insurance or sickness security of the same kind in abroad.

7.2.2 *Calculation of benefit amount*

7.2.2.1 Calculation of gross benefit

The parental allowance in amount of SKK 4 110 was provided till August 31, 2006. Since September 1, 2006 increased to SKK 4 440. This amount is paid until 31 August 2007. From 1 September 2007 the amount of parental allowance is SKK 4 560.

The parental allowance is unified since September 1, 2006. It means the same amount is paid for working and also inactive parents. There is no partial allowance for the second parent.

7.2.2.2 Income and earnings disregards

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

Parental allowance is discharge of income tax of physical persons.

7.2.4 *Treatment of particular groups*

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8. Employment-conditional benefits

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*

8.4 *Benefit duration*

8.5 *Treatment of particular group*

8.5.1 *Young persons*

8.5.2 *Older workers*

8.5.3 *Others if applicable*

9. Lone-parent benefits

The system of social insurance does not provide a specific benefit designed for a lone parent. If the insured woman is a lone parent, the duration of receipt of maternity allowance (sickness insurance benefit) is extended, continuing beyond the lapse of the stipulated duration of entitlement to receive maternity allowance – 28 weeks; the right to maternity allowance in this case expires upon the completion of 37 weeks from the rise of the right to maternity allowance (in case of other insuree, who has taken the child in care, and is lone, the right to maternity allowance expires upon the completion of 31 weeks from the rise of the right to maternity allowance, but not longer than until completion of eight months of the child's age).

The government provides support to the lone parent in case the absent parent does not pay the alimonies for more than three months in a row. To be eligible for this support, the lone parent has to be a citizen of the Slovak Republic and their average wage cannot exceed subsistence minimum 2,2 times.

9.1 Conditions for receipt

The legislative act which sets the income limit of 2.2 times the subsistence minimum for lone parents to be eligible for support provided by the government is effective from 2008. The actual amount which the lone parent may receive from the government is 1.2 times the subsistence minimum for a dependent child (subsistence minimum for dependent children was 2 460 SKK in 2008 and is 84,52 EUR in 2009, it is re-evaluated annually), but each case is evaluated individually. If the parent does receive the government help, eligibility for the government help is re-evaluated every 6 months.

9.2 Calculation of benefit amount

9.2.1 Calculation of gross benefit

The support exists from January 1, 2005. The highest amount a lone parent could receive has always been 1.2 times the subsistence minimum for a dependent child. Subsistence minimum for a dependent child:

January 1, 2005 – June 30, 2005 it was 2080 SKK

July 1, 2005 – June 30, 2006 it was 2150 SKK

July 1, 2006 – June 30, 2007 it was 2270 SKK

July 1, 2007 – June 30, 2008 it was 2340 SKK

July 1, 2008 – June 30, 2009 it was 2460 SKK

From July 1, 2009 it is 84,52 EUR

9.2.1.1 Irregular additional payments [NEW ITEM]

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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

10.1 Income tax

10.1.1 Tax allowances and credits

10.1.1.1 Standard allowances

- *Basic relief:* An allowance for all taxpayers is set at 19.2 times the minimum living standard (MLS) for a basic adult as of January 1, 2008 (SKK 98 496). In 2008, the basic personal allowance for taxpayers with gross earnings net of employee social security contributions in excess of the threshold of SKK 513 000 per year ($513\,000 = 100 \times \text{MLS}$, which is approximately equal to the employee's monthly gross wage of SKK 49 050) is gradually withdrawn. If gross earnings net of employee social security contributions exceed SKK 513 000, the personal allowance is calculated as 44.2 times the minimum living standard minus 0.25 times gross earnings net of employee social security contributions. The basic personal allowance reaches 0 if the gross earnings net of employee social security contributions amount to SKK 906 984 per year (employee's monthly gross wage of approximately SKK 84 470). The value of the basic tax allowance cannot become negative.

The degressive tax allowance is taken into account only once a year (when the tax return is filed or when the annual clearing is performed). Monthly tax prepayments during the year are therefore not affected.

- *Marital status relief:* An additional allowance is given to the principal earner in respect of a spouse living in a common household if the spouse earns no more than SKK 98 496. As from January 1 2007, the value of the spouse allowance depends on the gross earnings net of employee social security contributions of both the principal and the spouse.

If the principal's gross earnings net of employee social security contributions in 2008 are lower or equal to SKK 906 984 ($=176.8 \times \text{MLS}$) and the spouse's gross earnings net of employee social security contributions are lower than 98 496, the spouse allowance is calculated as the difference between 19.2 times the MLS and the spouse's gross earnings net of employee social security contributions. If the gross earnings net of employee social security contributions of the spouse exceed 98 496, the spouse allowance is 0. If the principal's gross earnings net of employee social security contributions exceed SKK 906 984 ($=176.8 \times \text{MLS}$), the spouse allowance is calculated as 63.4 times MLS minus 0.25 times the principal's gross earnings net of employee social security contributions. This amount is reduced by the spouse's gross earnings net of employee social security contributions. The value of the spouse allowance cannot become negative.

The degressive tax allowance is taken into account only once a year (when the tax return is filed or when the annual clearing is performed). Monthly tax prepayments during the year are therefore not affected.

- Relief for social and health security contributions: Employee's social security contributions (see Section 2.1.) are deductible for income tax purposes.

10.1.1.2 Standard tax credits

- *Relief for children:* The prior allowance for children has been replaced by a non-wastable tax credit as from January 2004. As from July 2007, the monthly tax credit is indexed as result of a new indexation rule. The tax credit will be automatically indexed by MLS growth and will be effective as from the 1st of July when also the new amount of MLS comes into force. During the period from 1st January to 30th June 2008 monthly tax credit was SKK 555 per child, from 1st July 2008 the amount of tax credit will be SKK 583. The tax credit for each dependent child is

deducted from the tax liability; if the credit exceeds the tax liability, the excess will be paid to the taxpayer. In order to receive this credit, the parent must annually earn at least six times the minimum monthly wage, which for 2008 is set at SKK 8 100 (the total annual earnings must therefore be at least SKK 48 600). The credit can be taken only by one partner. It can be taken by one partner for part of the tax period (year) and by the other partner for the rest of the tax period (year); this choice will have to hold for all dependent children. (For the purposes of this Report, it is assumed that the credit is claimed by the principal wage earner).

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

Beginning on January 1, 2004, the progressive personal income tax rates were abolished and replaced by a flat tax rate of 19%.

10.1.3 *State and local income taxes*

No separate state and local income tax exist.

10.2 *Treatment of family income*

The tax unit is the individual.

10.3 *Social security contributions and payroll taxes*

10.3.1 *Contributions payable by employees and benefit recipients*

Unemployment insurance is mandatory also for part-time employees. They have same eligibility criteria for benefit, payment rate and contribution rate. Act on Social Insurance define monthly minimum assessment base for paying contributions for full-time employees and voluntary insured person. Monthly minimum assessment base is minimum wage. For employee who has appointed partial time in his/her labour contract according to the Labour code (§ 49) this monthly minimum assessment base is not applicable that mean he has real monthly assessment base (could be lower than monthly minimum wage).

Compulsory contributions of 13.4 per cent of gross wages and salaries are paid by all employees into government operated schemes. The total is made up as follows:

-- Health Insurance		4.0 per cent
-- Social Insurance		9.4 per cent
of which:		
-- Sickness	1.4 per cent	
-- Retirement	4.0 per cent	
-- Disability	3.0 per cent	
-- Unemployment	1.0 per cent	

There are maximum assessment bases MSSAB (maximum threshold for contributions to apply) that apply to social security contributions. From 2004 these MSSAB are no longer fixed values but depend upon the average wages (AW).

Average monthly MSSAB for retirement, disability and unemployment insurance are calculated as: $\frac{3}{4} \times AW(t-2) + \frac{3}{4} \times AW(t-1)$. Average monthly MSSAB for sickness insurance is calculated as: $1.5 \times$

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$AW(t-2) + 1.5 \times AW(t-1)$. According to the law, MSSAB in the first six months of the year is $3/4 \times AW(t-2)$ (for sickness insurance $1.5 \times AW(t-2)$), in the second half of the year it is $3/4 \times AW(t-1)$ (for sickness insurance $1.5 \times AW(t-1)$). Average monthly MSSAB for health insurance is calculated as: $3 \times AW(t-2)$. Where $AW(t-2)$ is the average wage two years ago and $AW(t-1)$ is the average wage before the current tax year. The average wage is determined by the Statistical Office of the Slovak Republic. $AW(2005)$ is SKK 17 274 per month and, $AW(2006)$ is SKK 18 761 per month and $AW(2007)$ is SKK 20 146 per month.

The maximum assessment base for pension insurance (old age insurance and disability insurance) and for unemployment insurance has been increased from three to four times the average wage in the national economy since January 2008.

The assessment base for a full-time employee is at least minimum wage (also if actual wage in particular month is lower than minimum wage (e.g.: due to sickness)). There are some SSC assessment base adjustments (exceptions)- according to Social insurance Act No. 461/2003, the monthly assessment base is at least:

A*/ 75% of assessment base in the case of disabled employee with less than 70% decline in work capability or in case of adolescent employee older than 16 years

B*/ 50% of assessment base in case of disabled employee with more than 70% decline in work capability if he/she is younger than 18 years or in case of employee younger than 16 years

C/ sum of income in case of part-time employment - if someone works part-time and earns less than the (full-time) minimum wage, his contributions are calculated as a percentage of his part-time wage. (e.g.: if individuals part-time wage is SKK 5,000 his contributions are calculated as a percentage of SKK 5 000, instead of the monthly minimum wage is SKK 8 100).

Article A) and B) are currently negligible in context with unified minimum wage for all age categories which has been set in approved Act No. 603/2007 Coll. on Minimum Wage effective since 1 February 2008.

10.3.2 *Contributions payable by employers*

The total contribution for employers is 35.2 per cent of gross wages and salaries. The contribution comprises the health insurance contribution (10 per cent of gross wages and salaries) and the social insurance contribution (25.2 per cent). The social insurance rate reflects contributions to sickness insurance (1.4 per cent), disability insurance (3 per cent), retirement insurance (14 per cent), the Guaranteed Fund (0.25 per cent), accident insurance (0.8 per cent until the end of 2008 and between 0.3 and 2.1 per cent in 2009 depending on the category of risk associated with the employer's activities), for unemployment (1 per cent) and to the Reserve Fund (4.75 per cent).

Since January 2005, Slovakia has introduced the privately managed fully funded pillar. This means that a given proportion (9 percentage points) of social contributions paid by the employer for retirement insurance flows directly to the private pension funds and not to the Social insurance agency as in previous years. Private pension funds are treated outside of general government; these contributions are therefore not taken into account in the calculations of average and marginal tax rates. For the purposes of this Report, the total contribution rate for employers is then 26.2 per cent.

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The MSSAB also applies to the employer's SSC. The next table presents the annual values of MSSAB:

	Formula for MSSAB	Value of MSSAB
- Health Insurance	$3.0 \times AW(t-2)$	675 396
- Social Insurance		
of which:		
-- Sickness	$(1.5 \times AW(t-2) + 1.5 \times AW(t-1))/2$	350 163
-- Retirement	$(4.0 \times AW(t-2) + 4.0 \times AW(t-1))/2$	933 768
-- Disability	$(4.0 \times AW(t-2) + 4.0 \times AW(t-1))/2$	933 768
-- Unemployment	$(4.0 \times AW(t-2) + 4.0 \times AW(t-1))/2$	933 768
-- Accident		No limit
-- Guarantee fund	$(1.5 \times AW(t-2) + 1.5 \times AW(t-1))/2$	350 163
-- Reserve fund	$(4.0 \times AW(t-2) + 4.0 \times AW(t-1))/2$	933 768

10.3.3 *Payroll taxes*

10.4 *Treatment of particular group*

10.4.1 *Young persons*

10.4.2 *Older workers*

10.4.3 *Others if applicable*

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11. Part-time work

11.1 Special benefit rules for part-time work

They have same eligibility criteria for benefit, payment rate and benefit duration as applicable for full-time workers.

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

The monthly minimum assessment base for paying social security contributions does not apply for part-time workers.

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12. Policy developments

The most important changes in the field of unemployment insurance have been effectual since January 1st, 2008.

12.1 Policy changes introduced during 2008

Since January 1st, 2008 maximum ceiling has been increased from the original 3-times the average wage in the SR economy to 4-times the average wage in the SR economy. In context with this change maximum daily assessment base has been set for calculation of benefit.

12.2 Future policy changes announced in 2008

Amendment of Act on Social Insurance which is effective since January 1st, 2009 set only one little technical change in the field of unemployment benefit.

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 withdrawable 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.

Annex

Employment services - active labour market measures

On 1 May 2008 the amendment of the Act No. 5/2004 Coll. on employment services and an amendment of certain acts entered into force. The Amendment introduced the new active labour market measures as follows:

➤ ***Contribution for job familiarisation for a disadvantaged job seeker (§49a)***

The duration of contribution: at most 3 months for at most 30 hours per week except in the week in which job familiarisation begins.

The Office of Labour, Social Affairs and Family (hereinafter referred to as “Office”) shall provide the disadvantaged job seeker with a contribution for job familiarisation every month in the amount of the subsistence minimum for one adult person 178,92 € and additional contributions - travelling expenses and expenses for food and drink, documented expenses for accommodation, expenses for services for a family with children, costs for insurance against liability for loss or damage, costs for insurance, costs for accident insurance.

The amount of the subsistence minimum is annually adjusted on the date of 1 July.

➤ ***Contribution to support the retention in employment of employees with low pay (§50a)***

The duration of contribution: at least 24 calendar months.

A contribution to support the retention in employment of employees with low pay taken on as employees from the register of job seekers is provided to an employer to cover

a) advance payment of contributions to health insurance and contributions to social insurance and contributions to old age pension saving paid by the employer and

b) the sum of advance payment of contributions to health insurance and contributions to social insurance paid by the employee. The contribution shall be provided if the gross monthly pay of a full time employee amount to at most 50% of the average monthly wage of an employee in the economy of the Slovak Republic for the first to third quarter of the calendar year preceding the calendar year in which the contribution is provided and the employee was registered in the register of job seekers for at least 3 months before being taken on as an employee.

➤ ***Support for the employment of a disadvantaged job seeker in a social enterprise §50b,50c***

At least 30 % of the total number of employees in social enterprise must be disadvantaged job seekers.

At least 30 % of social enterprise’s funds obtained annually from income must be used for creating of new jobs or for improvement working conditions.

The duration of contribution to social enterprise is 12 months in the amount of 50 % at most of the overall price of work (862,22 €) calculated from the average wage of an employee in the economy of the Slovak Republic for the first to third quarter of the calendar year previous to the calendar year in which the contribution is provided (i.e. 431,11 €) and after the end of 12 calendar months if the employee is not placed in the open labour market the contribution shall be at most 40% for at most 12 calendar months (i.e. 344,89 €).

➤ ***Contribution to support the employment of persons who have completed education and preparation for the labour market § 51a***

The duration of contribution: at least 24 calendar months.

For the purposes of provision of the contribution, a person who has completed education and preparation for the labour market shall be a secondary school graduate registered in the register of job seekers for at least 6 months and a citizen over 50 years of age registered in the register of job seekers for at least 3 months, who has completed education and preparation for the labour market provided by the Office lasting at least 6 calendar months and at most 24 calendar months.

In the Bratislava self-governing region at most 25% of the overall price of work (i.e. 215,56 €),

In other self-governing regions 35% of the overall price of work (i.e. 301,78 €).

The amount of the contribution and the time for which it is provided shall be dependent on the average rate of registered unemployment in the district in which the employer employed the person who has completed education and preparation for the labour market and the legal form and the area of activity of the employer.

➤ ***Contribution for activation activity in the form of minor communal services for a municipality §52***

Activation activity in the form of minor communal services for a municipality shall be support for the retention of working habits by a long-term unemployed citizen who is a recipient of benefit in material need and contributions to benefit in material need. During the performance of minor communal services for a municipality, a job seeker cannot participate in voluntary service pursuant to § 52a

A long term unemployed citizen may perform minor communal services for a municipality continuously at most 20 hours per week, except in the week when activation activity begins, for at most 6 calendar months; performance may be repeated for at most an additional 6 calendar months.

The office shall provide a contribution to the municipality which can be used to cover a part of the cost of personal protective equipment, accident insurance for long-term unemployed citizens, part of the cost of work equipment and part of additional costs relating to the performance of minor communal services for a municipality and to cover a part of the overall price of work for the employee who organises the activation activity.

The contribution is provided monthly based on a written agreement concluded between the Office and the municipality in the amount in the first 6 months of 10%, and in the second 6 months at most of 7%, of the overall price of work, at most 3% to cover a part of the overall price of work of the employee who organises minor communal services for the municipality for each long-term unemployed citizen.

➤ ***Contribution for activation activity in the form of voluntary service § 52a***

A job seeker may carry out voluntary service for a legal entity or natural person whose activities are not carried out for the purpose of gaining a profit, for a period of 20 hours per week continuously for at most 6 calendar months. The participation of the job seeker in the performance of voluntary service shall be voluntary. During the performance of voluntary service as a job seeker may not carry out activation activity pursuant to § 52.

During the performance of voluntary service the office shall provide the job seeker with a flat rate contribution equal to the subsistence minimum provided to one adult natural person (178,92 €) to cover essential expenditure for food and drink, accommodation and travelling expenses from the place of permanent or temporary residence to place where voluntary service is performed.

The office shall provide a contribution to a legal entity or natural person; this contribution may be used to cover a part of costs necessary for the eligible performance of voluntary service and the operation of voluntary services, for accident insurance for job seekers, to cover fees for certification that the job seeker satisfies health requirements if the legal entity or natural person requires it, to cover a part of the cost of personal protective equipment, work equipment and a part of other costs relating to the performance of voluntary service and to cover a part of the overall cost of work of an employee that organises voluntary service.

This contribution is provided monthly based on a written agreement concluded between the Office and the a legal entity or natural person in the amount in the first six months of 10% (i.e. 86,22 €) of the overall cost of work, of which at most 3% (25,87 €) to cover a part of the overall cost of work of the employee who organises voluntary service for each job seeker performing voluntary service.

➤ ***Contribution for commuting to work § 53***

Contribution for commuting to work increased from 66,29 € by up to 99,59 €.

➤ ***Contribution for relocation for work § 53a***

The contribution for relocation for work covers part of documented relocation expenses of a job seeker from his or her place of permanent stay for reasons of employment up to a maximum amount of 1 327,76 € if the location of the new permanent stay in the territory of the Slovak Republic to which he or she relocates for reasons of acquiring the employment is at least 50 km from the original location of his or her permanent stay.

The Office shall provide a contribution to a citizen who was a job seeker registered in the register of job seekers for at least 3 months who was removed from the register of job seekers for commencement of an employment,

Expenses for relocation for work include documented expenses for the first payment of rental and first payments related to the use of a flat.

➤ ***Contribution for transport to the place of employment § 53b***

The Office may provide the contribution for transport to the place of employment to an employer on conclusion of a written agreement if the employer provides daily transport for employees to and from the place of employment on the grounds that there is no evidence that public transport is available at all or that the service provided satisfies the needs of the employer.

A contribution may be provided up to the value of at most 50% of the costs incurred for the transport of employees to and from the place of employment.

➤ ***Support for the inclusion of disadvantaged job seekers in the labour market § 53c***

The aim of support for the inclusion of disadvantaged job seekers in the labour market is to make it easier for them to enter and remain in the labour market for a period of at least 6 months; shall be provided in the form of a local, regional, national or pilot project.

➤ ***Contribution for the creation of a new job § 53d***

Investment aid to support start-up investment in the form of a contribution for the creation of a new job for which a decision on the provision of investment aid shall also be considered to be an active labour market measure.

A contribution may be provided to an employer to cover a part of eligible costs if the employer creates new jobs in a district where the average rate of registered unemployment is greater than the average rate of registered unemployment in the Slovak Republic

Support of employment of disabled citizens Support for the employment of disabled citizens is performing by means of the creation of jobs in sheltered workshops or sheltered workplaces or the self-employment of such citizens, retention of jobs through the provision of work assistance and payment of part of the operating costs of sheltered workshops and sheltered workplaces.

The Amendment of the Act No. 5/2004 Coll. on employment services introduces some changes in the computing method of contributions for disabled persons support.

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Accounting basis for contribution was changed – minimum/subsistence as reference value was substituted by employee's average wage in Slovak economy.

New legal framework

- for training for placement in work, including theoretical and practical training for work to improve the integration of disabled citizens in work,
- for the provision of grants to retain disabled citizens in employment,
- for the provision of grants for the renovation and upgrading of the tangible assets of protected workshops and workplaces, paid to employers or self-employed disabled citizens,
- a new system of alternative means of compliance with the compulsory number of employees with disabilities that gives preference to orders made or purchases of goods and services rather than the payment of fees for failure to comply with the compulsory number of employees with disabilities, including possible combinations of alternative means of compliance with the compulsory number of employees with disabilities.

ANNEX

Unemployment assistance

The active policy of the labour market in terms of Act No. 5/2004 Coll. on employment service is being realized through the following active measures of the labour market which have also financial dimension in providing the contributions:

Article 32

(1) For the purposes of this Act, mediation of employment is an activity executed for the following purposes:

- a) Seeking out jobs and offering suitable employment to job seekers and to persons interested in employment, and
- b) Seeking out and offering suitable employees to employers.

(2) Mediation of employment includes registration activity, information and advisory service and the elaboration of lists of vacancies, as well as lists of jobs aspired to by job seekers and by persons interested in employment, publishing of lists of vacancies and lists of jobs aspired to by job seekers and by persons interested in employment, including publishing of such lists in the internet, press and other media.

(3) Mediation of employment is executed

- a) by the Centre,
- b) by the Office and by workplaces established by the Office, and
- c) by legal persons and natural persons executing fee charged mediation of employment, mediation of temporary employing and mediation of supported employing pursuant to this Act, or by other legal persons and natural persons licensed to mediate employment under conditions specified in written agreements concluded with the Office.

(4) The Centre and the Office shall execute mediation of employment free of charge in the territory of the Slovak Republic.

(5) The citizen applies for mediation of employment at the Office whose territorial boundaries correspond to his/her permanent residence. The citizen seeking employment may request any Office for information about the possibilities of employment.

(6) The Office of competence, from viewpoints of a citizen who has neither a permanent nor a temporary residence but stays at a schooling establishment or at a social service facility, is the office whose territorial boundaries correspond to the registered office of the schooling establishment or of the social service facility. Such a citizen shall submit proof of his/her stay at a schooling establishment or at a social service facility in the form of a certificate issued by the schooling establishment or social service facility for the purpose.

(7) The Office of competence, from viewpoints of the alien who had been granted asylum or temporary shelter is the Office whose territorial boundaries correspond to the residence of the alien.

(8) The Office executes mediation of employment free of charge and impartially, holding in respect the citizen's selection from among offered jobs, and the principle of voluntary selection of employers from among job seekers.

(9) There is no statutory claim to the mediation of a specific job.

(10) The Office shall, for employment mediation purposes

- a) Maintain the register of job seekers, the register of persons interested in employment and the register of vacancies,
- b) Provide for information and advisory services,
- c) Provide for professional consultancy,

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d) Compensate parts of travelling expenses of job seekers, linked to their entry interviewing, or selection process at the employer's site, if the travelling expenses exceed the sum specified in generally binding legal regulations; the Office may grant advance payments, covering parts of the travelling expenses of the job seekers.

(11) The travel expenses, pursuant to paragraph 10(d), shall mean the travel expenses by public transport means from the place of permanent residence, or the place of temporary residence to the place of the entry interviewing, or the selection procedure and back.

(12) Reimbursement of part of the travel expenses, pursuant to paragraph 10(d), shall be provided on the basis of an application in writing by the jobseeker, to which the certificate of attendance in introductory interview or selection procedure should be appended. The application in writing for reimbursement of part of the travel expenses shall be submitted by the jobseeker no later than within ten working days upon completion of the month, in which the entitlement to provision of the contribution for reimbursement of part of travel expenses have arisen.

Article 43

(1) The Office may organise professional consultancy for the job seeker and for the person interested in employment.

(2) For the purposes of this Act, professional consultancy is the activity executed toward resolving problems in link with the vocational assertion of job seekers, toward harmonizing the conditions of his personality with the requirements of specific employment, toward influencing the applicant's decisions and conduct, and toward the social and working adaptation of the job seeker.

(3) Professional consultancy is executed by consultant who has achieved higher education of the second level.

(4) The Office may organise professional consultancy in the form of individual consultancy or group consultancy.

(5) The Office guarantees the elaboration of an **individual action plan** in support of vocational assertion of the job seeker who has been on file for a specified time in the register of job seekers.

(6) For the purposes of this Act, the individual action plan is defined as a written document which, based on evaluation of the personality conditions, abilities and professional skills of the job seeker, determines the type and scope of assistance required for facilitating his/her occupational assertion and delimits specific procedural steps for the purpose. The individual action plan shall be elaborated assessed and updated by the job seeker in close cooperation with the professional consultant. Upon its elaboration and mutual approval, the individual action plan shall assume binding force to the job seeker.

(7) The Office shall provide the jobseeker with part of the travel expenses incurred in his participation in activities within the professional consultancy provided by the Office, on the basis of an application in writing, where the travel expenses exceed the sum determined by a generally binding legal regulation to be issued by the Ministry.

(8) The travel expenses, pursuant to paragraph 7, shall mean the expenses of travel by the public transport means, from the place of permanent residence⁴³, or the place of temporary residence⁴⁴ to the place of the professional consultancy, and back.

(9) The Office may itself organise professional consultancy, or through a natural person or legal person who is licensed to provide professional consultancy pursuant to a special regulation (hereinafter referred to as the "service supplier"; "*dodávate_ služby*"). Only a natural person who has achieved higher education of second level and a legal person, in whom this condition is satisfied by the person providing professional consultancy in the name of the service supplier, can be the service supplier of professional consultancy.

⁴³ § 3 of Act No. 253/1998 Coll. on stay announcement of citizens of the Slovak Republic and on the register of the population of the Slovak Republic amended by the Act 454/2004 Coll.

⁴⁴ § 8 of Act No. 253/1998 Coll., as amended by later regulations.

(10) Where the provision of professional consultancy is rendered in excess of three days to a jobseeker and a person interested in employment by the Office, or where the Office arranges for the provision of professional consultancy for a jobseeker or a person interested in employment through a service supplier of professional consultancy, pursuant to paragraph 9, it shall reimburse the expenses for board, accommodation and the travel expenses from the place of permanent residence, or the place of temporary residence to the place of the professional consultancy, and back, pursuant to a special regulation²¹. The jobseeker can be provided reimbursement, pursuant to the first sentence, also by the professional consultancy service supplier, where that has been part of the agreement, pursuant to paragraph 12.

(11) The Office shall provide a contribution for services for families with children, pursuant to § 46(11), to a jobseeker and a person interested in employment, which participate in the activities within the professional consultancy and who are parents caring for a child before commencement of compulsory schooling or persons pursuant to special regulation⁴⁵, if they apply for the contribution in writing.

(12) The Office shall conclude written agreement with the supplier of professional consultancy. The agreement for the provision of professional consultancy shall comprise in particular

- a) the aim of professional consultancy that will be provided by the service supplier,
- b) the number of job seekers receiving professional consultancy provided by the service supplier,
- c) date of the professional consultancy commencement,
- d) location of the professional consultancy,
- e) price of the professional consultancy,
- f) method and date of payment of justified expenses for the provision of professional consultancy, and
- g) commitment of the service supplier to report all changes in the numbers of job seekers receiving professional consultancy

(13) Special regulation¹⁹ applies to the selection of the service supplier providing professional consultancy pursuant to paragraph 9.

Article 46

(1) The Office may provide for education and preparation for the labour market of the job seeker and for the person interested in employment, through the educational activities pursuant to § 44(1), first sentence, if they have applied for it in writing, based on the evaluation of abilities, working experience, professional skills, level of acquired education and health ability for work of the relevant person mainly in the following cases

- a) Insufficient professional knowledge and skills,
- b) Change of professional knowledge and skills, required from the labour market demand and,
- c) Loss of ability to carry out work in the recent employment.

(2) The assessment, pursuant to paragraph 1, including determination of the kind of educational activity for the jobseeker, is part of the individual action plan, pursuant to § 43(6). The Office may provide education and preparation for the labour market for a person interested in employment after the lapse of three months from his last registration as a person interested in employment. Participation in education and preparation for the labour market by the jobseeker and the person interested in employment is voluntary.

(3) The Office may provide education and preparation for the labour market for a jobseeker and a person interested in employment primarily under the national projects and programmes of education and preparation for the labour market, approved by the Centre and implemented by the Office, or the projects and programmes approved and implemented by the Office. Activities and events related to the provision of placement services, information and advisory services and professional consultancy may be part of the education and preparation for the labour market designed for the jobseeker and the person interested in employment, which are provide by the service supplier of the education and preparation for the labour market.

(4) The Office may provide a contribution toward education and preparation for the labour market of the jobseeker amounting up to 100% of the cost of the first education activity, up to 75% of the cost of the second education activity and up to 50% of the cost for every further education activity during two years

from the day of entry in the first education activity by the jobseeker, on the basis of an agreement in writing concluded between the Office and the jobseeker.

(5) The Office shall provide a contribution of up to 100% of the costs also for

a) Any education activity, pursuant to § 44(2), second sentence,

b) Any further education activity pursuant to paragraph 4, if within three months of its completion the jobseeker is removed from the register of job seekers by a reason, pursuant to § 36(1) (a) and (b); the Office shall reimburse the jobseeker for the difference up to 100%, which the jobseeker has paid the service supplier for the education and preparation for the labour market.

(6) The Office may provide a contribution toward education and preparation of the person interested in employment for the labour market, amounting up to 100% of the cost per one education activity in the course of two years during which he has been registered as a person interested in employment, on the basis of an agreement in writing concluded between the Office and the person interested in employment.

(7) The Office shall reimburse the jobseeker, which is provided education and preparation for the labour market, the cost of board, accommodation and the travel expenses from the place of permanent residence, or the place of temporary residence to the place of education and preparation for the labour market, and back, pursuant to a special regulation.²¹

The jobseeker can be provided reimbursement, pursuant to the first sentence, also by the service supplier of education and preparation for the labour market, where that has been part of the agreement, pursuant to paragraph 13.

(8) The Office shall reimburse the cost of board, accommodation and the travel expenses from the place of permanent residence, or the place of temporary residence to the place of education and preparation for the labour market, and back, pursuant to a special regulation,²¹ also to a person interested in employment, who is provided education and preparation for the labour market by the Office, where the person is a parent caring for a child before commencement of compulsory schooling, or where the person is older than 50 years. The person interested in employment can be provided reimbursement, pursuant to the first sentence, also by the service supplier of education and preparation for the labour market, where that has been part of the agreement, pursuant to paragraph 13.

(9) The Office shall reimburse the service supplier of education and preparation for the labour market the contributions, pursuant to paragraphs 4 to 8, on the basis of an agreement concluded in writing. The service supplier of education and preparation for the labour market shall be paid the difference up to 100% of the contribution, pursuant to paragraph 4, for the second education activity and every further activity, by the jobseeker. The service supplier of education and preparation for the labour market shall be paid the difference up to 100% of the contribution, pursuant to paragraph 6, per one education activity, by the person interested in employment.

(10) The Office may provide a contribution for services for families with children to a jobseeker and a person interested in employment that participate in education and preparation for the labour market and who are parents caring for a child before commencement of compulsory schooling, or persons, pursuant to a special regulation⁴⁵, who care for a child before commencement of compulsory schooling, where these persons apply for the contribution in writing.

(11) For the purposes of this Act the contribution covering the price of services supplied to the family with children pursuant to paragraph 10 is defined as payment of parts of the documented expenses covering the stay of the child in a pre-school establishment, or payment of parts of documented expenses covering care for the child provided by a natural person authorised to perform such activities¹¹.

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(12) The agreement on education and preparation for the labour market concluded between the Office and the jobseeker, or the Office and the person interested in employment, shall include

a) Professional orientation of the education and preparation for the labour market and the method of its acquisition,

b) Location of realisation of the education and preparation for the labour market,

c) Duration of the education and preparation for the labour market, including the dates of its commencement and completion, method, range and conditions of reimbursement by the Office of the

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contribution for education and training for the labour market of the jobseeker and the person interested in employment,

d) Rights and obligations of participants of the education and preparation for the labour market,

e) Details of reimbursement of the costs of boarding and accommodation, and the travel expenses from the location of permanent residence or temporary residence to the location of provision of education and preparation for the labour market and back, to the jobseeker and person interested in employment, who is a parent caring for a child before commencement of compulsory schooling, or a person, pursuant to a special regulation⁴⁵, caring for a child before commencement of compulsory schooling, or a person older than 50 years of age; the method and date of reimbursement, if the Office provides reimbursement of these costs,

f) Commitment of the person interested in employment to refund to the Office the costs reimbursed by the latter for his/her education and preparation for the labour market, if he/she terminates education and preparation before the agreed date without noteworthy reasons, pursuant to paragraph 14,

g) Other requisites agreed.

(13) The agreement concluded between the Office and the service supplier of education and preparation for the labour market shall include

a) The name and address of the educating facility,

b) The location of provision of education and preparation for the labour market,

c) Duration of education and preparation for the labour market, including the date of commencement and completion thereof,

d) The method of testing the knowledge acquired by completion of education and preparation for the labour market,

e) The price offer per one participant,

f) The number of jobseekers and the number of person interested in employment for whom education and preparation for the labour market is ensured by the Office,

g) The total price offer that the Office shall reimburse, pursuant to paragraphs 4, 6 to 8,

h) The method and date of reimbursement of the total price offer, pursuant to paragraphs 4, 6 to 8,

i) The method and date of reimbursement of the cost, pursuant to paragraphs 7 and 8, if the of the cost is agreed between the Office and the service supplier of education and preparation for the labour market,

j) Other requisites agreed.

(14) The job seeker and the person interested in employment may, for serious reasons of health, familial reasons and personal reasons appearing in the course of education and preparation for the labour market interrupt the education and preparation for the labour market; the noteworthiness of reasons shall be evaluated by the Office.

(15) Selection of the service supplier for education and preparation for the labour market of the job seeker and of the person interested in employment shall proceed pursuant to a special regulation¹⁹.

Article 47

Education and Preparation for the Labour Market of Employee

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ARTICLE 47

Education and Preparation for the Labour Market of Employee

(1) For the purposes of this Act, education and preparation for the labour market of employee shall be executed by the employer in the interests of continuing occupational assertion of his employees, in the form of providing for general education and preparation of employees for the labour market, and of specific education and preparation of employees for the labour market.

(2) For the purposes of this Act, general education and preparation of the employee for the labour market is defined as theoretical or practical preparation providing for knowledge and professional skills, which are widely utilisable at other employers and which contribute to the improved employability of the employee.

(3) For the purposes of this Act, specific education and preparation of the employee for the labour market is defined as theoretical or practical preparation providing for knowledge and professional skills utilisable only at the current employer, which are only partially utilisable at other employers.

(4) Education and preparation courses for the labour market are held during working time, and deemed obstacles to work on the side of the participating employee, entitling to compensatory wage in the sum corresponding to his/her average monthly earnings. Education and preparation for the labour market are held out of working time only when it is unavoidable from organisational viewpoints.

(5) The Office may, on the basis of a written agreement, grant contributions to the employer for the employee's education and preparation for the labour market up to 90 % of the justified costs of the employee's education and preparation for the labour market, if upon their completion the employer continues employing him/her for at least twelve months, or when the employee's education and preparation for the labour market

is being organised within measures toward precluding or restricting collective redundancy.

(6) The justified costs of the employee's education and preparation for the labour market, documented by the employer, are defined as follows:

- a) Compensation of the wage of employees participating in the education and preparation for the labour market pursuant to a special regulation⁴⁶,
- b) Reimbursement of travel expenses of employees participating in the education and preparation for the labour market pursuant to a special regulation²¹, and
- c) Other expenses of the employer, arising in direct connection with organising the education of his employees, and their preparation for the labour market.

(7) The agreement concluded pursuant to paragraph 5 on contributions payable to the employer for his employees' education and preparation for the labour market shall show in particular:

- a) Orientation of the courses providing education and preparation for the labour market,
- b) Duration of the education and preparation for the labour market, including dates of their commencement and conclusion of the courses,
- c) Calculation of justified costs per participant,
- d) Sum of justified costs to be reimbursed,
- e) Conditions of reimbursing the justified costs,
- f) Conditions of return of the reimbursed justified costs in case of failure to fulfil the conditions of the agreement.

(8) The employer applying to the Office for a contribution pursuant to paragraph 5 may use the services of an educating establishment only if the establishment was selected by the Office pursuant to a special regulation¹⁹.

(9) The employer may organise the employees' education and preparation for the labour market also at other educating establishments, providing that he would use his own funds for the education and preparation for the labour market of his employees.

ARTICLE 49

Contribution for Self-Employment

(1) For purposes of this Act, self-employment is defined as the

- a) Performance of agricultural production, including of forests and water systems farming pursuant to a special regulation,
- b) Operation or performance of a trade pursuant to a special regulation,
- c) Execution of activities pursuant to special regulation,
- d) Carrying out activities as partner of a general commercial partnership and general partner of a limited partnership pursuant to a special regulation, and
- e) Execution of activities pursuant to Articles 25, 29 and 58.

(2) The contribution for self-employment may be granted by written request of the job seeker who has been on file for a specified period in the register of job seekers, providing that he/she will commence, and continue performing self-employing activities for at least two years. The contribution for self-employment may be granted to cover documented expenses in link with self-employing activities (hereinafter referred to as "contribution"). No contribution shall be granted to the job seeker who is a disabled citizen pursuant to Article 9(1)(a) and for whose employing a contribution is paid pursuant to Articles 57 and 60.

(3) The contribution may be granted up to 100 % of the sum corresponding to 24 times the minimum price of work, as in force to the end of the calendar month preceding the calendar month of disbursement of the contribution.

(4) For the purposes of this Act the minimum price of work is defined as the sum of the minimum wage, and the sum payable by the employer on account of his employees' health and social insurance premiums, as well as of his contribution to their old-age pension savings.

(5) The sum of the contribution depends on the type of the region that is entitled to receive state aid pursuant to a special regulation⁴⁸, on membership of the job seeker of a group of disadvantaged job seekers pursuant to Article 8, and on the average of unemployment rate in the relevant district.

(6) The contribution shall be granted by the Office of territorial competence at the place of creation of the self-employment job.

(7) The Office concludes a written agreement with the job seeker for granting the contribution. The agreement on the contribution shall show in particular:

- a) Type of self-employment activity,
- b) Maximum sum of the contribution,
- c) Method of payment of the contribution,
- d) Date of commencement of the operation or performance of self-employment,
- e) Method of submitting proof of use of the contribution, including the deadline of submission,
- f) Method of return of the contribution or parts thereof in case of non-fulfilment of agreed conditions,
- g) Commitment of the job seeker to notify the Office on any change of the agreed conditions within 30 calendar days at most.

(8) Concluding the agreement on the contribution pursuant to paragraph 7 shall be contingent upon completion, by the job seeker, of preparatory courses organised by the Office for his/her self-employment operation or performance, and upon submission of a business plan by the job seeker, including the estimated costs of commencing the operation or performance of his/her self-employment activities. The particulars of the business plan are determined in an internal regulation issued by the Centre.

(9) The citizen having terminated the operation or performance of self-employment activities before lapse of two years shall return the proportional part of the contribution falling on the period when self-employment had not been operated or performed within three calendar months from the termination, unless a different period was agreed with the Office. Return of the contribution is not required, when the

operation or performance of self-employment is terminated for reasons of decease, or for reasons of health assessed pursuant to Article 19.

ARTICLE 50

Contribution for Employing a Disadvantaged Job Seeker

(1) The contribution for employing a disadvantaged job seeker pursuant to Article 8 who has been registered in the register of job seekers for the specified duration may be granted to the employer employing the disadvantaged job seeker in a generated job (hereinafter referred to as “contribution”). The contribution shall be provided in monthly intervals, covering up to 100 % of the price of work per disadvantaged job seeker accepted by the employer in a generated job. No contribution shall be granted for employing a disadvantaged job seeker who is a disabled citizen pursuant to Article 9(1)(a) and for whose employing was granted a contribution pursuant to Articles 57 and 60.

(2) Generation of a job at the employer is defined as the increase in the average number of jobs over 12 calendar months which, in comparison with the preceding period of the same length, represents the total growth of the number of employees of the employer.

(3) For the purposes of this Act the total price of work is defined as the sum of the wage and the insurance premiums for health insurance, social insurance and the contribution to old-age pension savings payable by the employer.

(4) The contribution, by written request of the employer, shall be provided by the Office of territorial competence at the place of creation of the self-employment job.

(5) The contribution shall be provided in the maximum duration of 24 months from conclusion of the written agreement on the provision of the contribution pursuant to paragraph 7.

(6) The sum and duration of the contribution depends on the type of the region that is entitled to receive state assistance pursuant to a special regulation⁴⁸, on the undertaking of the employer to continuously employ for at least 12 months the employee for whom the contribution had been granted, and on the average rate of unemployment in the relevant district.

(7) The Office concludes a written agreement with the employer on granting the contribution. The agreement on granting the contribution shall comprise mainly the following particulars:

- a) Number and professional structure of the jobs,
- b) Maximum sum of the contribution,
- c) Number of months of employing the disadvantaged job seeker,
- d) Commitment of the employer to continuously employ for at least 12 months the disadvantaged job seeker in case of a contribution granted pursuant to paragraph 5,
- e) Number of months for which the contribution would be provided,
- f) Method of provision of the contribution,
- g) Commitment of the Office to pay the monthly contributions to the employer within 30 calendar days at most from submission of the documents by the employer, and
- h) Commitment of the employer to within the specified deadline submit the service contracts of the employees, and to notify any termination of employment within 30 calendar days to the Office.

ARTICLE 51

Contribution for the Graduate Practice

(1) For the purposes of this Act, graduate practice is defined as the acquisition, by the graduate of a school, of professional skills and practical experience at an employer corresponding to the attained level of the graduate’s education.

(2) Graduate practice shall be executed on the basis of a written agreement on the graduate practice concluded between the Office and the graduate who has been filed for a specified period in the register of job seekers, and by written agreement concluded between the Office and the employer.

(3) The duration of graduate practice shall not exceed six months, and 20 working hours per week. The employer shall determine the commencement and scheduling of working time. Upon termination of the graduate practice the employer shall issue a certificate of completion of graduate practice to the graduate.

(4) The Office shall, during graduate practice, grant a lump-sum contribution in the monthly amount 1 000 SKK to the graduate in order to cover his/her unavoidable personal expenses in link with the execution of graduate practice. In addition, the Office shall grant compensation of the accident insurance premium to the graduate during his/her execution of the graduate practice, if the graduate has concluded the accident insurance contract pursuant to paragraph 8(g).

(5) The Office shall grant a lump-sum contribution in the monthly amount 1 000 SKK per graduate to the employer, in order to cover the employer's unavoidable expenses occurring in link with the execution of graduate practice by the graduate.

(6) While on graduate practice, the graduate shall be entitled to time off in the duration of ten working days. Such claim shall not arise to the graduate earlier than two months from commencing the graduate practice.

(7) In addition to time off in the duration of ten working days the employer shall excuse absence of the graduate from executing graduate practice, when caused by his/her temporary incapacity to work or by attending to a seek family member.

(8) The agreement concluded pursuant to paragraph 2 between the Office and the graduate shall comprise in particular:

a) Commitment of the Office to provide for execution of graduate practice with the agreed employer for the graduate,

b) Commitment of the graduate to execute graduate practice with the employer agreed by the Office,

c) Commencement and duration of executing graduate practice,

d) Type of work performed while on graduate practice,

e) Commitment of the graduate to comply, while on graduate practice, with generally binding legal regulations, internal rules of the employer and regulations of occupational safety and health protection that he/she had been provably familiarized with,

f) Commitment of the graduate to reimburse the Office for damage caused by his/her wilful acts to the employer,

g) Commitment of the graduate to conclude the accident insurance contract during his/her execution of graduate practice,

h) Commitment of the Office to pay the lump-sum contribution pursuant to paragraph 4 to the graduate within ten days from lapse of the relevant calendar month.

(9) The agreement concluded pursuant to paragraph 2 between the Office and the employer shall mainly comprise in particular:

a) Commitment of the employer to establish conditions for the execution of graduate practice to the graduate,

b) Type of work during the execution of graduate practice,

c) Commitment of the employer to provably familiarize the graduate with generally binding legal regulations, internal rules of the employer and regulations of occupational safety and health protection while on graduate practice,

d) Commitment of the employer to keep attendance records of the graduate and to submit them to the Office in monthly intervals within ten days from lapse of the relevant calendar month,

e) Commitment of the employer to notify the Office on the graduate's failure to execute graduate practice, and on premature termination of the execution of graduate practice within two working days at latest,

f) Commitment of the employer to enable to the Office's charged employee to control the fulfilling of this agreement,

g) Commitment of the Office to transfer to the employer's account in regular monthly intervals the lump-sum contribution pursuant to paragraph 5 within ten days from lapse of the relevant calendar month.

Article 52

Contribution for Activation Activity

(1) For the purposes of this Act, activation activity is defined as the support of maintaining the working habits of the job seeker. Activation activity shall be executed in the duration of at least ten hours per week.

(2) Activation activity may be performed in the form of minor communal services performed for a municipality and organised by the latter, or of voluntary works organised by a legal person or by a natural person specified in paragraph 5.

(3) For the purposes of this Act, communal services for a municipality organised by the latter is defined as a form of activation activity of the job seeker, executed by performing work designed to improve the economic conditions, social conditions, cultural conditions and environmental conditions of the municipality population.

(4) In order to facilitate the organisation of minor communal services for the municipality pursuant to paragraph 3, the Office shall, in monthly intervals, submit to the municipality the following data of the job seekers permanently residing in the municipality:

- a) Name, surname and date of birth,
- b) Street, municipality or municipal district of the permanent residence,
- c) The attained level of education, acquired professional skills or type of recently performed work,
- d) Duration of registration in the register of job seekers,
- e) Information, whether or not he/she is a recipient of material need benefit.

(5) For the purposes of this Act, voluntary works are defined as a form of activation activity of the job seeker, executed by performing general beneficiary activities at a legal person or natural person who is a

- a) Budgetary organisation and a contributory organisation providing social services,
- b) Social services facility,
- c) Church or religious community recognized by the state and organisation established thereby,
- d) The Slovak Red Cross,
- e) The Institute for Occupational Rehabilitation of Citizens with Altered Work Capacity in Bratislava,
- f) The Rehabilitation Centre for Citizens with Visual Impairment in Levoča,
- g) Facility established pursuant to Article 12(h),
- h) School and a schooling facility,
- i) Health care facility⁴,
- j) Budget organisation and a contributory organisation in the field of culture,
- k) Nongovernmental organisation, mainly
 1. Civic association,
 2. Non-profit organisation providing general beneficiary services,
 3. Foundation, performing general beneficiary activity,
 4. Non-investment fund, performing general beneficiary activity.

(6) The Office shall grant to the municipality, legal person and natural person an contribution in compensation for parts of the expenses for protective work equipment, accident insurance of job seekers performing activation activities, and for part of the total price of work of the employee, organising the activation activity of the job seekers.

(7) The contribution pursuant to paragraph 7 shall be provided in the duration of the activation activity at most, based on a written agreement between the Office and the municipality, on a written agreement concluded between the Office and the legal person or natural person pursuant to paragraph 5(a)-(j), and on a written agreement concluded between the Office and the nongovernmental organisation pursuant to paragraph 5(k), in the monthly equivalent of 10 % at most of the total price of work pursuant to Article 49(4) per job seeker performing activation activity.

(8) The total sum of the contribution for activation activities granted under paragraph 6 depends on the number of job seekers accepted to perform activation activity and on the number of employees organising the performance of activation activity.

(9) The contribution may be provided by the Office of territorial competence, identified on the basis of

- a) The location of the municipality.
- b) The site of the legal person or natural person specified in paragraph 5(a) through 5(j),

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c) The site of the nongovernmental organisation specified in paragraph 5(k).

(10) The agreement concluded pursuant to paragraph 7 shall show in particular:

a) Number of job seekers accepted to perform activation activity and the duration of their activation activity,

b) Number of employees organising the activation activity,

c) Type and extent of activation activity,

d) Total sum, dates and duration of provision of the contribution pursuant to paragraph 6,

e) Number of hours of the activation activity performed by one job seeker per week, and the number of weekly hours worked per employee organising the activation activity,

f) Commitment of the Office to grant the contribution pursuant to paragraph 6 in monthly intervals, within 30 calendar days from submission of the required documentation at latest,

g) Commitment of the municipality, legal person, natural person or nongovernmental organisation pursuant to paragraph 5(k) to notify the Office on any noncompliance with the specified number of hours of activation activity performed by the job seeker,

h) Commitment of the municipality, legal person, natural person or nongovernmental organisation pursuant to paragraph 5(k) to notify the Office on any termination of employment within 30 calendar days at latest, if a job seeker on file in the register of job seekers was accepted to organise activation activity.

ARTICLE 53

Contribution for Movement toward Work

(1) For the purposes of this Act the contribution for movement toward work is defined as a compensation of documented expenses occurring in link with moving from the place of permanent residence to the new employment location, providing that the new employment location is at least 30 km distant from the place of permanent residence (herein after referred to as “the contribution”).

(2) The Office shall grant the contribution to the job seeker who has been filed for a specified period in the register of job seekers, whom a suitable employment was mediated to, or who himself/herself found a suitable employment outside of the place of permanent residence, and who applied for the contribution in writing.

(3) The contribution may be granted also in the event when the place of permanent residence of the employee has been changed in the process of changing the new employment’s location.

(4) When both spouses applied in writing for the contribution, the Office shall grant the contribution to only one of them.

(5) The Office may grant the contribution once in two years in the form of a lump sum not exceeding 10 000 SKK.

ARTICLE 56

Contribution for Establishing and Maintaining the Protected Workshop and Protected Workplace

(1) The contribution for establishing a protected workshop or protected workplace shall be granted to the employer establishing the protected workshop or protected workplace (hereinafter referred to as the “contribution”).

(2) The contribution per job generated in the protected workshop or protected workplace shall be granted up to 100 % of the sum corresponding to 24 times the minimum price of work pursuant to Article 49(4) as in force to the end of the calendar month preceding the calendar month of disbursement of the contribution.

(3) The contribution granted pursuant to paragraph 2 may be increased by documented additional expenses, compared to the documented expenses of establishing a job for an job seeker who is not a disabled citizen pursuant to Article 9(1)(a) and in link with

a) Extension of the protected workshop or protected workplace, or adjustment of their premises,

b) Outfitting of the protected workshop or protected workplace with machines, equipment and working aids required for the performance of activities of disabled citizen pursuant to Article 9(1)(a) in the protected workshop or protected workplace,

- c) Installation of machines, equipment and working aids pursuant to subparagraph (b),
 - d) Lease of premises, unless involving leasing of non-residential premises accomplished between close persons,
 - e) Payment of interest from targeted loans extended for purchasing equipment.
- (4) The contribution for covering additional expenses pursuant to paragraph 3 shall also be granted for adapting an individual workplace located outside of the protected workshop or protected workplace, to the state of health of the disabled citizen pursuant to Article 9(1)(a).
- (5) The contribution pursuant to paragraph 3 shall be granted separately up to 100 % of the sum corresponding to 12 times the minimum price of work pursuant to Article 49(4) as in force to the end of the calendar month preceding the calendar month of disbursement of the contribution.
- (6) No contribution pursuant to paragraphs 2 through 5 shall be granted for the purchase of real estate, extension and reconstruction of own real estate, or for the purchase of a motor vehicle, except for the lease-purchase of a motor vehicle.
- (7) The contribution pursuant to paragraphs 2 through 6 shall be granted to the employer, based on his written application, by the Office of territorial competence at the location of establishing the protected workshop or protected workplace; the application shall include the business plan and the calculation of estimated costs for establishing the protected workshop or protected workplace.
- (8) Jobs generated with contribution granted pursuant to paragraphs 2 through 5 may only be occupied by disabled citizens pursuant to Article 9(1)(a). Other employees may, with prior written consent of the Office, occupy such jobs only if they are temporarily vacant, for a period not exceeding nine months and for a period not exceeding 24 months in the case of disabled citizens pursuant to Article 9(1)(b).
- (9) The protected workshop or protected workplace shall be established for at least three years. The legal person or natural person failing to fulfil this condition shall return, within three months at most unless a different deadline was agreed with the Office, the proportional part of the contribution, corresponding to the length of inactivity period of the protected workshop or protected workplace.
- (10) The legal person or natural person shall, within 30 calendar days, notify the Office on all changes occurring at the jobs in the protected workshop or protected workplace that were established with the contribution.
- (11) The legal person or natural person shall return the whole contribution granted for the respective job in case of his/her failure to meet the conditions specified in paragraphs 8 and 9.
- (12) The Office shall conclude a written agreement with the employer on granting the contribution. The agreement on granting the contribution shall comprise mainly the following particulars:
- a) The number, professional and qualification structure of employees who are disabled citizens pursuant to Article 9(1)(a) and who were accepted in jobs established in the protected workshop or protected workplace,
 - b) The number of months of employing the disabled citizens pursuant to Article 9(1)(a),
 - c) The sum of the contribution and methods of its disbursement,
 - d) The job establishment date,
 - e) Duration of operating the job,
 - f) Method of, and deadline for documenting the use of the contribution,
 - g) Method of return of the contribution or part thereof in case of failure to meet the agreed conditions,
 - h) Commitment of the legal person or natural person to notify the Office on all changes of the agreed conditions within 30 calendar days at most.

ARTICLE 57

Contribution for Operating or Performing Self-Employment to Disabled Citizens

- (1) The disabled citizen pursuant to Article 9(1)(a) commencing the operation or performance of self-employment in a protected workshop or at a protected workplace shall, by his/her written request, be granted a contribution for commencing the operation or performance of self-employment in a protected workshop or at a protected workplace (hereinafter referred to as “the contribution”). The application for the

contribution shall include the business plan and a calculation of the estimated costs of establishing the protected workshop or protected workplace.

(2) The contribution shall be granted to the disabled citizen pursuant to Article 9(1)(a), who has been filed for a specified period in the register of job seekers, who will commence, and continue without interruption for at least two years, operating or performing self-employment in a protected workshop or at a protected workplace.

(3) The contribution shall be granted up to 100 % of the sum corresponding to 24 times the minimum price of work pursuant to Article 49(4) as in force to the end of the calendar month preceding the calendar month of disbursement of the contribution.

(4) The contribution granted pursuant to paragraph 3 shall be increased by documented additional expenses, compared to the documented expenses of operating or performing self-employment by an job seeker who is not a disabled citizen pursuant to Article 9(1)(a), in link with

a) Extension of the protected workshop or protected workplace, or adjustment of their premises,
b) Outfitting of the protected workshop or of the protected workplace with machines, equipment and working aids required for operating or performing self-employment by the disabled citizen pursuant to Article 9(1)(a) in the protected workshop or protected workplace,

c) Installation of machines, equipment and working aids pursuant to subparagraph (b),

d) Lease of premises, unless involving leasing of non-residential premises accomplished between close persons,

e) Payment of interest from targeted loans, granted for equipment purchases.

(5) The contribution pursuant to paragraph 4 shall also be granted separately, up to 100 % of the sum corresponding to 12 times the minimum price of work pursuant to Article 49(4) as in force to the end of the calendar month preceding the calendar month of disbursement of the contribution.

(6) The contribution shall not be granted for the purchase of real estate, extension and reconstruction of own real estate, or for the purchase of a motor vehicle, except for lease-purchase of a motor vehicle.

(7) The contribution pursuant to paragraphs 3 through 6 shall be granted by the Office of territorial competence at the location of establishing the protected workshop or protected workplace.

(8) The contribution pursuant to paragraphs 3 through 6 shall be granted on the condition that the disabled citizen pursuant to 9(1)(a) would operate or perform self-employment in the protected workshop or at the protected workplace for at least two years. The disabled citizen pursuant to 9(1)(a) terminating the operation or performance of self-employment in the protected workshop or at the protected workplace before lapse of the period of three years shall return, within three months at most unless a different deadline was agreed with the Office, the proportional part of the contribution, corresponding to the length of period when no self-employment was operated or performed in the protected workshop or at the protected workplace. No return of the contribution pursuant to paragraphs 3 through 6 shall be required from the disabled citizen who terminated the operation or performance of self-employment due to decease, or for health reasons as assessed pursuant to Article 19.

(9) The Office shall conclude a written agreement on granting the contribution with the disabled citizen pursuant to 9(1)(a) commencing operating or performing self-employment in a protected workshop or at a protected workplace. The agreement on granting the contribution shall include in particular

a) The type of self-employment,

b) The sum of the contribution and method of its disbursement,

c) The date of establishing the protected workplace and the date of commencing the operation or performance of self-employment,

d) Duration of operating the job,

e) Method and deadline for documenting the use of the contribution,

f) Method of return of the contribution or part thereof in case of failure to meet the agreed conditions,

g) Commitment of the disabled citizen pursuant to 9(1)(a) commencing the operation or performance of self-employment in the protected workshop or at the protected workplace to notify the Office on all changes of the agreed conditions within 30 calendar days at most.

ARTICLE 59

Contribution for Activities of the Assistant at Work

- (1) The Office shall grant a contribution for activities of the assistant at work (hereinafter referred to as “contribution”).
- (2) For the purposes of this Act the assistant at work is defined as the employee who provides assistance to an employee or to employees, who are disabled citizens pursuant to Article 9(1)(a), in their execution of employment and personal needs during the working time.
- (3) The assistant at work must have completed 18 years of age and legal capacity.
- (4) The contribution shall be provided monthly, covering up to 90 % of the total price of work pursuant to Article 50(3) per assistant at work, performed during the employment of an employee who is a disabled citizen, or of employees who are disabled citizens in direct care of the assistant.
- (5) The contribution shall be granted by the Office of territorial competence according to the registered office of the employer.
- (6) The Office shall conclude a written agreement with the employer for granting the contribution. The agreement for providing the contribution shall include in particular:
 - a) Number of employees who are disabled citizens pursuant to Article 9(1)(a) and who are in the direct care of one assistant at work,
 - b) Number of assistants at work,
 - c) Sum and duration of payment of the contribution,
 - d) Method of payment of the contribution,
 - e) Method of the contribution return or parts thereof in case of non-fulfilment of the agreed conditions.

ARTICLE 60

Contribution to Cover Operating Costs of the Protected Workshop or Protected Workplace and Employees’ Transport Costs

- (1) The contribution to cover operating costs of a protected workshop or protected workplace and employees’ transport costs (hereinafter referred to as “contribution”) shall be granted to a legal person or natural person by written application, submitted by 31 March at latest after lapse of the relevant calendar year.
- (2) Operating costs pursuant to paragraph 1 are defined as the expenses on acquiring instruments, devices, tools and protective working equipment, as well as costs arising in connection with the organisation of activities and administration of the protected workshop or protected workplace.
- (3) Employees’ transport costs pursuant to paragraph 1 is defined as the costs arising in connection with the employer’s transport provision, to work place and back, for employees who are disabled citizens pursuant to Article 9(1)(a).
- (4) The contribution shall be granted by the Office of territorial competence according to the location of the protected workshop or protected workplace, and paid in the maximum value of 7 times the minimum total price of work pursuant to Article 49(4) as at the end of the relevant calendar year per disabled citizen pursuant to Article 9(1)(a).
- (5) The Office may grant an advance on the contribution, maximum 50 % of the sum pursuant to paragraph 4 per disabled citizen pursuant to Article 9(1)(a).

We notice that Act No. 5/2004 Coll. on employment services was amended by the Act No. 139/2008 Coll. with effect since the 1st May 2008. The legal provisions related to the social enterprise will enter into force in September 2008.