
SLOVAK REPUBLIC 2001

1. Overview of the system

Unemployed persons can receive unemployment benefits for a maximum period of 6 months, which is extended to 9 months if the person has contributed for more than 15 years. The tax unit is the individual, partners are taxed separately. The 2001 AW level is SKK 156264.

2. Unemployment insurance

2.1. *Conditions for receipt*

2.1.1. *Employment conditions*

At least 24 months of work in the last three years

At least 6 months in the last three years when the work contract was agreed for the definite period for seasonal work

2.1.2. *Contribution condition*

At least 24 months of contribution in the last three years

at least 6 months in the last three years when the work contract was agreed for the definite period for seasonal work

2.2. *Calculation of benefit amount*

2.2.1. *Calculation of gross benefit*

The registered unemployed person can apply the district labour office for an unemployment benefit in case that he/she meets entitlement conditions under 2.1.2. The amount of benefits is, as follows:

- 50 per cent of the unemployment benefit base during first three months;
- 45 per cent of the unemployment benefit base for the remaining entitlement period.

Benefits are subject to a ceiling of 1,5 times the MSI (Minimum Subsistence Income) for a natural person of age. The MSI is stipulated in the special regulation (par. 2 letter a) of the Act No 125/1998 Coll. on the

minimum subsistence income and on fixing of amounts for the purpose of state social benefits. The maximum sum of an unemployment benefit has amounted to SK 5.685 since July 1, 2001.

The period during which a benefit is being provided is cut by one half in case that the unemployed terminated his/her last employment without serious reasons or without any reason at all or he/she terminated self-employment activity or activity of a co-operating person.

2.2.2. *Income and earnings disregards*

Any income from employment and on the basis of the contract of work cancels entitlement to an unemployment benefit.

2.3. *Tax treatment of benefit*

Not taxable

2.4. *Benefit duration*

It depends on the total number of years of contributions for unemployment insurance in the relevant calendar year:

- Up to 15 years the entitlement period lasts six months
- Over 15 years the entitlement period lasts nine months

2.5. *Treatment of unemployment registration*

2.5.1. *Registered unemployed young people* (schools graduates) that paid the unemployment insurance contributions during a continuous preparation for the occupation less than six months, have the entitlement to the unemployment support.

The unemployed person applies personally for mediating a job at a district labour office relevant to the place of his/her residence. Based upon this application he is included into the unemployed people' register. If the registered unemployed person meets the conditions for the unemployment benefits the district labour office that registers him will pay off the benefits to him. The stated procedure is equal for all unemployed persons who ask the relevant district labour office for mediating a job and are in the unemployed people' register.

2.5.2. *Older workers*

Registered older unemployed persons receive unemployment benefits for 6 or 9 months in case that they became entitled. After a lapse of this period they are eligible for social assistance benefit in case that they are in material need. If they qualify for an old-age pension during this period and they apply for it they will receive an old-age pension. From the day of entitlement they are displaced out of unemployment files and an unemployment benefit is stopped.

3. Unemployment assistance

None except the unemployment benefits.

In a year the registered unemployed person can get the unemployment benefit in the maximum length of 9 months and in the maximum amount 51 165.- SKK.

4. Social assistance

4.1. Conditions for receipt

The amendment of the Act No 450/2000 Coll. took effect from January 1, 2001. It amended the Act No 195/1998 on social assistance as amended by later regulations. Within the above amendment a mechanism of material need solution at the 120 percent level of the MSI was eliminated in these citizens who are considered as in need despite the fact that they have income from dependent activity. This amendment was made for the reason of increase in minimum wage. An incentive element of the amount of benefit at the 120 per cent level ceased to work.

A person is considered as in material need in case that his/her income is below the MSI.

Since January 1, 2001 has been a social assistance benefit granted at two levels, namely:

- A social assistance benefit will supplement an income to the amount of 50 per cent of the MSI of the citizen who is in material need due to subjective reasons. The MSI is set by the Act No 125/1998 on the minimum subsistence income and on fixing the amounts for the purpose of state social benefits.
- A social assistance benefit will supplement an income to an amount fixed in the provisions of the § 48 par. 4 of the Act on social assistance in the wording in force in case that the citizen is in material need for objective reasons.

In case that a social assistance benefit is granted to citizens in material need for subjective reasons and their income is considered jointly an amount of a social assistance benefit is calculated in such a way that a total income of all considered persons is supplemented to 50 percent of the MSI. In case of material need for objective reasons is an income supplemented to amounts fixed by the Act on social assistance. The benefit is paid in one sum in such cases.

Provisions of the § 8 of the Act on social assistance clearly define cases where it is not required to provide for or to increase an income by means of own work in order to overcome material need (e.g. eligibility to receive old-age pension, disability pension, a parent who takes care of dependent child till 7 years of the age or of three or more children till 15 years of age, in case that he/she takes care of heavily handicapped person, etc.).

4.2. Calculation of a benefit amount

4.2.1. Calculation of gross benefit

Calculation of a benefit in case of a citizen in material need for subjective reasons is based upon 50 per cent of the MSI stipulated by the Act No 125/1998 Coll. on the MSI and on fixing amounts for the purposes of state social benefits as amended by later regulations. Amounts of the MSI were, as follows:

- To June 30, 2001
 - One adult person SKK 3.490 monthly
 - Another jointly considered person
and an independent child of age SKK 2.440 monthly
 - a dependent child SK 1.580 monthly
- Since July 1, 2001
 - One adult person SKK 3.790 monthly
 - Another jointly considered person
and an independent child of age SKK 2.650 monthly
 - a dependent child SKK 1.720 monthly

Calculation of a benefit in case of a citizen in material need for objective reasons is based upon sums fixed in the provisions of the § 48 par. 4 of the Act on social assistance No 195/1998 Coll. in the wording in force, as follows:

- One adult person SKK 3.490 monthly
- Another jointly considered person
and an independent child of age SKK 2.440 monthly
- a dependent child SKK 1.580 monthly

It follows that a social assistance benefit supplements an income in one calendar month in case that material need is for objective reasons maximum to amounts fixed by the Act on social assistance and these amounts are below the MSI.

A citizen is not in material need even if his/her income does not amount to the MSI stipulated in the Act No 125/1998 Coll. on the MSI and on fixing amounts for the purposes of state social benefits in the wording in force in case that his/her previous income or property enables him/her to withstand material need. What is considered to be property is defined in provision of the § 9 par. 2 of the Act No 195/1998 Coll. on social assistance as amended by later regulations.

4.2.2. Income and earnings disregards

In case that a person asking for social assistance has income lower than MSI and he is an owner of a property he has no right to social assistance benefits.

4.3. Tax treatment of benefit

Not taxable

4.4. Benefit duration

As long as the conditions are fulfilled.

5. Housing benefits

Effective since 1 January 2000, a state social benefit has been introduced - the *housing contribution* (Act No. 300/1999 Coll. on housing contribution). Through it the state financially contributes to low income households to cover expenses related to the flat or family house use, depending on the number of persons permanently staying in the flat or family house to which the entitlement to this contribution is applied, and depends on the income they received in the decisive period (half of a calendar year).

The value of the housing contribution (HC) is the difference between the sum of the minimum housing expenses (MHE) and a product of the coefficient of charge on the income of jointly assessed persons by housing expenses (R) and the income of jointly assessed persons (Y), while the coefficient of charge on the income of jointly assessed persons by housing expenses equals 0.29.

$$HC = MHE - (R \times Y).$$

The amount of minimum housing expenses differentiates according to the number of persons having the right to stay in the flat in which they are registered for a permanent stay.

Minimum housing expenses (since 1 July 2001):

SKK 1 680 monthly for one family member.

SKK 2 090 monthly for two family members.

SKK 2 490 monthly for three family members.

SKK 2 900 monthly for four and more family members.

5.1 Conditions for receipt

- a) Applicant's permanent stay in the flat or family house he uses on the territory of Slovakia.
- b) A payment of the rent and payment for services related to using the flat, if the applicant is a flat tenant.
- c) Advance payments to the operational, maintenance and repair funds, payment for services provided to use the flat and a real estate tax paid off, if the applicant is the flat owner.
- d) A real estate tax paid off, if the applicant is the family house owner.
- e) Low income of persons jointly assessed.

6. Family benefits

They consist of child allowances, parental allowances and further benefits of state social assistance.

6.1. Condition for receipt (child allowances)

- a) care for dependent child
- b) income not higher than amount stated by law
- c) permanent stay or the long term stay of the entitled person and of dependent child on the territory of the Slovak Republic

6.2. Calculation of a benefit amount

6.2.1. Calculation of gross benefit

If the family income is lower than 1,37 times the MSI, the child allowance per month is:	
under 6	680,- SKK
6-15	830,- SKK
15 +	890,- SKK
If the family income is between 1.37 and 2,1 time the MSI, the child allowance per month is	
under 6	480,- SKK
6-15	590,- SKK
15 +	620,- SKK

6.2.2. Income and earnings disregards

See above

6.3. Tax treatment of benefit

They are both not taxable

6.4 *Treatment of particular groups*

7. **Child care benefits - parental allowance**

7.1. *Conditions for receipt*

Right for this allowance has a parent (mother, father ...) providing personal and proper full day-care to at least one child up to the age of 3 years (in case of long-term or heavy - handicapped child up to the age of 7 years).

7.2. *Calculation of benefit amount*

7.2.1. *Calculation of gross benefit*

Amount of parental allowance = 0,913 times of amount for one adult in accordance with § 5 of the law 125/1998 Collection of the Law, absolute value 2 740,- SKK/month.

7.2.2. *Income and earnings disregard*

Income from any source other than benefit removes the right to benefit.

7.3. *Tax treatment of benefit*

Not taxable

8. **Employment-conditional benefits**

None

9. **Lone-parent benefit**

None

10. Tax system

10.1. Income tax rate schedule

10.1.1. Tax allowances and credit

Tax allowances	Amounts (in SKK per year)
Basic	38 760
Marital status	12 000 if married or living in a common household with a partner who earns no more than 38 760
Dependent child	11 400 per dependent child
Social security contributions	All

10.1.2. The definition of taxable income

It is the gross earnings minus the above tax allowances

10.1.3. The tax schedule

Taxable income (SKK)	Tax at lower limit (SKK)	Tax rate on taxable income in excess of the lower limit (%)
0 - 90 000	0	12
90 000 - 150 000	10 800	20
150 000 - 240 000	22 800	25
240 000 - 396 000	45 300	30
396 000 - 564 000	92 100	35
564 000 - 1 128 000	150 900	40
1 128 000 and more	376 500	42

10.2. Treatment of family income

The tax unit is the individual

10.3. Social security contribution schedule

- Health insurance		4.0 %
- Social Insurance		8.8 %
- Sickness	1.4 %	
- Retirement	6.4 %	
- Unemployment	1.0 %	
Total		12.8%

There are maximum assessment bases MSSAB (maximum threshold for contributions to apply) that apply to social security contributions: CZK 384 000 and CZK 288 000 (for unemployment).

11. Part-time work

11.1 Special benefit rules for part-time work

None.

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

None.

12. Policy developments

12.1 Policy changes introduced in the last year

Housing bonus

Effective since 1.1. 2000, a state social benefit has been introduced - the housing bonus. Through it the state financially contributes to households with low incomes to pay costs related to the flat or family house use, depending on number of persons permanently staying in the flat or family house to which the entitlement to this contribution is applied and depending on their income they had in the decisive period (half of a year).

The amount of the housing bonus (PB) is a difference between the sum of minimum housing expenses (MVB) and a composition of the income coefficient of totally tested persons burdened by expenses related to housing (R) and income of persons tested together (Y), while the income coefficient of totally tested persons burdened by expenses equals to 0,29.

$$PB = MVB (R \times Y)$$

The amount of minimum housing expenses differentiates according to the number of persons having the right to stay in the flat, in which they are registered for a permanent stay.

Minimum housing expenses (since 1. 7. 2001):

- 1680 SKK monthly for one member family
- 2090 SKK monthly for two members family
- 2490 SKK monthly for three members family
- 2900 SKK monthly for four and more members family

Conditions to get the housing bonus

- a) permanent applicant's stay in the flat he uses on the territory SR,
- b) a payment of the rent and payment for services related to using the flat, if the applicant is a flat tenant,
- c) advance payments to the operational, maintenance and repair funds, payment for services provided to use the flat and a real estate tax paid off, if the applicant is the flat owner,
- d) a real estate tax paid off, if the applicant is the family house owner,
- e) low income of persons tested together.

Supplement to children allowances

By revision of the Act No. 193 / 1994, Coll. of Acts on children allowances and supplement to children allowances effective since 1.7.2001, the supplements to children allowances were cancelled as this situation is solved by the Act on social assistance. It enables to make a targeted assessment of needs that the citizens with a severe disablement have and to compensate the social consequences of their health disablement by several forms. However, families with children having a severe disablement are advantaged further on. The income for the purpose of children allowances is assessed advantageously (by a sum pursuant to § 5, letter c, d) and e) depending on child's age. Incomplete families are also advantaged, if the parent's alimony duty was determined to a parent who is not the husband of the entitled person or this child has the entitlement to the orphan's benefit or orphan's benefit for extra service years. The income limit for the purpose of children allowances is increased by the sum of 2 100 SKK for absent parent.

12.2 *Policy changes announced*

None.