

1. Government requirements

Registration requirements

Registration for social security contributions

In accordance with the Employment Relationship Act, an employer in Slovenia should register the employee into mandatory pension, disability, health, and unemployment insurance with the Institute for Pension and Disability Insurance of Slovenia. The employer should file form M-1 and attach the signed employment contract. The employer should register their employees in Social Security Insurance prior to the day of commencement of employment, according to the employment contract. The employer should provide their employees with a photocopy of the registration form within 15 days after the employment starts. Legal entities that are registered in the Business Register of Slovenia should register the employee through the online state portal for business and entrepreneurs (i.e., e-VEM portal). The employer can access the e-VEM system with qualified digital certificate. Further, they may also authorize a third party for the entry of application forms. There is no registration fee.

There is no special tax registration in Slovenia related to payroll. However, each employer should have the Slovenian tax number in order to report payroll related data to the Slovenian Tax Authorities on a monthly and annual basis.

Ongoing compliance requirements

Monthly electronic filings

An employer is required to electronically file payroll related data to the Slovenian Tax Authorities on or before the salary payment date for each period. Further, the employer should also report salary related data to the Slovenian Statistical Authorities (i.e., Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES)) on a monthly basis. The due date for reporting to AJPES is the last working day of the month, during which the salary is paid to the employees.

The type of return that should be filed with the Slovenian Authorities depends

on the type of income:

- Slovenian Tax Authorities:

- REK-1: Withholding tax return for the income from employment (includes REK form — withholding tax for income from employment for every individual employee)
- REK-1A: Withholding tax return for payments to apprentices, pupils and students for compulsory practical training
- REK-1B: Withholding tax return from pensions, compensations and other income under the compulsory social insurance
- REK-2: Withholding tax return for the income that is not an income from employment under Personal Income Tax (PIT) Act

All taxpayers (employers) that pay withholding tax to the Slovenian Tax Authorities on behalf of their employees are required to file the above returns.

Additionally, the following is to be reported to AJPES - Slovenian Statistical Authorities:

- 1-ZAP/M form: Monthly cumulative data on paid salaries and the number of employees
- Data with respect to paid holiday allowance: "Izplačilo regresa za letni dopust"

All legal entities of the private sector (companies, cooperatives, legal entities of private law, associations) that have at least one employed person are subjected to the above reporting.

Annual reports

By the end of January, the employer should send a report on all paid out earnings for the previous year to the employee. The report must include all income-related

payments made to the employee in the reporting year (i.e., salaries, reimbursements and severance payments).

By the end of each year, employers should also submit control data on year-round tax relief for dependent family members (VIRVDC data).

Social security contributions and PIT rates Below, you can find the list of contributions paid by the employee, employer and PIT with their corresponding rates for the year 2021.

Social security contributions — paid by employee

Name	Percentage of g salary
Contribution for pension and disability insurance	15.5%
Contribution for health insurance	6.36%
Contribution for employment	0.14%
Contribution for parental care	0.1%
Total	22.1%

Social security contributions – paid by employer

Name	Percentage of grosssalary
Contribution for pension and disability insurance	8.85%
Contribution for healthinsurance	6.56%
Contribution foremployment	0.06%
Contribution for injuries atwork	0.53%
Contribution for parentalcare	0.1%
Total	16.1%

Personal Income Tax (PIT)

If the net monthly tax base is (in EUR)		PIT (in EUR)	
Over	To		
0	708.33		16%
708.33	2,083.33	113.33	+26% above 708.33
2,083.33	4,166.67	470.83	+33% above 2,083.33
4,166.67	6,000.00	1,158.33	+39% above 4,166.67
6,000.00		1,873.33	+50% above 6,000.00

2. Pension requirements

Pension registration

The pension registration happens automatically when the employer electronically registers a new employee into the mandatory pension, disability and health insurance and unemployment insurance via the M-1 form on the e-VEMportal.

In compliance with Act Governing the Register of Insured Persons and Beneficiaries of Rights Provided under Pension and Disability Insurance,

the deadline for registration of a new employee into the pension system is the start date of the employment written in the employment contract, and no later than the employee's first presence at work. There is no registration fee for this process.

Voluntary pension schemes

Companies can also set up a voluntary pension scheme for their employees. Employees can decide if they want to be included into the collective voluntary pension scheme, which is either partially or fully funded by the employer.

The pension scheme is set up with a private insurance company and therefore there are no legally defined rates or conditions.

Ongoing compliance requirements

Monthly electronic filings

According to the Employment Relationship Act, the employer is obligated to submit monthly payroll reports which includes information about social security contributions and withholding tax to the Slovenian Tax Authorities and the Slovenian Statistical Authorities.

As already mentioned above, the employer should electronically submit form REK-1 to the Slovenian Tax Authorities by the day of the salary payment and form

1-ZAP/M, which should be electronically submitted to the Slovenian Statistical Authorities by the last working day of the month in which the salary was paid to the employees.

Social security contributions for pension and disability insurance are as follows:

Name	% Of gross salary
Contribution for pension and disability insurance paid by the employee	15.5%
Contribution for pension and disability insurance paid by the employer	8.85%
Total	24.35%

3. Employment obligations

General

In accordance with the Employment Relationship Act, the employer is obligated to provide the employee with work agreed upon in the employment contract. Moreover, unless agreed otherwise, the employer should provide the employee with all the necessary means and material that the employee requires for the work in order to fulfil the obligations uninterruptedly and ensure access to business premises.

Salary

The employer should ensure appropriate remuneration for the work done by the employee. The payment for work under the employment contract consists of a salary that should always be in cash and any other possible types of payments, if so, determined by the collective agreement.

The employer should comply with the minimum salary that is determined by law or collective agreement and which directly binds the employer. According to the Minimum Wage Act, the minimum monthly gross salary in Slovenia for 2021 is EUR1,024.24.

The employee is entitled to extra payments for special working conditions such as:

- Night work
- Shift work
- Overtime work
- Sunday work
- Work on public holidays and other free days

The amount of the allowances referred to in the preceding paragraph are determined by collective agreements.

The employee is also entitled to past work allowance for the years of employment. The amount is determined by the collective agreement. Further, the employer should reimburse the employee any expenses relating to meals during work, travel expenses to and from work and of expenses the worker incurs when performing certain work and tasks on business travels.

Rest hours and breaks

A worker, who works full-time (i.e., 8 hours), has the right to a break of 30 minutes during daily work. There is also a limitation for daily rest between two successive working days — the employee should have at least 12 uninterrupted hours within a period of 24 hours to rest.

Annual leave

The employees are entitled to an annual leave which cannot be shorter than four weeks in an individual calendar year, regardless of whether they work full-time or part-time. The minimum number of days of an employee's annual leave depends on the distribution of working days within the week of an individual employee. Certain groups of people such as older workers, disabled workers, workers who care for a child, have the right to extra days of annual leave.

Additionally, an employee may also be entitled to extra days of annual leave due to excessive workload or other reasons determined in the collective agreement.

Holiday allowance

The employer is obligated to pay holiday allowance to the employee who is entitled to annual leave at least in the amount of the minimum wage. Holiday allowance should be paid out to the employee at the latest by 1 July of the current calendar year.

Conditions for safety and health of workers the employer should also provide the conditions for safety and health of workers in accordance with special regulations on safety and health at work.

Severance payment

The employer who terminates the employment contract due to business reasons or due to the reason of incapacity is obligated to pay the worker a severance payment. The basis for the calculation of the severance payment is

the average monthly salary which was received by the employee, or which would have been received by the employee if working, in the last three months before the termination of employment

contract. Additionally, the severance payment also depends on the employee's length of service. Therefore, according to Slovenian legislation the employees should receive a severance pay amounting to:

- One-fifth of the salary basis referred to in the preceding paragraph for each year of employment with the employer; if the worker has been employed with the employer for more than 1 and up to 10 years
- One-quarter of the salary basis referred to in the preceding paragraph for each year of employment with the employer; if the worker has been employed with the employer for a period from 10 to 20 years
- One-third of the salary basis referred to in the preceding paragraph for each year of employment with the employer; if the worker has been employed with the employer for a period exceeding 20 years

Further, unless otherwise stipulated in a branch collective agreement, upon the termination of the employment contract, the employer should pay a worker who has been employed with the employer for a period of at least five years and is about to retire, a severance pay in the amount of two average monthly salaries in the Republic of Slovenia in the past three months, or in the amount of two average monthly salaries of the worker in the past three months, if this is more favorable to the worker. The employer may pay severance pay covered by special insurance.

The employer who terminates a fixed term contract is also obligated to pay the worker a severance payment. The basis for the calculation of the severance payment is the average monthly salary which was received by the employee, or which would have been received by the employee if working, in the last three months before the termination of the fixed-term employment contract. In the event of termination of a fixed-term employment contract concluded for one year or less, the employee is entitled to severance pay in the amount of 1/5 of the basis. If the fixed-term employment contract is concluded for more than one year, the employee is entitled to severance pay in the amount from the previous sentence, increased by a proportional part of the severance pay from the previous sentence for each month of work.

In the case of replacement of a temporarily absent worker, in the event of termination of a fixed-term employment contract for seasonal work lasting less than three months in a calendar year, and in the event of

termination of a fixed-term employment contract for public works or termination of fixed-term employment concluded for the purpose of inclusion in active employment policy measures in accordance with the law the employee is not entitled to severance.

4. Payroll requirements

According to the Employment Relationship Act, salary is paid out in payment periods, which may not be longer than one month. The salary should be paid within 18 days after the end of the payment period. The employer is obligated to inform the employee of the day of the payment. Any change in the day of payment should be communicated to the employee in advance by written notice in a manner customary to the employer.

The salary, the reimbursement of work-related expenses and other benefits to which the employee is entitled are paid to the employee's bank account. The employer is obliged to provide the employee with a statement of remuneration paid by the end of the payment day in which all the data on salary, wage compensation, reimbursement of work-related expenses and other benefits to which the employee is entitled are evident (i.e., payslip). The payslip should be distributed (via email or physically) at the latest on the day of the payment.

5. Banking requirements related to payroll

According to the Employment Relationship Act, the salary, the reimbursement of work-related expenses and other benefits to which the worker is entitled should be paid to the employee's bank account. The salary should be available to the worker on a fixed payment day. The employer bears all the costs related to the payment of salaries. All salaries, social security contributions and taxes should be paid out on the same day. The salary should be in Euros. There are no other special controls. The salary can be paid out from a foreign bank account.