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Factsheet for case SK-2020-13/290

Employers' dispensation to pay a compensation for sick leave

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Country	Slovakia, applies nationwide
Time period	Temporary, started on 27 March 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Other (N/A)
Case created	06 April 2020 (updated 30 April 2020)

Background information

This measure amends the Act no. 462/2003 Coll., providing the legal framework on income replacement in case of temporary incapacity for work of an employee.

The COVID-19 related intervention is reducing the employer's labor costs in such a way that it will not pay the Income replacement to the employee during the first 10 days of the employee's incapacity for work. The benefit will be paid by the Social Insurance Agency.

Content of measure

According to the local legal framework, in normal conditions the employee receives, during the first 10 days of incapacity to work, an income compensation directly from the employer. Only after 10 days, the employee receive a sickness benefit from the Social Insurance Agency.

Self-employed insured persons are, then, entitled to a sick benefit for the first three days of 25% and subsequently in the amount of 55% of the assessment base.

On the basis of the new COVID-19 related measure, the employer will not pay wage compensation in the case of employee's illness or if it is quarantined in reason of the epidemic, during the first 10 days of sick leave. Indeed, it will be paid by the Social Insurance Agency.

Self-employed as well receives full sickness benefit from the Social Insurance Agency from the first day of sick leave (i.e. not 25% during the first three days).

This measure is proposed in an effort to relieve the undertakings in times of crisis of costs related to

temporary incapacity for work, as well as to increase the income of insured persons in cases of ordered quarantine measures and isolation.

Use of measure

As far as the costs of the Social Insurance Agency are concerned, they are estimated that 100,000 sickness benefits will be paid out in 2020. Beyond the current legal status, the sickness benefits will be paid to the persons concerned from the Social Insurance Agency for 10 calendar days. The average assessment base of the person concerned is assumed to be at the level of the average wage of 2019, i.e. € 1,092, as sickness benefits are basically based on the previous year's income. Expenditure on the basis of these assumptions is expected to be around € 19.4 million in 2020.

The employers concerned are expected to achieve savings on compensation for temporary incapacity for work of about € 169.4 on average per employee in quarantine measures, which is around € 16.9 million for the entire business sector (about 100,000 employees).

Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies Social insurance	Employees Self-employed All companies	National funds

Social partners

Role of social partners	No involvement
Form of involvement	No involvement

Social partners were not involved in the designing and in the implementation of this measure.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 06 April 2020: 63 ACT of 25 March 2020 amending Act no. 461/2003 Coll. on social insurance, (www.slov-lex.sk)