

Disclaimer: This factsheet has not been subject to the full Eurofound evaluation, editorial and publication process.

Factsheet for case SI-2020-11/438

Measures to allow self-employed to postpone or avoid the payment of social security contributions

Factsheet generated on 02 May 2020, 20:53

Country	Slovenia, applies nationwide
Time period	Temporary, 13 March 2020 - 31 May 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Deferral of payments
Case created	10 April 2020 (updated 29 April 2020)

Background information

The 'Act on the Interim Measure of Partial Reimbursement of Wage Compensation' (ZIUPPP, adopted on 20 March 2020) and the 'Intervention measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act' (ZIUZEOP, adopted on 2 April 2020) alleviate the negative consequences of pandemic by permitting self-employed persons to postpone the payment of social security contributions or not to pay them at all.

Eligible are self-employed persons who have no insurance deriving from other types of employment and have no outstanding debt with the Financial Administration.

Content of measure

The first law (ZIUPPP, adopted on 20 March 2020) laid down a temporary suspension of social security contributions whose payment deadline expires in April, May, and June 2020. Deferred payment must be paid in two years, until 31 March 2022, in one installment with no interest charge. It is an automatically recognized right meaning that there is no need to submit any claim for obtaining this right. Eligible are self-employed persons (including farmers) who do not employ other workers.

The second law (ZIUZEOP, adopted on 2 April 2020) introduces the right of self-employed persons to be fully exempt from paying social security contributions. Among eligible persons there are self-employed, associates, and farmers who have no insurance deriving from other types of employment. They have to make a request to Financial Administration in which they prove 25% lower income in March than in February and 50% lower income in April and May than in February. Later on, beneficiaries will have to pay social

security contributions if in the first half of 2020 their revenue exceeds 80% of the revenue in the same period of 2019 and if in the second half of 2020 it exceeds 120% of the revenue in the same period of 2019. Postponed and annulled payments of social security contributions are limited to the period between 13 March and 31 May 2020. After 31 May no new claims will be possible. In addition to these two measures, self-employed may also claim for deferred payment of income tax.

Use of measure

While the law (ZIUZEOP) was in parliamentary procedure, non-governmental organizations submitted a proposal that the referential period should not be one month (February), but a more extended period (six months, one year or more years). The argument was that this rule is going to exclude many self-employed persons, as they typically receive their fees irregularly and many may have had no money inflows in February. None of their proposals was integrated into the final law.

Two cultural organizations (the Association of Slovene Film Directors and the Association of Cultural Workers) organized on-line surveys on how many of their self-employed members do not qualify for the annulled payment of social security contributions. An on-line survey of the first association showed that 84% of film directors and screenwriters are not eligible, while the other association came up with the figure of one-quarter of respondents. It is mainly due to the irregularity of their income and the fact that the government suspended the payment of subsidies to the already done or agreed work (Association of Slovene Film Directors, email, 13 April 2020). Associations stress that the most socio-economically deprived group of self-employed is not eligible.

Actors, target groups and funding

Actors	Target groups	Funding
National government Social insurance	Self-employed	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Other

Trade unions and employers' organizations were consulted about the overall scheme of the law, but no one of them submitted proposals linked to this measure.

The law was adopted under an accelerated procedure with no involvement of the Economic and Social Council. Its functioning, indeed, is momentarily blocked because the new government, which came to power on 13 March 2020, has not yet appointed its members in the Economic and Social Council.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 28 March 2020: Zakon o interventnih ukrepih na področju plač in prispevkov, ZIU PPP [Act on the Interim Measure of Partial Reimbursement of Wage Compensation], Official Gazette RS, no. 36, 2020 (www.pisrs.si)
- 08 April 2020: Financial Administration, 'Ukrepi na davčnem področju za blažitev posledic koronavirusa za samozaposlene' [Measures to mitigate the effects of epidemic on self-employed (www.gov.si)
- 10 April 2020: Zakon o interventnih ukrepih za zaježitev epidemije COVID-19 in omilitev njenih posledic za državljane in gospodarstvo (ZIUZEOP) [Intervention measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act (ZIUZEOP),], Official Gazette RS, no. 49, 2020 (www.pisrs.si)
- 11 April 2020: Maja Šučur, 'Na čigavi strani je ministrstvo' [On whose side is ministry], Dnevnik, 11 April 2020 (www.dnevnik.si)