

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

Factsheet for case SI-2020-11/443

Exemption from companies' obligation to pay pension and disability contributions

Factsheet generated on 07 May 2020, 21:58

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 – Direct subsidies (full or partial)
Case created	10 April 2020 (updated 29 April 2020)

Background information

The 'Intervention measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act (ZIUZEOP)', in force since 11 April 2020, cushions the negative consequences of the Covid-19 epidemic exempting companies from paying contributions for pension and disability insurance in April and May 2020 (Article 33). Not included are organizations with more than 70% of their income from the public budget as well as financial and insurance sector.

Content of measure

According to this measure, all companies (not included are organizations with more than 70% of their income from the public budget as well as financial and insurance sector) are exempted from paying contributions for pension and disability insurance in April and May 2020.

More in detail, the State agreed to pay pension and disability insurance until to a threshold corresponding to the contribution due for a salary equal to three times the minimum monthly wages. As indicated by the Financial Administration, employers have to pay the difference.

In addition, the law compels employers to pay to their employees € 200 per month if the worker's pay is below three minimum monthly wages. So-called 'crisis bonus' is exempted from all taxes and social security contributions.

Use of measure

The measure addresses all insured persons with salaries below three minimum monthly wages. Publicly-financed organizations (receiving more than 70% of their income from public funds) cannot claim exemption from paying pension and disability insurance. The same holds for companies and organization in the finance and insurance sector. It is a temporary measure for the period of the Covid-19 epidemic.

Actors, target groups and funding

Actors	Target groups	Funding
National government Social insurance	All companies	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Other

Trade unions and employers' organizations have submitted proposals to the law.

Employers' organizations requested that the measure also applies to the finance and insurance sector. They also stressed that some workers, for example, those working at home during the epidemic, shouldn't be entitled to 'crisis bonus'. The Chamber of Craft and Small Business of Slovenia suggested the government pays crisis bonuses instead of employers. Trade unions proposed that the exemption also includes occupational pension, that the 'crisis bonus' can be higher if collective agreements determine a higher bonus, that the measure also applies to the finance and insurance sector.

Social partners specifically stressed insurance agents who would be harmed by exclusion. All the proposals mentioned above were, anyway, disregarded.

The law was adopted under an accelerated procedure with no involvement of the Economic and Social Council. Its functioning is, indeed, 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

- 06 April 2020: Financial Administration, 'Preglednica ukrepov' [Table of measures] (www.gov.si)

- 10 April 2020: 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 (Zakon o interventnih ukrepih za zajezitev epidemije COVID-19 in omilitev njenih posledic za državljane in gospodarstvo (ZIUZEOP)) (www.pisrs.si)