



SK Legal Alert

June 2021

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New Act on Support during Short-time working

On June 1, 2021, a new Act no. 215/2021 Coll., on support during short-time working and on the amendment of certain acts ("Kurzarbeit") was published in the Collection of Laws. The Act is based on a tripartite agreement between the employee, the state and the employer.

The aim of the act is to secure a part of the employee's salary for the time he cannot be assigned work by the employer in the agreed extent, to maintain jobs and competitiveness of employers. It shall provide support for the duration of temporary external factors, which could not have been influenced or prevented by the employer and which have a negative impact on the assignment of work by the employer. Such factors are, in particular, an emergency situation, state of emergency, extraordinary circumstance declared by the Government of the Slovak Republic or force majeure.

Conditions for Provision of Support on Employer's Side

The support will be provided to an employer:

- ▶ during the period of short-time work, ie. during the limitation of his activities caused by an external factor in such an extent that at least 1/3 of the employees cannot be assigned work in the extent of at least 10% of the determined weekly working time;
- ▶ who paid contribution to the Unemployment Insurance Fund during the last 24 months before applying for the support;
- ▶ who had not violated the ban on illegal employment during the last 24 months before submitting the application;
- ▶ who signed a contract on applying for the provision of support with employee representatives or, if they are not established at the employer, directly with an employee. The agreement may be replaced by the consent of an arbitrator;

- ▶ who applies for the provision of the support by the end of the calendar month following the calendar month for which the support is claimed at the latest.

Application for the Support

The employer will deliver electronically signed application for provision of the support to the competent Labour Office or to the Centre of Labour, Social Affairs and Family using electronic means.

The application will contain:

- ▶ employer's identification data;
- ▶ name of employer's economic activity in accordance with the statistical classification of economic activities and the place of its performance;
- ▶ specification of an external factor causing the limitation of the economic activity;
- ▶ the beginning of the limitation of the economic activity;
- ▶ number of the applicant's employees;
- ▶ number of the applicant's employees, who cannot be allocated work by the employer (in the extent at least 10% of the determined weekly working time);
- ▶ data of employees, whose jobs are subject of the application (e.g. name, surname, determined working time, number of hour worked in the relevant month, etc.)
- ▶ total amount of the requested support for the relevant calendar month;
- ▶ employer's account number.

Amount of the Support

The state support will be provided in the amount of 60 % of employee's salary, however the amount is limited to double of the daily assessment base. For instance, the maximum assessment base for an average wage of EUR 1,000 will be EUR 2,000. Another 20 % of wage will be paid by the employer and the employee will thus receive 80 % of his net wage in accordance with amended provision of the Labour Code on wage compensation of in



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case of obstacle to work on the side of employer (Section 142 (5) in the wording effective from 1 January 2022), if the employer applies for provision of the support during the short-time work pursuant to this Act.

Conditions for Provision of Support on Employee's Side

The concerned employee must fulfill the following conditions to be provided with the support:

- ▶ he cannot be designated work by the employer in the extent of at least 10% of the determined weekly working time;
- ▶ his employment relationship must have lasted at least 1 month before the submission of the application;
- ▶ the notice period will not expire before the day the application is submitted;
- ▶ his leave for the previous calendar year must be used up, as well as the positive working time account (if introduced at the employer) and he cannot be assigned to another job by the employer within the agreed type of work;

Payment of the Support

The support will be paid monthly and it will be due on the workday following the crediting of the funds transferred by the Social Insurance Company to the account of the support provider, i.e. to the employer's account specified in the application.

Period of the Support Provision

The support will be provided during the period of short-time working, however for a maximum of 6 months during 24 consecutive months. The Government of the Slovak Republic may prolong this period as well as stipulate the provision of the support even in the period of two months after it has ended in the case of an external factor such as extraordinary situation, circumstance or state of emergency.

Obligation of the Employer to Keep the Job

The employer is obliged to keep the job for at least 2 months following the end of the calendar month, for which the support has been provided. However, this will not apply in case the employment relationship is terminated by the employee.

It is necessary to point out, that self-employed persons are excluded from the support during the short-time work. However, the Ministry of Labour, Social Affairs and Family of Slovak Republic plans to continue to support them through state aid schemes.

The Act shall enter into force on 1 January 2022, with the exception of the provisions on amendment of related regulations, which shall enter into force in the period from 31 December 2021 to 1 January 2023.

The information contained in this bulletin is presented to the best of our knowledge and belief at the time of going to press. However, specific information related to the topics covered in this bulletin should be consulted before any decision is made. The information contained in this bulletin should not be construed as an exhaustive description of the relevant issues and any possible consequences, and should not be fully relied on in any decision-making processes or treated as a substitute for specific legal advice, which would be relevant to particular circumstances. Neither Weinhold Legal, v.o.s. advokátní kancelář nor any individual lawyer listed as an author of the information accepts any responsibility for any detriment which may arise from reliance on information published here. Furthermore, it should be noted that there may be various legal opinions on some of the issues raised in this bulletin due to the ambiguity of the relevant provisions and an interpretation other than the one we give us may prevail in the future.

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