

Slovak Labor Code Amendment

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On May 1st 2018, an amendment to the Labor Code and related acts came into force. Below, we state the most important changes introduced by this amendment:

Increase of extra charges for work at night, on public holidays and during weekends

The extra charges will be increased in two phases:

- From May 1st 2018
- From May 1st 2019

Several exceptions will apply for employers where night work is predominant. For night work, the amount of the extra charge will depend on whether or not work is categorized as risk work. The amount of the extra charge will be determined as the percentage of the minimum wage, or average income in accordance with the kind of extra charge.

Extra charges will apply for employees and natural persons for work performed outside an employment relationship ("Agreements").

Exceptions from the increase of the extra charge from 2018 and from 2019 are as follows: "Employers may modify the increase of extra charges for

work at night, work on Saturday, or on Sunday via collective agreements with trade unions, or in the labor contract of an employee, but only if no trade union operates at the employer and the employer employs less than 20 employees". This exception may only be applied by employers where work at night or work during weekend is predominant. This exception, however, cannot be applied for work on public holidays.

13th and 14th wages (summer and Christmas bonus)

The amendment introduced 13th and 14th wages on a voluntary basis.

To ease the impact of this decision, the government introduced a possible exception of the social contribution and tax on these payments. To apply for a tax and social contribution allowance, an employer must fulfill the following conditions:

- 13th and 14th wage must be in a minimum amount of the average monthly income of the employee,

- The allowance may be applied to a maximum of EUR 500. For the employee this EUR 500 is the total of income from all employers,
- A 13th wage must be paid by the employer in June,
- A 14th wage must be paid by the employer in December
- Employees to who a 13th wage is paid must have been employed as of April 30th of the relevant year continuously for at least 24 months,
- Employees to who a 14th wage is paid must have been employed as of October 31st of the relevant year continuously for at least 48 months,
- For the payment of the 14th wage must be met the condition of payment of the 13th wage,
- A tax exemption may be applied for the first time:
 - For the 13th wage in June 2019
 - For the 14th wage in December 2018, but only under the condition that in June 2018 the employee was paid a 13th wage,

which was at least in the amount of average income (without tax exemption).

An exemption from the health insurance contribution may be applied for the first time in 2018 and an exemption from the social contribution may be applied for the first time in 2019.

Obligatory publication of wage in job ads from May 1st 2018

Employers will be obliged to publish in job ads the sum of the basic component of the wage. After the conclusion of a labor agreement, employers will be obliged to provide the employee as a minimum with the wage offered in the job ad.

Regulation of temporary work performance of employees for an employer established outside the EU

The amendment of the Labor Code created the same conditions for the posting of employees from the EU and from outside the EU. An employer established outside the EU who temporarily posts employees to Slovakia must abide by the Labor Code. An employer established outside the EU may apply exceptions if there is no posting of employees.

Extra charge (contribution) for night work

		Up to April 30th 2018	After May 1st 2018		After May 1st 2019	
				Exception		Exception
Employee	No risk work	20% of minimum wage	30% of minimum wage	25% of minimum wage 1	40% of minimum wage	35% of minimum wage 1
	Risk work	20% of minimum wage	35% of minimum wage	without exception 1	50% of minimum wage	without exception 1
Natural person performing work outside an employment relationship	No risk work	0	30% of minimum wage	25% of minimum wage 1	40% of minimum wage	35% of minimum wage 1
	Risk work	0	35% of minimum wage	without exception 1	50% of minimum wage	without exception 1

1 When applying the exception, the extra charge for night work may be decreased by up to 5%. Employers may not apply this exception for hazardous work carried out at night.

Extra charge (contribution) for work during public (bank) holidays (exception not applicable)

	Up to April 30th 2018	From May 1st 2018
Employee	50% of average wage	100% of average wage
Natural person performing work outside an employment relationship	0%	100% of minimum wage