

Dear clients,

on October 28, 2020 by resolution No. 682/2020 the Government of the Slovak Republic approved an aid scheme „*First Aid Plus*“ (hereinafter only as “**Scheme**”), pursuant to which the state shall provide contributions intended to support the retainment of employment. The newly adopted Scheme builds on previous governmental measures concerning provision of aid to employers, by amending certain conditions for the provision of aid, which we would like to briefly describe to you in this memorandum.

The division of employers in terms of measures under the previous regulation intended to support the retainment of employment remains unchanged under the newly adopted Scheme:

1. employers, who had to close down their establishments on basis of measures of Public Health Authority of Slovak Republic (hereinafter only as “**PHA**”);
2. self-employed persons, who had to close down their establishments on basis of measures of PHA, or whose sales decreased by at least 20 %;
3. employers, who retain job positions in spite of interruption or restriction of their activity;
4. self-employed persons, who throughout the duration of emergency situation have no other income.

The newly adopted conditions for provision of aid **shall already apply to applications submitted for the month of October 2020**, while the provision of state aid for retainment of employment will **continue until March 2021**. At the same time, we would like to point out that everyone who is provided with a contribution in accordance with the Scheme is obliged to mark the premises of the workplace where supported persons work with a poster in A3 format (published at [www.upsvr.gov.sk](http://www.upsvr.gov.sk)) informing that the state aid project is implemented thanks to support from the European Social Fund.

#### **Ad1)**

The target group in the terms of the first group of measures is the employee, while the person entitled to apply for the provision of contribution is the employer. The newly adopted Scheme introduced the following changes in conditions for entitlement for a contribution, namely:

- extended the target group of employees to such employees, who started working after March 1, 2020, but not later than September 2, 2020. The original regulation applied only to employees with a date of commencement of work no later than March 1, 2020,
- extended the group of applicants (employers) to those entities, which were established and started to perform their business activity also after February 1, 2020, but not later than September 2, 2020,

- adjusted the calculation of contribution for an employee, meaning **from November 1, 2020 the employer will be paid a contribution – compensation of wage of an employee in the amount of 80 % of total price of labour, but not more than in the amount of EUR 1,100, for the time when the employee could not perform his job on the basis of an obstacle on part of the employer,**
- reduced the period for compulsory retention of an employee from two calendar months to one calendar month following the calendar month, for which the contribution is granted.

## Ad2)

The subject entitled for provision of contribution in terms of the second group is a self-employed person, while the approval of the Scheme had adjusted the eligibility conditions in such manner, that pursuant to the new regulation a following self-employed person can apply for the contribution:

- who has been established and started performance of its business activities even after February 1, 2020, but not later than September 2, 2020,
- whose obligation to pay contributions to the Social Insurance Agency arose even after July 1, 2020.

Pursuant to the original regulation, persons who had a simultaneously concluded employment relationship were excluded from the group of eligible self-employed persons. However, the adoption of the Scheme removes the abovementioned condition and according to it, for the purposes of obtaining the contribution, the concurrence of trade and employment will not be an obstacle.

On the basis of the application and after fulfilling the conditions of eligibility, the applicant will receive a **contribution under the Scheme to compensate for the loss of income from business activity of self-employed person depending on the decrease of turnover in a certain period compared to the same period in 2019 in the amount of:**

- EUR 270 with a decrease of turnover by 20 - 39.99%
- EUR 450 with a decrease of turnover by 40 - 59.99%
- EUR 630 with a decrease of turnover by 60 - 79.99%
- EUR 810 with a decrease of turnover by 80% and more.

## Ad3)

As with the first group of employers, the target group is the employee and the person entitled to apply for the compensation is the employer, who can request compensation of wages or a flat-rate compensation to cover part of the wage expenditures of those employees who are employed by him.

According to the above, the employer has the option of requesting:

- a) payment of compensation of the employee's wage under the new regime in the amount of 80% of the total price of work, maximum in the amount of EUR 1,100; or
- b) a flat rate allowance for payment of compensation of the employee's wage depending on the decrease in the employer's turnover. **From November 1, 2020 the amount of contributions will be determined in the amount and under the conditions as in the case of the contribution for compensation of loss of income from performance of business activity for self-employed persons (see point Ad2) above).**

In addition to the above, the Scheme has extended the target groups of applicants and employees as well as reduced the duration of retention period of employee, as per conditions stated in point Ad1) above.

#### **Ad4)**

The target group for the contribution in terms of the fourth group are primarily selected self-employed persons, which throughout the duration of the emergency situation have no other income.

For the purposes of this contribution, a natural person who is the sole partner of a limited liability company, at the same time is its managing director and is not its employee, is also considered an eligible applicant. As with the other measures, the Scheme adjusted the target group of applicants so that under the new regime even such self-employed persons can apply for a flat-rate contribution increased to EUR 315/month, which were established and started operating after February 1, 2020 but not later than September 2, 2020.

### **New scheme of Ministry of Transport and Construction of the Slovak Republic**

Via this memorandum we would like to inform you about the planned state support for tourism by the Ministry of Transport and Construction of the Slovak Republic, according to which eligible beneficiaries (restaurants, accommodation facilities, etc.) will be provided with contributions based on the principle of reimbursement of a certain percentage of turnover of the establishment from same period of the previous year.

Persons will be eligible for the contribution if they have recorded a decrease in turnover of at least 40% in the relevant period from April 1, 2020 to December 30, 2021 compared to the same period in year 2019. Based on the above, the interested party should be able to request the reimbursement of revenues retrospectively, for the period beginning from April 2020.

As of the date of execution of this memorandum, most of the specific details concerning the operation of the scheme in question (method of payment, calculation of the amount of aid for a specific beneficiary, etc.) have not yet been published. However, we will continue to monitor the situation closely and update the information regularly.

Above, we provide only a brief overview of the latest changes in the provision of contributions designed to support the retention of employment, which cannot replace a comprehensive legal assessment of a specific case. Therefore, in case you need more detailed information in relation to a specific situation or assistance with submission of applications for contributions under the Scheme, do not hesitate to contact us at any time.

Kind regards,

BBH advokátska kancelária, s.r.o.

In Bratislava, on November 03, 2020