

CERHA HEMPEL CEE NEWSLETTER *Slovak Republic*

Slovakia has new legislation on permanent "Kurzarbeit"

By a large majority of its members, the National Council of the Slovak Republic has approved a bill in support of reduced working hours, so called "Kurzarbeit", as elaborated by the Ministry of Labour, Social Affairs and Family of the Slovak Republic.

Purpose and scope of the new law

The new law regulates the provision of support while employees are working reduced hours with a view to partially compensating an employer for the costs it incurs relating to the employee's salary or the employee's income at a time when the employer cannot assign work to employees to the extent originally agreed due to "external factors".

The law defines external factors as circumstances of a temporary nature beyond the employer's control that it cannot prevent and that have a negative impact on the assignment of work to employees; in particular, an extraordinary event, state of emergency, extraordinary circumstance or circumstances of force majeure. The law explicitly excludes the following from the definition of external factors: war and the state of war, the seasonality of the activities performed, restructuring, a previously planned shutdown or reconstruction.

The period during which the employer cannot assign work to employees due to external factors, i.e. when the employer's operations are restricted, should be understood as an obstacle to the employer's work preventing it from allocating work to at least one third of its employees or it should be seen as an obstacle to part of the employer's work of up to at least 10% of the specified weekly working time.

Conditions of provision of the support

Support is provided to an employer

- whose employees are working reduced hours or have been furloughed,
- who, on the date of application, have duly paid social security contributions and compulsory old-age pension contributions for the relevant period,
- who did not infringe the prohibition on illegal employment for a period of two years prior to the submission of the application for support,
- who applies for support by no later than the end of a calendar month following the month for which it is applying for support.

Amount of support

Support is granted to cover in part the employer's costs of compensation for the employee's salary for each hour that represents an obstacle to the work of the employer due to it limiting the employer's activity in the amount of 60% of the average hourly earnings of the employee in the calendar month for which support is granted.

The maximum amount of support is 60% of the employee's average hourly earnings in the calendar month for which support is provided. However, support can be provided up to a maximum amount of 60% of 1/174 of twice the average wage of an employee in the economy of the Slovak Republic published by the Statistical Office of the Slovak Republic for the calendar year which precedes the calendar year in which the support is provided by two years.

Limitations

Support can be provided for a maximum of six months in a 24-month consecutive period. However, the government will be able to extend this period. The employer will have to maintain the

