

OVERVIEW OF GOVERNMENT MEASURES REFERRING TO COVID-19 IN SLOVENIA

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**Text marked in red refers to updates / changes of legislation.*

OVERVIEW OF GOVERNMENT MEASURES IN SLOVENIA

- ▶ General measures
- ▶ Financing measures
- ▶ Grants
- ▶ Special tax regulations

Slovenian Government made up to EUR 7 billion available, consisting of:

- ▶ EUR 3 billion (Corona package 1) to address liquidity pressures on businesses and individuals, allow deferrals on bank loan payments for up to 12 months, fund waiting for work and short-time work, compensate reimbursement of social security contributions, compensate self-employed for loss of earnings due to pandemic.
- ▶ EUR 2 billion (Corona package 2) mainly aimed at providing additional liquidity through Government guaranteed loan program for business, economic entities and individuals engaged in economic activity.
- ▶ EUR 1 billion (Corona package 3) aimed at enabling and financing short-time work model, extending compensation for waiting for work, subsidising part-time work, and financing so-called vouchers to individuals in order to support Slovenian tourism.

In July and September, Slovenian Government issued corona-packages 4 and 5, mostly focusing on extending the already adopted crisis measures.

In November 2020 corona package 6 was issued providing additional 1bn EUR stimulus.

GENERAL MEASURES

Exemption of payments/refunds

- ▶ Exemption from payment of all social security contributions (employee's and employer's) on salary compensation in cases when employee was waiting for work at home or when employee stays at home due to force majeure (valid from March 13th till May 31st 2020, modified model as of June 1st 2020 on)
- ▶ Exemption from payment of pension contributions (employee's and employer's) for employees who were working during Covid-19 pandemic (valid from March 13th till May 31st 2020)
- ▶ Payment of crisis supplement to employees working during Covid-19 pandemic (valid from March 13th till May 31st 2020)
- ▶ Refund of salary compensation in all cases of sick leave (valid from April 11th till May 31st 2020)
- ▶ Emergency measures connected with self-employed persons (exemption from payment of social security contributions and state aid) (valid from March 13th till May 31st 2020 and from October 1st till December 31st 2020)
- ▶ The furlough funding has been extended until the end of the year 2020, but is now tied to more restrictions.
- ▶ Vouchers provided by the Government to individuals (EUR 200 per individual who is a Resident of the Republic of Slovenia) in order to support Slovenian tourism (valid until the end of 2020)
- ▶ 100% pay compensation for those ordered to quarantine after being exposed to coronavirus positive person at their workplace (valid from July 11th till December 31st 2020)
- ▶ Funding for personal protective equipment and sanitation in schools and preschools has been envisaged, while parents of children in quarantine will receive a lower preschool bill (valid from October 24th till December 31st 2020 or as long as the schools / preschools are closed).

Corona short-time work model

- ▶ With the purpose of keeping work posts, the employer can send the full-time employee to work on a part-time basis and wait for work at home for the other part. The work part must be at least 50% of the full employment time.
- ▶ For the waiting at home part, the employer can claim a partial salary compensation refund from the state (subsidy) if the company cannot ensure at least 90% of work for at least 10% of the employees on a monthly basis. Some employees are exempt from this measure.
- ▶ This measure can be applied in the period from 1 June 2020 until 31 December 2020. With the latest Corona package (PKP6) it has been extended until June 30th 2021.
- ▶ The employee receives regular salary for the working part and 80% salary compensation for the non-working part.
- ▶ Full monthly salary compensation depends on the actual working hours of employee and is set in a fixed amount.

Even though certain interventional measures under certain Corona packages ended, they still have influence on future business decisions of employer / self-employed person and certain behavior might trigger obligation to return received aid from those measures.

To reduce the workload the option of sick leave of up to three consecutive work days without a visit to the doctor has been introduced as of October 24th 2020 until December 31st 2020.

FINANCIAL MEASURES

Government guaranteed loans

- ▶ Under the Law on Providing Additional Liquidity to the Economy to Mitigate the Impact of the Covid-19 pandemic, state guaranteed loan programmes are available. In order to be eligible for the loan, the credit agreement must fulfill the following criteria:
 - They must be concluded between 12 March 2020 and 31 December 2020
 - Credit term shall not exceed 5 years
 - The loan is intended solely to finance the core business
 - The loan is intended for financing new or completion of already started investments, working capital, or repayment of obligations arising from credit agreements concluded from 12 March 2020 until this laws' enforcement
 - The loan is not intended to be used for financing of subsidiaries or companies domiciled abroad
 - The maximum credit amount is up to 10% of borrowers 2019 sales revenue but shall not exceed the amount of borrowers labour costs in 2019
- ▶ The Republic of Slovenia provides up to 80% of state guarantee for loans granted under this Law
- ▶ The duration of an individual guarantee may not exceed the maturity of the loan

Deferred payments on granted loans

- ▶ Refers to Law on emergency measures of deferred payment of borrower's obligation (ZIUOPIK)
- ▶ Borrowers can agree with the bank to defer their credit obligation for up to 12 months (starting from 12 March 2020, when pandemic was declared in Slovenia)
- ▶ Deferred credit obligations refer to repayment of principal and interest. Interest is however accrued during the time of deferred payment of borrower's obligation.
- ▶ Qualified beneficiaries under this Law are:
 - companies,
 - cooperatives,
 - self-employed individuals,
 - agricultural holders and supplementary farm operators,
 - individuals (citizens of the Republic of Slovenia with their permanent residence in the Republic of Slovenia).

Refund of fixed costs

- ▶ A new mechanism enabling refund of so called uncovered fixed costs was introduced (presently for the period from October 2020 until December 2020). The recipients will need to meet specific requirements set in corona package 6.

GRANTS

Law on emergency measures to mitigate and remedy the consequences of the Covid-19 epidemic (ZIUOOPE) valid for the period from 1 June 2020 until 31 December 2020:

- ▶ The main emergency measure put in place with this law is the subsidized short-time working model as described on previous slide. This emergency measure can be used for the period from 1 June 2020 until 31 December 2020. **With the latest Corona package it has been extended until June 30th 2020.**
- ▶ Each individual with permanent address in Slovenia on 13 March 2020 will receive a voucher which can be used in tourism in order to help the tourism sector
- ▶ Sole proprietors and micro companies will once again be eligible to monthly income compensation

Law on Determining Interim Measures for Mitigation and Remedy the Consequences of the COVID-19 (ZZUOOPE) determines interventional measures in the current period. The law has just been modified with Corona package No. 6 (**Law Determining the Intervention Measures to Mitigate the Consequences of the Second Wave of COVID-19 Epidemic (ZIUOPDVE)**)). It

determines measures for the period from October 1st 2020 (some from September 1st 2020) until the end of 2020, with possible extensions also in 2021. Currently the following measures are available to employers / self-employed persons:

- Refund of salary compensation for employees waiting from work at home (available until January 31st 2020).
- Refund of salary compensation for employees unable to work due to home quarantine (available until December 31st 2020, with possibility to extend it in 2021).
- Refund of salary compensation for employees unable to work due to force majeure (available until December 31st 2020, with possibility to extend it in 2021).
- Sick leave up to three consecutive work days (available until December 31st, possible extension in 2021).
- Monthly universal income to self employed person and partial reimbursement of lost incomes in case of inability to work due to home quarantine or force majeure (available from October till December 2020, with possible extension in 2021).

SPECIAL TAX REGULATIONS

Law on emergency measures in the fiscal area (ZIUJP) and Law on emergency measures in the field of wages and contributions (ZIUZPP) and Law on intervention measures to contain the Covid-19 pandemic and mitigate its consequences for citizens and the economy (ZIUZEOP):

- ▶ Employers were exempt from payment of withholding tax for April and May 2020
- ▶ Due date for tax returns was extended
- ▶ Proceedings for deferred payment of tax obligations or for payment of tax obligations in instalments were simplified, if request was made due to the Covid-19 pandemic
- ▶ Fifth Corona package introduced exemption from taxable benefit in kind for situations where employer pays test for COVID-19 to employee (valid from October 24th 2020 till June 30th 2021, with possible extension).
- ▶ Sixth corona package introduced another possibility to apply for deferred payment of tax obligations or for payment of tax obligations in instalments from November 28th till December 31st 2020 in a simplified manner.
- ▶ Concerning the VAT, if special conditions are met, transaction of import or EU acquisition of special equipment (medical etc.) is VAT exempt and in a case of giving for free (under special requirements) there is no obligation to account for VAT or for VAT deduction.
- ▶ In the CIT (corporate income tax) part a taxable person might treat payments to the special account of the state Slovenia or payments to other EU Member States accounts (for COVID recovery) as a tax relief in a paid amount but only till tax base.

A graphic featuring three overlapping circles: a solid teal circle on the left, a light teal circle in the middle, and a light grey circle on the right. Overlaid on these circles are four thin, curved lines in teal, orange, red, and dark blue. The text "#BDOcares" is centered in a teal, sans-serif font.

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