

Amendment to the Social Insurance Act adopted in the terms of measures against the spreading of COVID-19

Several amendments to the key legislation have been adopted to address the situation arising from the spreading of COVID-19, particularly in the areas of labour and social security law. On 25.03.2020, an amendment to the Social Insurance Act was adopted. We provide you below a brief overview of the amended provisions of this Act relating in particular to the treatment of care and sickness benefits, both in relation to employees and sole traders.

Care benefit

Based on the adopted preventive government measures, all primary, secondary schools and pre-school facilities were closed in the Slovak Republic. For this reason, there also occurred a need for parents to care for their minors, usually on a full-day basis. In such a case, the parent could have been entitled to the so-called “care benefit”, and that also in case the child is under 10 years of age. The same claim arose for the parent if the child has been quarantined – then the parent has been entitled to it for 10 days of quarantine.

Pursuant to the amended legislation, the period during which the care benefit is provided to the parent has been extended up to the whole duration of the quarantine or the closure of the school and pre-school facility. In addition, the parent of a child who has not reached 11 years of age or 18 years of age in case of a child with a long-term unfavourable health state will be entitled to the care benefit. In case of children older than 11 years of age and up to the age of 16, the insurance company pays the care benefit if the physician confirms that the child requires full-time care.

The social insurance pays care benefit in the amount of 55% of the daily basis of assessment, based on the parent's affidavit, which the respective parent is obliged to submit to the social insurance at the end of each calendar month. The affidavit should contain the facts necessary for the confession or duration of entitlement to the payment of care benefit for the respective month. The social insurance needs to know the exact days when each parent took care of the child.

In addition, we would like to inform sole traders that a parent who receives care benefit (an employee, a compulsorily affiliated to health insurance self-employed person, a voluntarily affiliated to health insurance self-employed person, a voluntarily affiliated to unemployment person) is not obliged to pay premium for the health insurance, pension insurance and unemployment insurance from the first day of day-long childcare until the end of the need for such care, i.e. for the period during which he receives care benefit. To put it simply, such a parent, in addition to the amount of the care benefit, will also save the cost of insurance payments without the parent's insurance being interrupted during this period, as it was before

the amendment was adopted.

In addition, the amendment allows parents to take over each other in terms of taking care of their children. This means that for a certain period of closure of school facilities or quarantine, first one parent and then another one can take care of the child and consequently receive the care benefit.

Please note that the amended regulation may initially lead to some misunderstandings on the side of the employer, since if the employer is not aware of the care benefit drawing, the employer is also required to pay to the employee 100% of the employee's average salary or less according to the agreement. In the event of such a concurrence of care benefit and wage compensation, the employer is not entitled unilaterally to deduct the amount of wage compensation paid unjustifiably (unless a written agreement on wage deductions has been concluded or a wage compensation in this case). In such a case, the employer would only have the option of enforcing the wrongly paid wage from the employee, which could be lengthy and inefficient. It is therefore in the interest of the employer to communicate with the employee and proactively determine (for example, by telephone) whether the employee is receiving the care benefit in the given period.

Temporary incapacity for work and sickness benefit

An employee who has been recognized as temporarily incapable for work for the duration of an emergency situation, the state of emergency or state of the alarm because of a quarantine measure or isolation is entitled to sickness benefit.

According to the original legislation, the first ten days of the sickness benefit were paid by employer, with the first three days being 25% of the employee's daily basis of the assessment and 55% of the employee's daily basis of the assessment.

Pursuant to the amendment to the Social Insurance Act, employees who must stay in quarantine are entitled from the first day of quarantine to the sickness benefit amounting up to 55% of the daily basis of the assessment paid by the social insurance. This means that employers are relieved of the costs incur in respect of employees who are required to stay in quarantine, while at the same time increasing their earnings for the first three days of quarantine.

In this context, we consider it necessary to inform that the government intends to adopt in an accelerated legislative procedure a package of measures to assist entrepreneurs and sole traders. According to the publicized measures, it should be the provision in the amount of 80% of the employee's wage to companies whose operations have been compulsorily closed by order of the senior health official. In addition, the government also advised to provide contributions to sole traders and firms whose sales fell in March 2020 as a result of anti-coronavirus spreading measures. However, these measures have not yet been officially published on the government's website.