

## **Postponement of the contributions for entrepreneurs and self-employed persons**

On Friday, the National Council of the Slovak Republic approved another amendment to the Social Insurance Act in response to the corona crisis and its impact on employers. Pursuant to this amendment, employers and self-employed persons are entitled to postpone their contributions to the social and health insurance institutions for the month of March until the end of July, namely until 31.07.2020. However, the option of postponement does not apply to all employers and self-employed persons, but only to those who have decreased their sales by 40% in March. The specific method of determining the decline in sales or income from business will be determined by government directive. Thus, entrepreneurs will not be registered as defaulting debtors in the event of a postponement, which could complicate their efforts to obtain other contributions enshrined in particular by the amendment to the Labour Code.

This postponement shall also apply if the employer or the self-employed person as the insurance payer is no longer the employer or the self-employed person at the time the premium is paid. However, the possibility of postponement does not relate to the insurance premium which is paid by the employee but contributed by the employer. The employer is obliged to continue to pay such premiums at the original due dates.

Employers whose employees carry out hazardous work are also entitled to postpone the obligation to pay contributions to supplementary pension savings for these employees. The employer pays and contribute allowance of at least 2% of the employee's gross salary, with details on the payment of contributions and the due date of contributions what is standardly stipulated in the collective agreement. Likewise, the state allows postponement of the employer's contribution to the supplementary pension savings for an employee of the third or fourth work category.

Time limits and deadlines, for example, for the employee's registration in the register of insured people and savers of old-age pension saving and outturn account, remain unchanged. If they were postponed, the social insurance would not have updated data on employees' insurance and their basis of assessment, which could be a problem in assessing their entitlement to social insurance benefits.