



GLOBAL
EMPLOYER
GUIDE

SLOVENIA





Basic Country Facts

Full name

- People's Republic of Slovenia

Capital

- Ljubljana

Main Languages

- Slovene
- Hungarian
- Italian
- Croatian

Population

- 2.067 million

Monetary unit

- Euro

Internet domain

- .si

International dialing code

- +386

Currency

- Euro

STATUTORY LABOR REQUIREMENTS

Probation Period

- The employer can set a probationary period in the employment contract of up to 6 months

Annual Leave

- Employees are generally entitled to four weeks of paid annual leave.
- Workers over the age of 55, the disabled, and caretakers are eligible for at least an additional three days leave, depending on the collective agreement.

Public Holidays

- New Year's Day (1st January)
- Prešeren Day (8th February)
- Easter Monday (13th April)
- Day of Uprising Against Occupation (27th April)
- May Day (1st May)
- Statehood Day (25th June)
- Assumption Day (15th August)
- Reformation Day (31st October)
- All Saints' Day (1st November)
- Christmas Day (25th December)
- Independence Day (26th December)

Paternity Leave

- Fathers are entitled to 30 days of paternity leave
- The employee's paid paternity leave is based on an average of the employee's salary, but it must be more than 55% of Slovenia's minimum net monthly wage.
- The paid leave cannot exceed two times the average monthly Slovenian salary per month.

Maternity Leave

- Female employees are generally entitled to 105 days of paid maternity leave, which must start 28 days prior to the expected delivery date, if:
 - she has been insured at least one day prior to beginning the leave or
 - the contributions to parental protection insurance have been made for a period of at least 12 months in the last three years prior to claiming the leave.
- The employee's maternity pay is based on an average of her salary, but must be at least 55% of Slovenia's minimum net monthly wage.

Work Hours

- The standard work week in Slovenia consists of up to 8 hours per day, 40 hours per week.



Sick Leave

- Workers who present a medical certificate are generally entitled to unlimited time of for illness or injury.
- If the absence is not due to a work related illness or injury, the employee is entitled to 80% of his/her prior month's salary.
- If the absence is due to work, the employee is entitled to receive 100% of his/her pay, based on the average salary from the prior three months.
- The employer pays for the leave for the first 30 work days. The state generally pays the leave from then on.

Overtime

- Working hours may not exceed 48 hours per week including overtime.
- Overtime generally should not exceed 8 hours per week, 20 hours per month, or 170 hours per year.

Notice Period

- A notice period of 7 days must be provided if an employee is terminated during the probationary period.
- If an employee is dismissed for business reasons or employee incompetence, the following notice periods apply:
 - 15 days if employed up to 1 year
 - 30 days if employed more than 1 year but less than 2 years
 - 30 days plus two days for each additional year of service over 2 years, up to a maximum of 60 days if employed for more than 2 years
 - 80 days if employed for 25 years or more

Severance

- If an employee is dismissed for business reasons or as a result of incompetence, they are entitled to severance pay in the following amounts:
 - 1/5th of the employee's basic monthly salary for each year of service if employed for at least 1 year or up to 10 years.
 - 1/4th of the employee's basic monthly salary for each year of service if employed for more than 10 years and up to 20 years.
 - 1/3rd of the employee's basic monthly salary for each year of service if employed for more than 20 years
 - There is severance pay limit of 10 times the employee's basic monthly salary stipulated by law. Severance pay for fixed-term contracts may also apply.

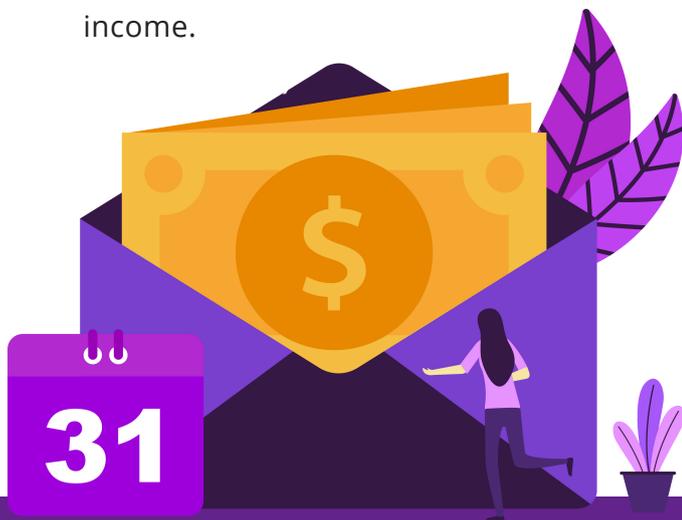
13th Month

- 13th salary is a common bonus in Slovenia
- It is considered to be a gratuity and is not required by law



Income Tax

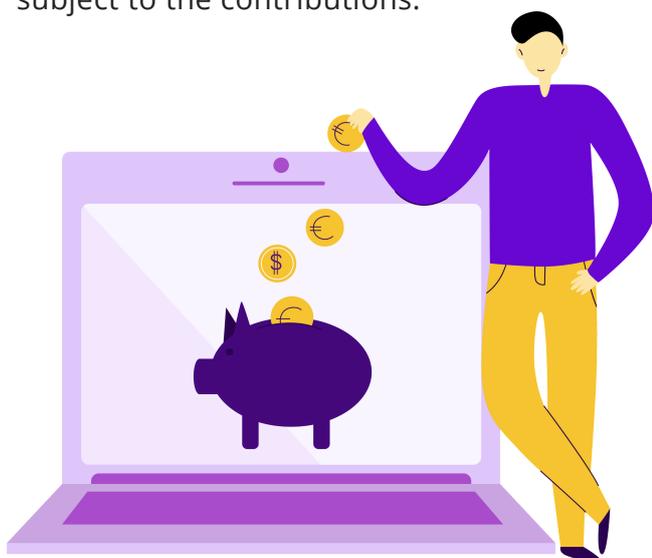
- Residents are subject to income tax on their worldwide income. Nonresidents are subject to income tax on income from sources in Slovenia.
- Employment income and income from the performance of services and business income are considered to be derived from sources in Slovenia if the employment, services and business are carried out in Slovenia.
- In addition, income is deemed to be derived from a source in Slovenia if it is paid or borne by a Slovenian tax resident.
- Employment income includes all income that a person receives from the employer or other person with respect to either past or present employment. Employment income includes salary, holiday bonus, fringe benefits and directors' fees.
- Benefits provided to family members of employees are considered to be employees' benefits
- Business income includes income derived from performance of business activities and income from individual business transactions.
- Taxable business income is the difference between gross business income and the expenses necessary to generate business income.



Over	Not Over	Tax on column 1 (EUR)	Tax on excess (%)
0	8,500	0	16
8,500	25,000	1,360	26
25,000	50,000	5,650	33
50,000	72,000	13,900	39
72,000	And above	22,480	50

Social Security

- Slovenia imposes social security taxes to cover health insurance, pension and disability insurance, and unemployment insurance.
- Each month, employers and employees contribute amounts equal to the percentages of salary shown in the table below.
- No ceiling applies to the amount of salary subject to the contributions.
- Self-employed persons must pay all of the above contributions, unless they are also employees. The tax base for the contributions is 70% of the profit generated by the business.
- Contributions for health insurance and pension and disability insurance are also levied on contract workers.
- For contract workers, the rates of health insurance contributions are 6.36% of earned income for employees and 0.53% of earned income for employers.
- The contributions for pension and disability are 15.5% of earned income for employees who are not covered by pension and health insurance and 8.85% of earned income for employers.
- Employees who are already covered by pension and health insurance does not need to make contributions for pension and disability



Type of Contributions	Employer (%)	Employee (%)	Total (%)
Pension and disability insurance	8.85	15.5	24.35
Health insurance	6.56	6.36	12.92
Unemployment insurance	0.06	0.14	0.2
Maternity allowance	0.01	0.01	0.2
Worker's compensation insurance	0.53	0	0.53
TOTAL	16.1	22.1	38.2

Deductible Expenses

- For 2018, residents may claim as deductions the following annual tax reliefs:
 - General relief of EUR 3,302.70 if no other residents claim dependent family member relief with respect to the taxpayer.
 - If the annual tax base is lower than EUR 13,316.83, the tax relief is increased and calculated using the following formula:
Total allowance = 23,224.85 – (1.49601 x total income).
 - If the annual tax base is lower than EUR 11,166.37, the tax relief is increased to EUR 6,519.82.
 - Dependent family member relief of EUR 2,436.92.
 - Relief of EUR 2,436.92 for the first, EUR 2,649.24 for the second, EUR 4,418.54 for the third, EUR 6,187.85 for the fourth and EUR 7,957.14 for the fifth dependent child.
 - Relief of EUR 8,830 for dependent children in need of special care.
 - If certain conditions are met, relief of EUR 17,658.84 for disabled persons with a severe physical disability.
 - Relief of EUR 3,302.70 for a student if no other residents claim dependent family member relief with respect to the taxpayer and if other conditions are met.
 - Special tax relief for assignees in the maximum annual amount of EUR 12,000 if the following conditions are met: -
 - The assignment is longer than 30 days.
 - The prior working location was more than 200 kilometers from the assignment location.

- The monthly salary received during the assignment is at least 1.5 times higher than the average annual salary in the previous year divided by 12 months.
- The individual was not a tax resident of the host country five years prior to the assignment.
- For self-employed cultural workers or journalists earning annual income up to EUR 25,000, a deduction equal to 15% of their annual income.

Deductible Expenses	
General Relief	<ul style="list-style-type: none"> • EUR 3,302.7 • If no other residents claim dependent family member relief with respect to the taxpayer.
Dependent family member	<ul style="list-style-type: none"> • Relief of EUR 2,436.92 for the first dependent child • Relief of EUR 2,649.24 for the second dependent child • Relief of EUR 4,418.54 for the third dependent child • Relief of EUR 6,187.85 for the fourth dependent child • Relief of EUR 7,957.14 for the fifth dependent child
Student	<ul style="list-style-type: none"> • Relief of EUR 3,302.70
Special tax relief for assignees	<ul style="list-style-type: none"> • Maximum annual amount of EUR 12,000
Self-employed cultural workers or journalists	<ul style="list-style-type: none"> • 15% of annual income • If they earn an income of EUR 25,000

Immigration

- Citizens of the EU do not need single permits to work in Slovenia.
- However, the foreign entity must register them at the National Employment Office, specifying where and over what time period the individual will be working.
- Employers from EU member states must register job positions at the employment office for persons who are seconded to a subsidiary or branch office in Slovenia.
- No single permits are required for such persons, but such work needs to be registered at the Employment Service of Slovenia.
- If a foreigner is not from an EU member state, he or she must obtain a single permit.
- Foreigners need a single permit for residing and working in Slovenia if any of the following applies:
 - They wish to reside and be employed or perform work, including as self-employed persons.
 - They are either posted or transferred to work in Slovenia or perform seasonal work in Slovenia for longer than 90 days.
- A single application is filed for obtaining such permit, which means that it is not necessary to first obtain a work permit.
- However, work permits must be obtained for Bosnia and Herzegovina citizens and for seasonal farm workers who are working up to 90 days.
- The initial single permit, which needs to be obtained before entering Slovenia, is issued for the duration of the employment or work contract, but not for longer than one year and can be extended for a maximum of two years if the foreigner and their employer apply for an extension of the single permit by the appropriate time. It can be extended under the same conditions that apply to its issuance.
- The single residence and work permit is issued by the administrative office with the consent of the Employment Service of Slovenia.
- The permit is issued in residence permit card form, on which it is specifically noted that it is the single permit.
- A foreigner, his or her employer, or its authorized person may file for an application for the single permit.
- The single permit application needs to be accompanied by supporting documents proving that the requirements for both residence and employment are met (that is, a foreigner must have a passport with a validity that exceeds the intended residence in Slovenia by at least three months, sufficient funds and adequate health insurance, as well as supporting documents required for a particular type of employment or work (for example, an employment contract or a certificate).
- Under the procedure for issuing the single permit, the administrative office obtains data on compulsory health insurance if the foreigner's compulsory health insurance is in Slovenia and data on criminal and minor offenses' records kept in Slovenia.
- If the criminal and minor offences' records are not available in Slovenia, they should be provided by the foreigner.



- A foreign national who establishes a company in Slovenia and intends to run the business as a founder must obtain a personal single permit for self-employment before registering the company.
- The EU Blue Card is introduced for highly qualified employee migrants and entitles its holder to reside and work in the territory of an EU member state.
- Workers that are seconded to work in Slovenia must be employed by the seconding company for at least one year before the secondment.
- This applies to all types of secondments, such as cross border services, movement within a group of companies and seasonal work.

Type of Visa	Documentation	Validity	Eligibility
Single Permit	<ul style="list-style-type: none"> • Valid Passport • Proof of sufficient funds • Health insurance • Employment contract • Criminal record 	1 year (can be extended to 2 years)	<ul style="list-style-type: none"> • Foreigners who wish to seek employment in Slovenia including those who are self employed
EU Blue Card	<ul style="list-style-type: none"> • Valid passport • Bachelors or Master's degree • Proof of health insurance • Valid residence permit or a national long-term visa 	2 years	<ul style="list-style-type: none"> • High skilled workers • A valid work contract or binding job offer for highly qualified employment with a duration of at least 1 year • The gross annual salary resulting from the monthly or annual salary specified in the work contract or binding job offer must be equal to or higher than the at least 1.5 times the average gross annual salary State • For 2015, Slovenia set the minimum salary threshold at: 28 006 EUR.



Value Added Tax (VAT)

- A standard VAT rate of 22% applies to all taxed supplies.
- A reduced VAT rate of 9.5% generally applies to foodstuffs, live animals, seeds, plants, water supplies, medicines, medical equipment, transport of passengers, books, admission fees, royalties for writers and performers, certain works of art, certain residential properties, renovation of residential properties, cleaning of residential properties, hotel accommodation, use of sport facilities, burial and cremation services, public hygiene services, minor repairs of bicycles, shoes and clothing, domestic care services, hairdressing services, and supply of flowers.
- As of 1 January 2020, a super-reduced VAT rate of 5% applies for the supply of books and newspapers, in physical or e-form.

VAT Rates	
Standard Rate	22%
Reduced Rate	9.5%
Reduced Rate	5%

Withholding Tax

Dividends

- Dividends paid to a nonresident are subject to a 15% withholding tax unless the rate is reduced under a tax treaty or an exemption applies under the EU parent-subsidiary directive

Interest

- Dividends paid to a nonresident are subject to a 15% withholding tax unless the rate is reduced under a tax treaty or an exemption applies under the EU parent-subsidiary directive

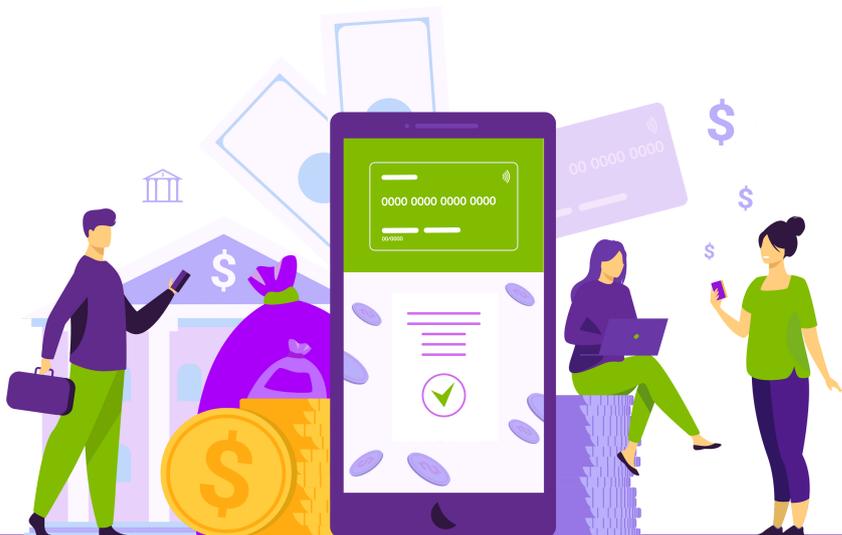
Royalties

- Royalties paid to a nonresident are subject to a 15% withholding tax unless the rate is reduced under a tax treaty or an exemption applies under the EU interest and royalties' directive

Technical Service Fees

- Fees paid for advisory, marketing, market analysis, human resources, administrative, information technology and legal services are subject to a 15% withholding tax if paid to persons with a head office outside the EU and the country is on the black list published by the Ministry of Finance

Withholding Tax	
Dividends	15%
Interest	15%
Royalties	15%
Technical Service Fees	15%



Termination

- Modes of termination of a contract include the following:
 - upon the expiry of the period for which it was concluded
 - upon the death of the worker or the employer – i.e. a natural person
 - by agreement
 - by an ordinary (with notice period) or extraordinary (without notice period) cancellation
 - by a court judgment;
 - under the law itself in cases stipulated by the ERA; and
 - in other cases, stipulated by the ERA.
- There are different procedures depending on the reason of termination (ordinary, extraordinary, by agreement).
- While the worker may ordinarily terminate his or her employment contract without stating the grounds, the employer may only terminate an employee's contract if a justified reason exists for ordinary termination.
- The worker and the employer may extraordinarily cancel the employment contract for reasons stipulated in the ERA.
- The length of a notice period depends upon the seniority level
- Employers must pay severance pay stipulated by the law.

Statutory Benefits

- These are benefits as stipulated by law
- These include probationary period, public holidays, annual leave, sick leave, maternity leave, paternity leave, notice period, severance pay.
- Statutory benefits also include social security benefits

Statutory Benefits

Probationary Period

Annual Leave

Public Holidays

Sick Leave

Maternity Leave

Paternity Leave

Notice Period

Severance Pay

Social Security Benefits



Payments and Invoicing

- The tax year in Slovenia is the calendar year
- Advance tax payments are usually made on a monthly basis; these are withheld by employers when the salary is paid. If a resident receives salary from a foreign entity, monthly tax return should be filed within 15 days after the income is received.
- On the basis of a tax return filed, the tax authorities issue monthly tax assessment.
- Advance tax payments are offset against the annual tax liability.
- The tax is usually payable within 30 days after receipt of the tax assessment.
- The tax authorities have until 31 October of the year following the tax year to issue the annual tax assessment.
- A rental income tax return must be filed by 28 February of the year following the tax year.
- Interest received from abroad must be declared to the tax authorities by 28 February of the year following the calendar year.
- Capital gains must be reported by 28 February of the year following the calendar year.
- A dividend tax return must be filed by 28 February of the year following the calendar year.

Ease of Doing Business

- The ease of doing business index is an index created by Simeon Djankov, an economist at the Central and Eastern Europe sector of the World Bank Group.
- Higher rankings (a low numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights.
- According to the World Bank Slovenia ranked 37th in the World in 2019 in terms of ease of doing business.



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