

# Slovenia's COVID-19-related measures to support the labour market

ESPN Flash Report 2020/70

NADA STROPNIK – EUROPEAN SOCIAL POLICY NETWORK

DECEMBER 2020

*Since mid-March 2020, Slovenia has approved six anti-corona legislative packages. The major measures to prevent/alleviate unemployment and maintain workers' income have been 1) (partially) subsidised temporary suspension of work (employees on hold); and 2) part-time work for employees on full-time contracts. Over 300,000 jobs have been preserved, and economic and social hardships mitigated.*



## Description

Slovenia declared a COVID-19 epidemic on 12 March 2020 and promptly adopted a first anti-corona legislative package, effective from 29 March. The package consists of measures related to salaries and social security contributions (ZIUPPP), as well as deferred payments of borrowers' obligations (ZIUOPOK). The second package to cushion the consequences of COVID-19 (ZIUZEOP) was adopted in April, (retroactively) effective from 13 March to 31 May. Slovenia was the first EU country to declare the end of the epidemic on 15 May. The third package (ZIUOOPE) (has) regulated measures in force from June, and the fourth package (ZIUOPDV) those in force in July (or up to 30 September). The epidemic was declared again on 18 October. The fifth package (ZZUOOP), covering the mitigating measures in force from October to December, was adopted in mid-October. The sixth package (ZIUOPDVE) is in force since 28 November 2020.

Two major measures were adopted to prevent/alleviate unemployment as a result of epidemic-related reduction in activity or closure of companies, and to maintain workers' income: 1) a temporary suspension of work for employees (employees on hold) (in force from 13 March till 31 December 2020; ZZUOOP allows the Government to prolong this measure until 30 June 2021); and 2) partially subsidised part-time work for employees with full-time contracts (from June to December 2020). While on hold, employees receive 80% of their salary, but not less than the

minimum wage. Employers foreseeing a loss in revenue of at least 10% (20% in ZZUOOP) in 2020 compared to 2019 and keeping the jobs of employees on hold, are eligible for a refund from the state budget, of the salary compensation paid, minus the employee's social security contributions, which are also paid from the state budget (different caps have been applied). If the employer cannot provide at least 10% of their employees with at least 90% of work, and thus allocates employees with full-time contracts to part-time work, these employees are considered to be on hold for the remaining working hours. The state budget partially refunds the salary compensation for the time on hold (with a flat-rate payment depending on the duration of part-time work).

Private sector employees' and employers' pension and disability insurance contributions were paid from the state budget between 13 March and 31 May. In return, employers had to pay a tax-free crisis supplement of €200 per month to workers on salaries below three times the minimum wage.

The self-employed without employees were automatically allowed to delay their social security contribution payments due in March-May 2020 until 31 March 2022. Self-employed persons, company members, farmers and employees of religious organisations who expected a more than 10% decrease in income due to the epidemic could apply for exemption from payment of social security contributions for the period between 13 March and 31 May 2020 (these were paid from the state budget). They also received a tax-free basic monthly income (€350 for March

### LEGAL NOTICE

*This document has been prepared for the European Commission. However, it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.*

and €700 for April and for May). ZZUOOP changed the condition applicable to both measures to a more than 20% fall in income, and re-introduced the basic monthly income for October-December 2020 (€700 + €400 for the payment of social security contributions). It also allows the Government to extend these measures until 30 June 2021.

ZIUZEOP (second package) enacted a temporary unemployment benefit of €513.64 per month for employees who became unemployed during the spring 2020 epidemic. Their social security contributions were also paid.

In July 2020, ZIUPDV (fourth package) introduced salary compensation for employees having to quarantine, fully refunded from the state budget (and ZZUOOP, the fifth package, prolonged this measure until the end of 2020, with an option for the Government to extend it further until 30 June 2021). The level of compensation (100%, 80% or 50%) depends on the circumstances of infection. ZZUOOP extended this entitlement to self-employed persons, company members and farmers not receiving the basic monthly income, in the form of a tax-free flat-rate partial refund of forfeited income (€250 for ten days, €500 for 20 days and €750 per month). It also introduced an 80% salary compensation in the case of care needed for a child attending the fifth grade of primary school or younger. ZIUOPDVE (sixth package) further extended this entitlement to situations of inability to come to work due to non-operation of public transport or country borders closure.

In view of the urgent need to implement the first measures, all social partners have been actively engaged in policymaking since May

2020 (i.e. with the third anti-corona package), particularly through participation in task forces.



## Outlook and commentary

The COVID-19 epidemic struck individuals and the economy. The Government's immediate and generally adequate response, aiming to mitigate economic and social hardship caused by a severe decrease in economic activity and restrictions on public life (non-exhaustively presented in this Flash Report) had positive financial and psychological effects. The Director-General of the Chamber of Commerce of Slovenia acknowledged the substantial support being given to employers from the state budget, and stressed that the number of unemployed would have otherwise exploded (STA, 2020). The measures preserved over 300,000 jobs. For instance, in April, over 22% of all employees were on hold (Fiscal Council, 2020; own calculation). According to evaluations by the Fiscal Council (2020), around €950 million had been spent on ZIUZEOP measures to preserve jobs (in force between 13 March and 31 May). In the view of the Council, a large part of these measures will be financed by €1.1 billion in loans granted to Slovenia by the European Commission under the "Support to mitigate Unemployment Risks in an Emergency" (SURE) instrument.

Some trade-offs had to be made in drafting the anti-corona legislative packages. Trade unions would have preferred to limit the support given to employers with employees on hold, in order to enhance the part-time work of employees with full-time contracts.

## Further reading

Fiscal Council (2020), Posodobitev ocene dejanskega javnofinančnega učinka sprejetih enkratnih protikriznih ukrepov, Fiskalni svet, Ljubljana, August 2020: <http://www.fs-rs.si/posodobitev-ocene-dejanskega-javnofinancnega-ucinka-sprejetih-enkratnih-protikriznih-ukrepov-2/>

Slovenian Press Agency (STA) (2020), "EU and the new corona virus: Labour market and social dialogue", an on-line discussion, Slovenian Press Agency, Ljubljana, 20 May 2020: <https://vzivo.sta.si/>

## Author

[Nada Stropnik](#) (Institute for Economic Research)

*The Flash Reports are produced by the European Social Policy Network (ESPN) established in 2014 to provide the European Commission with independent information, analysis and expertise on social policies in 35 European countries. The topics covered are identified by ESPN experts in the light of significant developments in their countries, or in some cases suggested by the Commission or the Flash Reports' editorial team (Eric Marlier and Slavina Spasova). The ESPN is managed by LISER (Luxembourg Institute of Socio-Economic Research), APPLICA and the OSE (European Social Observatory). More information on the ESPN: <http://ec.europa.eu/social/main.jsp?catId=1135&langId=en>.*

Quoting this report: Stropnik, N. (2020). *Slovenia's COVID-19-related measures to support the labour market*, ESPN Flash Report 2020/70, European Social Policy Network (ESPN), Brussels: European Commission.