

SLOVAKIA

As per 1 January 2017

Click to download PDF: As per 1 January 2014 (<http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2015/01/As-per-1-January-20142.pdf>), 2015 (http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2015/01/Mazars_Slovakia-copy.pdf), 2016 (<http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2017/01/Global-Mobility-Services-Mazars-Slovakia.pdf>)

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Tax rate	Progressive tax rate: 19 % or 25%.
Tax period	Calendar year
Tax residency / Domicile according to domestic law	Domicile in Slovakia. Present for at least 183 days during a calendar year in Slovakia.
Tax registration	At arrival, within 1 month from the commencement month of the taxable activities in Slovakia. At departure, within 1 month following the month of the termination of the taxable activities in Slovakia. Generally, the registration duty is not applicable to persons receiving only employment income (from a local or a foreign employer)
Employment income definition	Remuneration is cash and other taxable in-kind benefits regardless whether it is paid regularly or as a one off payment (e.g. cost of living allowance, home leave allowance, bonus, usage of cars, etc.)
Examples of tax exemption	Value of food provided by employer to employees (within certain limits); value of beverages provided by employer to employees at workplace; use of leisure, healthcare, educational, pre-school or sports facilities provided by employer to employees, travel expense reimbursement up to certain limits, etc.
Specific expatriate concession	Not applicable.
Income of board members	Treated as employment income (executive as well as non-executive).
Tax returns	Submitted by taxpayer within 3 months following the respective calendar year (i.e. usually until 31 March of following year). The deadline should be extended to additional 3 months (generally) or 6 months (if the taxpayer is having income derived from the sources abroad) based on written announcement delivered to Slovak Tax Authorities within regular deadline – i.e. usually until 31 March of following year. In case of having only employment income, the annual tax reconciliation should be performed by employer for employee (instead of tax return submission).
Tax payments	Tax advances shall be withheld when paying or remitting or crediting taxable wages to the employee's favour, regardless of the period, to which the taxable wage is related and balancing payment within the same deadlines as submission of tax returns.

TAX TREATIES

Employment income / income from board members	Art 15/16 Model OECD Tax Convention
--	-------------------------------------

INTERNATIONAL SOCIAL SECURITY

Cross border employments	EU Regulation No 883/2004 and EU regulation No. 1408 / 71.
Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Generally applicable.

Social Security Cost as % from gross salary and absolute amounts

Contributions of the employees (*) and maximum monthly contributions in EUR: Sickness insurance 1.4%, Retirement insurance 4% , Permanent disability insurance 3 % , Unemployment insurance 1%, Health insurance 4%. Total 13.4%. Starting from 1 January 2015 a new health insurance allowance amounting annually to 4,560 EUR was introduced for the low-income employees (with annual income up to 6,840 EUR).

Contributions of the employer and maximum monthly contributions in EUR: Sickness insurance 1.4%, Retirement insurance 14%, Permanent disability insurance 3%, Unemployment insurance 1%, Health insurance 10%, Guarantee insurance 0.25%, Reserve fund 4.75%. Total 35.2%.

(*) calculated from assessment base that is capped at the amount of 6,181 EUR (a maximum assessment base). There is no maximum assessment base for health insurance contributions.

IMMIGRATION

Work permit

EU and EEA nationals do not need any work permit to be employed in Slovakia. non – EU and EEA nationals need to fulfil various conditions depending on the nature of their stay and work they want to execute, the length of the stay and other circumstances.

Visa

EU and EEA citizens do not need a visa to enter Slovakia. Third country nationals from particular countries may be obliged to apply for a visa before entering Slovakia.

Residency permits / registration certificate

EU nationals who plan to stay more than 119 days in the territory of Slovakia have to apply for a residence permit after the 90-days period from their entry into Slovakia. After having their applications processed, they will automatically be given a permanent residence permit, valid for five years.

The foreigner who is planning to stay in the area of Slovak Republic for more than three months and is not a citizen of the EEA will be granted a first permit by the police department after fulfilling certain conditions.

Driving license

The driving licence issued by the EU Member State is valid throughout the EU.

Non-EU nationals who are long term residents in Slovakia, are obliged to apply to exchange their driver's licence for a Slovak driver's licence.

Conditions for the exchange are set by the Law on Road Traffic effective, from February 2009.

STOCK OPTION PLAN

Tax treatment depends upon the conditions of the Stock Option Plan.



(<http://www.mazars.sk/Users/Our-team/Guenter-Oszwald2>)

Günter Oszwald

Partner, Tax – Bratislava, Slovakia

Send Email (<http://www.mazars.sk/Users/Our-team/Guenter-Oszwald2>)

Direct line: (+421) 259 204 700

Address: Suché myto 1, 811 03 Bratislava

www.mazars.sk (<http://www.mazars.sk/>)



(<http://www.mazars.com/content/view/full/1103885>)

Ivana Bošková

Tax manager – Bratislava, Slovakia

Send Email (<http://www.mazars.com/content/view/full/1103885>)

Direct line: +421 2 5920 4723

Address: Suché myto 1, 811 03 Bratislava

www.mazars.sk (<http://www.mazars.sk/>)