

SLOVAKIA

As per 1 January 2020

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>), 2017 (<http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2017/01/Global-Mobility-Services-Mazars-Slovakia-1.pdf>), 2018, (<http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2018/01/Slovakia.pdf>)2019 (<http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2019/05/Slovakia.pdf>)

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Personal Income Tax Rates – Employment Income	Personal income tax rates :19 % or 25%.
Tax Rate	
Tax period	Calendar year
Tax residency / Domicile according to domestic law	<p>Tax residency criteria is laid down in the law and principally outlines the following requirements:</p> <ul style="list-style-type: none"> • Permanent residence in Slovakia defined as the the possibility of accommodation, which does not serve only for occasional accommodation and where one can presume the intention of an individual to stay permanently at that place; • Present for at least 183 days during a calendar year in Slovakia.
Tax registration	<p>At arrival, until the end of the calendar month after the end of the month in which the taxable activities started to be carried out (e.g. self-employment activities, leasing of real estate in Slovakia, arising of the obligation to pay tax advance payments, etc.)</p> <p>At departure, until the end of the calendar month after the end of the month in which the taxable activities ceased to be carried out</p> <p>In general, the registration duty is not applicable to persons receiving only employment income (from a local or a foreign employer).</p>
Employment income definition	Remuneration is cash and other taxable in-kind benefits regardless whether it is paid regulary 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 the employer to the employees (within certain limits); value of beverages provided by the employer to the employees at workplace; the use of leisure, healthcare, educational, pre-school or sports facilities provided by the employer to the employees, travel expense reimbursement up to certain limits, etc.
Specific expatriate concession	N/A
Income of board members	Treated as an 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 a written announcement delivered to the 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 the employer for the employee (instead of the tax return submission).
Tax payments	Tax advance payments shall be withheld when the taxable income is paid or remitted or credited to the employee, regardless of the period for which the taxable income is paid. The final tax liability (based on tax return submitted or annual tax reconciliation performed) is due within the same deadline as applicable for submission of the tax return.
Tax on real estate property	
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 and several social security treaties.
Exception under Art 16 of Reg. 883/2004	Generally applicable.
and Art 17 of Reg. 1408/71	
Social Security Cost as % from gross salary and absolute amounts	<p>Contributions of the employer and maximum monthly contributions (*) in EUR:</p> <ul style="list-style-type: none"> • 1,40% from the assessment base (maximum 99,27 EUR): Sickness insurance • 14,00% from the assessment base (maximum 992,74 EUR): Retirement insurance • 3,00% from the assessment base (maximum 212,73 EUR): Permanent disability insurance • 1,00% from the assessment base (maximum 70,91 EUR): Unemployment insurance • 0,8% from the assessment base (no maximum limit): Accidental insurance • 10,00% from the assessment base (no maximum limit): Health insurance • 0,25% from the assessment base (maximum 17,72 EUR): Guarantee insurance • 4,75% from the assessment base (maximum 336,82 EUR): Reserve fund <p>Total : 35,20%</p> <p>Contributions of the employees and maximum monthly contributions (*) in EUR:</p> <ul style="list-style-type: none"> • 1,40% from the assessment base (maximum 99,27 EUR): Sickness insurance • 4,00% from the assessment base (maximum 283,64 EUR): Retirement insurance • 3,00% from the assessment base (maximum 212,73 EUR): Permanent disability insurance • 1,00% from the assessment base (maximum 70,91 EUR): Unemployment insurance • 4,00% from the assessment base (no maximum limit): Health insurance <p>Total : 13,40%</p> <p>Starting from 1 January 2015, a new health insurance allowance amounting annually to 4,560 EUR was introduced for the low-income employees (with the annual income up to 6,840 EUR). (*) calculated from the assessment base that is capped by the amount of 7,091 EUR (a maximum assessment base for 2020). There is no maximum assessment base for health insurance and accidental insurance contributions.</p>

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 citizens who have been staying in Slovakia for more than three months are obliged to apply for registration of residence in Slovakia within 30 days of the expiry of the three months from the date of their entry into the territory of Slovakia. EU citizens may apply for a residence permit valid for five years in person at relevant Foreign Police Department.
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 exchange their driver's licence for a Slovak driver's licence. Conditions for the exchange are set by the Law on Road Traffic.
STOCK OPTION PLAN	Tax treatment depends upon the conditions of the Stock Option Plan.

ARTICLE 15 OF THE OECD MODEL

183 days	The days of physical presence will be accounted per calendar year, tax year or 12 month period (depends on the tax treaty).
Notion of employer	Economic and formal (legal) employer.
Existence of a permanent establishment	The definition of a permanent establishment is determined in the tax treaty.



(<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 – reception office

Address: Europeum Business Center, Suché mýto 1, 811 03 Bratislava

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