

On 29 May 2020, the National Assembly of the Republic of Slovenia adopted the Act determining intervention measures to mitigate and eliminate the consequences of the COVID-19 epidemic, the so called "third anti-corona package" (hereinafter referred to as: **Act**). The Act entered into force on 31 May 2020.

The Act governs several temporary measures from the fields of employment, public finance, economy, infrastructure, social and disability protection, operation of courts, foreign investments, healthcare, tourism, agriculture and other.

In the text below we present you with the answers to the most pressing questions regarding novelties that are envisioned by the Act.

ACT DETERMINING INTERVENTION MEASURES TO MITIGATE AND ELIMINATE THE CONSEQUENCES OF THE COVID-19 EPIDEMIC - ZIUOOPE

Duration of the temporary measures

What is the duration of the measures?

Temporary measures shall be (if it is not stated otherwise) valid from 1 July 2020 until 31 December 2020.

Derogation from the provisions of certain acts

Does the Act interfere with the provisions of other legislation?

Yes. As per the Act:

- Regardless of the Article 20 ZIUZEOP, the measure of delivery of excess quantities of packaging waste (Article 100.a ZIUZEOP) is valid until 31 December 2020, while the measures from the field of the construction of facilities (Articles 100.b to 100.h ZIUZEOP) is valid until 31 December 2021.
- Until 30 June 2021 and regardless of provisions of the Article 4(1) and 4(2) ZSInv, the incentives can be granted under special conditions in line with the Act, which provides for the minimal value thresholds for investments and conditions regarding new jobs.
- Regardless of the Article 69(8)(3) ZDoh-2, for the tax years 2020 and 2021, it is considered as a condition that in the tax year before the tax year for which taxpayers declare the treatment of income stemming from small-scale first stage processing, revenues from this activity do not exceed 7.000 EUR.
- Regardless of the Article 10.b(2) ZFO-1, the municipality may borrow in the current budget year, if the repayment of liabilities from this title in an individual repayment year

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Derogation from the provisions of certain acts

does not exceed 10 % of realised revenues from the balance of revenues and expenditures of the municipal budget in the year before the year of borrowing, reduced for the received donations, transfer revenues from the state budget for investments and funds received from the European Union budget, and revenues from overheads.

- Regardless of the Article 86.a ZLS and if it is not stated otherwise in the acts of associations, the association may be represented by one of the mayors of the establishing municipalities, while members of management and supervisory bodies may, along with mayors, also be other officials.
- Regardless of provisions of the ZJN-3, contracting authorities are not required to carry out a project contest in line with the provisions of chapter 5 of the ZJN-3 until 15 April 2021, if it concerns certain healthcare facilities.
- Regardless of the Article 19(1) ZNB, a quarantine measure may also be ordered in the case of certain other groups of infectious diseases as defined in the ZNB. Quarantine is ordered by the minister responsible for healthcare or a person authorised by him.
- If not stated otherwise, the above measures are envisioned to remain valid until 31 December 2020.

Partial subsidy of the reduction of the full-time work

What does this measure represent?

Employers are given a possibility to order part-time work with simultaneous partial order on a temporary leave of an employee that is a party to a full-time employment contract, in such manner that the employer ensures that employee with work that would amount to at least a part-time.

Can an employer claim a refund of part-time wage compensation up to full-time work for an employee to whom a part-time work is ordered, for the time when the employee is not actually working?

Yes. An employer who as per the Act provides an employee with work for at least part-time work, can claim partial reimbursement of salary compensation (subsidy), due to the reimbursement of the paid wage compensation for the remainder of the work time up until the full-time, for which the employee is ordered to a temporary leave in the amount from 5 to 20 weekly hours.

Which employer is entitled to the subsidy?

- Employer who is a legal or natural person and who was listed with the Business registry

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<p>of the Republic of Slovenia before 13 March 2020 and employs employees on the basis of full-time employment contracts, and</p> <ul style="list-style-type: none"> as per his estimation, he cannot provide at least 10 % of the employees with at least 90 % of the work, that is to say 36 hours per week.
<p>Who is not entitled to the subsidy?</p>
<p>Direct and indirect users of the budget of the Republic of Slovenia or of the budget of municipalities, whose share of revenues from public sources in 2019 was higher than 50%.</p>
<p>Are there any restrictions regarding orders to the part-time work?</p>
<p>Yes. On the basis of the Act, it is not possible to order an employee to work part-time during the period of notice.</p>
<p>What are the obligations of the employer before he adopts of a decision to order employees to a part-time work?</p>
<p>Before adopting a decision to order part-time work, the employer is required to consult with the trade unions at the employer regarding the scope of part-time work, the number of employees to whom such work will be ordered and the duration of the order. If there are no trade unions at the employer, the employer is required to consult with works council. Moreover, the employer is required to obtain a written opinion by the trade union or works council. If neither trade union nor the works council is organised at the employer, the employer is required to notify the employees regarding the adoption of the decision in a manner that is usual with the employer.</p>
<p>In the event of a change in the circumstances of the part-time work order (in particular the scope of part-time work, the number of employees to whom such work will be ordered and the duration of the order on which the decision was based), is a new consultation from the previous question required?</p>
<p>Yes.</p>
<p>For how long can an employer order part-time work to an employee who has a full-time employment contract?</p>
<p>Employer can use this measure each month from 1 June 2020 until 31 December 2020 at the latest.</p>
<p>When does the employer claim a subsidy?</p>
<p>The employer claims a subsidy monthly for a prior month, until the conditions from the previous question are fulfilled, that is, if the employee is ordered a part-time work between 1 June 2020</p>

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and 31 December 2020. The employer proves the fulfilment of the conditions with each written statement.

What rights and obligations does an employee, who is temporarily ordered to a part-time work, have?

An employee who is temporarily ordered to a part-time work retains all rights and obligations from the employment relationship, as if he worked full time, except for those, that are regulated differently by the Act.

During the ordered part-time work, the employee has:

- the right to be paid for the work, while he actually works;
- for the time up until the full-time, when he does not work due to the ordered part-time work, he has the right to a wage subsidy as provided by the act regulating employment relationships for instance of temporary incapability of providing work due to business reason;
- the right to a break during working hours in proportion to the time spent at work,
- obligation to work full time as per the employer's order.

To what amount of wage compensation is an employee entitled when he is absent from work during temporarily ordered part-time work in cases determined by the ZDR-1?

The employee is entitled to wage compensation in the amount as prescribed by the act, whereas the working obligation of the employee, as determined with the full-time employment contract, is considered. The basis for the amount of wage compensation is set considering the wage that the employee would receive, if he worked full time.

In what manner does the employer order the employee to work part-time?

The employer orders a part-time work to the employee in writing. With the written assignment, the employer determines:

- the amount of part-time work, which may not be less than half full-time,
- the duration of part-time work,
- working time schedule or method of working time distribution,
- duration of a break during work,
- the amount of reimbursement of work-related expenses,
- the possibility and manner of urging the worker to resume full-time work, and
- the amount of wage reimbursement.

Can the employee register in the register of jobseekers during the ordered part-time work?

An employee may register in the register of jobseekers during the ordered part-time work in

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accordance with the provisions of the act governing the labour market and may use the measures provided by the Employment Service to the registered jobseekers.

In such event, the basis for the wage reimbursement is set in the amount of his average fulltime monthly wage from the last three months or from the period of work in the last three months before the commencement of part-time work.

Can the employer assign to a part-time work in line with the Act an employee who is entitled to a part-time work and receives partial remuneration on the basis of regulations regarding pension and disability insurance, or is entitled to a part time work on the basis of regulations regarding health insurance or parental care?

No.

In what manner can the employer claim the subsidy?

The subsidy is granted to the employer on the basis of an application for the grant of a subsidy (application), which is submitted to the Employment Service of Slovenia (the Employment Service) together with evidence of meeting the conditions no later than 15 days after the reduction of part-time work.

The employer shall attach to the application:

- evidence of meeting the conditions referred to in the first paragraph of Article 12 of the Act,
- a signed statement by which it undertakes not to violate the prohibition of dismissal from the second paragraph of Article 18 of the Act during the period of receiving the subsidy and for one month after this period,
- consent to the publication of data referred to in Article 20 of the Act.

The Employment Service of Slovenia shall decide on the application by a decision within 15 days of receiving the application. There is no appeal against the decision, however an administrative dispute is possible.

What about employers who have not been granted a subsidy or have not applied for it? Are they nevertheless entitled to implement the measure of ordering part-time work on the basis of the Act?

Yes. In particular, they are entitled to implement the measure for the duration of the validity of the Act.

How does the employer proceed after the issuance of the above-mentioned decision by the Employment Service of Slovenia?

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Based on the decision, the employer concludes a subsidy contract with the Employment Service of Slovenia in which the mutual relations, obligations and responsibilities of the contracting parties are determined.
<i>What must the subsidy contract contain?</i>
The contract must contain, in particular, the subject matter, amount and method of payment of the subsidy, conditions and method of refund of the subsidy, time of receipt of the subsidy, monitoring, reporting, sanctions for infringements and supervision of the implementation.
<i>What is the amount of the subsidy?</i>
<ul style="list-style-type: none"> • 448 EUR monthly per employee while providing part-time work in the amount of 20 to 24 hours per week, • 336 EUR monthly per employee while providing part-time work in the amount of 25 to 29 hours per week, • 224 EUR monthly per employee while providing part-time work in the amount of 30 to 34 hours per week, • 112 EUR monthly per employee while providing part-time work in the amount of 35 hours per week.
<i>What is the amount of the subsidy if the employee is absent from temporarily ordered part-time work in cases specified in the ZDR-1?</i>
The subsidy is reduced proportionately for the period of absence from work.
<i>How and when is the subsidy paid to the employer?</i>
The subsidy is paid to the employer on a monthly basis, in the proportionate share or in full, no later than 30 days after the signing of the subsidy contract.
<i>What are the obligations of the employer during the period of receiving the subsidy?</i>
During the period of receiving the subsidy, the employer must regularly pay part-time employees wage and wage compensation in proportion to the ordered share of work or partial temporary lay-off.
<i>What are the other restrictions for the employer?</i>
<p>The employer shall not:</p> <ul style="list-style-type: none"> • during the period of receiving the subsidy and for a month thereafter, initiate the procedure for termination of the employment contract for economic reasons for part-time employees, or terminate the employment contracts of a large number of employees

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<p>for economic reasons, unless the redundancy program was adopted before 13 March 2020 and the employer did not claim a subsidy for these workers under the Act or ZIUZEOP (violation of the prohibition of dismissal) and</p> <ul style="list-style-type: none"> during the period of receiving the subsidy order overtime work, unevenly distribute or temporarily redeploy working hours, if this work can be done by employees who are ordered to work part-time.
<p><i>Is the employer obliged to keep records of the use of working time for a part-time employee?</i></p>
<p>Yes. The employer is obliged to keep records of the use of working time in such a way that it contains the actual time of arrival and leaving from work.</p>
<p><i>When shall the employer inform the Employment Service of Slovenia that it has ordered the employee to work part-time?</i></p>
<p>No later than 3 working days from the day of the order.</p>
<p><i>What happens if the employer fails to meet its obligations?</i></p>
<p>The received funds must be repaid in full, together with statutory default interest.</p>
<p><i>What about the return of funds if the employer initiates liquidation proceedings under the act governing companies?</i></p>
<p>An employer who receives or has received funds on the basis of the Act has to return the received funds with statutory default interest if he initiates liquidation proceedings under the act governing companies, during the period:</p> <ul style="list-style-type: none"> of receiving funds and after the cessation of receipt of funds, which is equal to the period of receiving funds.
<p><i>In which other cases must the employer return the received funds?</i></p>
<p>An employer who has received a subsidy on the basis of the Act must inform Financial Administration (FURS), in the event that since the entry into force of the Act a profit has been paid, purchase of its own shares has been made, rewards to management or part of salaries for business performance paid to management were paid in 2020 or for 2020. The received funds must be returned after service of the administrative decision, together with statutory default interest, which run from the date of receipt of the subsidy until the date of the refund.</p>
<p><i>Who controls the allocation of subsidies?</i></p>
<p>The Employment Service supervises the allocation and payment of subsidies.</p>

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For the purposes of granting subsidies and exercising supervision, the Employment Service has the right to obtain free of charge data on employees for whom the employer receives a subsidy. What is this data and how does the Employment Service handle it?

The Employment Service may obtain a personal name, a unique personal identification number, insurance basis, actual and full time and paid salaries and paid social security contributions, from the existing personal databases and from the employer records of the use of working time.

Data obtained by the Employment Service on the basis of the Act may not be sent to third parties but shall be kept for ten years after their acquisition, except in an anonymised form for research purposes.

Is the information regarding the list of subsidy recipients and the amount of received subsidies of a public nature?

The list of subsidy recipients and information on the amount of received subsidies represent information of a public nature which is publicly published on the Employment Service website.

Who inspects the implementation of the partial subsidy?

Labour Inspectorate of the Republic of Slovenia in accordance with the regulations governing inspection supervision.

Is granting of the subsidy compatible with other measures intended to safeguard jobs?

The subsidy may also be combined with other measures to safeguard jobs, provided that the combined support does not lead to overcompensation for the wage costs of an individual employee.

What fines does the Act provide for?

- A fine of 10.000 EUR to 50.000 EUR shall be imposed on an employer who receives a subsidy and:
 - violates the prohibition of dismissal of the employees under the Article 18 (2) of the Act,
 - during the period of receiving the subsidy, orders overtime work, unequally distributes or temporarily redeploys working hours, if this work can be performed with employees who are ordered to work part-time.
- A fine of 1.500 EUR to 8.000 EUR shall be imposed on an employer who receives a subsidy and employs ten or fewer employees if it commits an offense referred to in the preceding bullet point.

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- A fine of 450 EUR to 2.000 EUR shall be imposed on the responsible person of the employer receiving the subsidy if it commits an offense referred to in the first bullet point.
- A fine of 450 EUR to 1.200 EUR shall be imposed on a single employer receiving a subsidy if it commits an offense referred to in the first bullet point.

Reimbursement of wage compensation paid to employees who were temporarily laid-off

Who can exercise the right to a measure of partial reimbursement of wage compensation paid to employees who were temporarily laid-off?

Any employer in the Republic of Slovenia who is temporarily unable to provide work to employees due to the consequences of the epidemic, except:

- direct or indirect user of the budget of the Republic of Slovenia or the budget of a municipality, whose share of revenues from public resources in 2019 was higher than 70%,
- an employer who performs financial or insurance activity, which belongs to group K according to the standard classification of activities, and has more than ten employees on 13 March 2020,
- foreign diplomatic missions and consulates, international organizations, missions of international organizations and institutions, bodies and agencies of the European Union in the Republic of Slovenia.

Which employers are eligible for reimbursement of the paid wage compensations?

Entitled to the reimbursement of the paid wage compensations are employers, whose revenue in 2020 will be reduced for more than 10 % in comparison to 2019 because of the epidemic (by their estimation).

Employers who have suffered more than a 10 % decrease in an average monthly revenue in 2020 compared to an average monthly revenue in 2019 are also entitled to the aid, if they did not operate in the entire year 2019 and/or 2020.

Eligible to the aid are also employers who did not operate in 2019 at all and whose average monthly revenue in 2020 will decrease by more than 10 % due to the epidemic compared to the average monthly revenue in 2020 until 12 March 2020.

If these conditions are not met when submitting the annual reports for 2020, the beneficiary will have to return the received funds under the measure.

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Reimbursement of wage compensation paid to employees who were temporarily laid-off
<i>What about the employers who do not qualify for the aid? Can they still be eligible for it?</i>
No, unless they have a humanitarian status under the ZHO or a disability organisation status under the ZInvO.
<i>Until when (for how long) can an employer assign an employee to a temporary lay-off pursuant to the Act?</i>
The eligible employer may assign an individual employee to a temporary lay-off until 30 June 2020 at the latest.
<i>How does the employer refer an employee to a temporary lay-off?</i>
The employer refers the employee to a temporary lay-off in writing. The written referral shall specify the period of the temporary lay-off, the possibilities and manner of urging the employee to return to work early, and the amount of wage compensation.
<i>For up to how many days can the employer request that the temporarily laid-off employee returns to work?</i>
During the temporary laid-off period the employee has a duty to return to work at the request of the employer for up to seven (7) working days in the current month. The employer must inform the Employment Service of Slovenia in advance about its intention of temporarily laying-off employees.
<i>To what amount of wage compensation is the employee entitled while being temporarily laid-off?</i>
Amount of compensation is equal to the amount envisioned for the instances of a temporary inability to provide work for business reason (i.e. 80% of the basis). Compensation must not be lower than the minimum wage in the Republic of Slovenia. Unless otherwise provided by the Act, this amount of wage compensation applies to temporary laid-off employees, regardless of the provisions of the ZDR-1.
<i>How is the wage compensation determined in a case when the employee is working part-time pursuant to the Act and is also referred to a temporary lay-off?</i>
If the employee's wage has been reduced due to the reduction of the full-time work, the wage or the wage basis in the last three months before the reduction of the full-time work shall be taken into account to determine the basis for compensation for temporary lay-off period.

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To what amount of wage compensation is an employee, who uses the right to annual leave during the temporary laid-off period, entitled?

If an employee, in agreement with the employer, uses the right to annual leave during the temporary laid-off period, he/she has the right to a wage compensation for the time of using the annual leave in accordance with the act governing employment relationships.

What is the amount of wage compensation if while being referred to a temporary lay-off, the employee is entitled to absence from work or is entitled to part-time work?

If an employee is entitled to being absent from work when being assigned to a temporary lay-off or if he/she (during the temporary laid-off period) acquires a right to absence from work under the regulations on health insurance or parental care and acquires a right to appropriate wage compensation or the payment of contributions, wage compensation for the temporarily laid-off employees shall not be paid during this period.

If, when being assigned to a temporary-lay off or during the temporary laid-off period, an employee is entitled to part-time work and receives partial compensation under the pension and disability insurance regulations or is entitled to part-time work under the health care insurance or parental care regulations, the wage compensation to which the temporarily laid-off employee is entitled is paid in proportion to that time, and the employee retains the right to the payment of social security contributions under these regulations as if he/she was working.

What is the amount of partial reimbursement of wage compensation to employers for temporarily laid-off employees?

The amount of partial reimbursement of the paid wage compensation by the Republic of Slovenia amounts to 80 % of wage compensation and is limited by the amount of the maximum amount of the unemployment benefit specified in the law governing the labour market. 80 % of the wage compensation covered by the Republic of Slovenia includes wage compensation and all social security contributions.

The amount of partial reimbursement of the wage compensation paid by the Republic of Slovenia may not exceed 80 % of the value of paid wage compensation. The employer shall cover the remaining amount of reimbursement of up to 20 % of wage compensation and contributions.

An employer who is a direct or indirect user of the budget of the Republic of Slovenia or the budget of the municipality and whose share of revenues from public sources was lower than 70 % in 2019, may claim the reimbursement of wage compensation only in the amount equal to the share of its revenues from non-public sources.

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How does the employer exercise the right to reimbursement of paid wage compensations under the Act?

The employer exercises the right to reimbursement of paid wage compensations under the Act by submitting an application in electronic form to the Employment Service of Slovenia within eight days of assigning employees to a temporary lay-off, but no later than 30 June 2020.

The application shall be accompanied by an estimate of the decline in revenue, for the correctness of which the employer is criminally and materially liable, and evidence of assigning employees to a temporary lay-off due to temporary inability to provide work for business reasons.

An employer whose employment is directly or indirectly co-financed from the budget of the Republic of Slovenia through special programs and can claim reimbursement of wage compensation only in the amount of the difference between full co-financing and other subsidy, states in the application the share of financing from the budget of the Republic of Slovenia in 2019.

Who decides on the application by which the employer exercises the right to reimbursement of paid wage compensations?

The Employment Service of Slovenia decides on the application within 15 days.

When is an employer not entitled to the reimbursement of paid wage compensations?

The right to reimbursement of paid wage compensations cannot be exercised by the employer who:

- fails to meet mandatory duties and other monetary non-tax liabilities in accordance with the law governing the financial administration, collected by the FURS (Financial Administration), if it has unpaid due liabilities on the day of submitting the application. An employer shall be deemed not to have fulfilled these obligations also if it had not submitted all withholding tax returns on the date of submission of the application for the period of the last five years up to the date of submission of the application;
- if bankruptcy proceedings have been instituted against it.

When is an employer reimbursed for paid wage compensations?

Partial reimbursement of wage compensation, except for employees for whom the payment of wage compensation is not borne by the employer, is paid to the employer monthly, in proportion or in full, on the tenth day of the month following the month of payment of wage compensation

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Reimbursement of wage compensation paid to employees who were temporarily laid-off
under the Act.
Who controls the allocation and payment of wage compensations?
The Employment Service of Slovenia. An employer claiming the reimbursement of wage compensation must enable the Employment Service of Slovenia to exercise administrative and financial control over the fulfilment of contractual obligations.
Can the employer assign overtime work during the temporary laid-off period?
During the temporary laid-off period, the employer may not assign overtime work if such work can be done with temporarily laid-off employees.
In which cases must the employer return the received funds?
An employer who receives or has received funds in accordance with the Act must return the received funds in full if: <ul style="list-style-type: none"> • during the period of receiving the reimbursements of paid wage compensations, does not pay wage compensations to employees; • assign overtime work during the period of receiving wage compensation, although this work could be done with temporarily laid-off employees; • it requests the employees to return to work and does not inform the Employment Service of Slovenia in advance; • if it initiates liquidation proceedings under the law governing companies during the period: <ul style="list-style-type: none"> - of receiving funds and - after the cessation of receipt of funds, which is equal to the period of receiving funds.
Who carries out the inspection of the temporary lay-off measure?
The Labour Inspectorate of the Republic of Slovenia in accordance with the regulations governing inspection supervision.
Can the measure of partial reimbursement of wage compensation for temporarily laid-off employees be combined with other measures to support the retention of workplaces?
Yes, provided that the combined support does not result in overcompensation for the wage costs of an individual employee.

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Reimbursement of wage compensation paid to employees who were temporarily laid-off

In which cases (and to what extent) can an employer be penalized?

- A fine of 3.000 EUR to 20.000 EUR is imposed on an employer who:
 - does not allow for administrative and financial control;
 - pays wage compensations in contravention of this Act;
 - during the period of receiving a partial reimbursement of wage compensations, assigns the employees to work overtime or fails to notify the Employment Service of Slovenia in the event that the employee is requested to return to work.
- A fine of 1.500 EUR to 8.000 EUR is imposed on an employer who employs ten or fewer employees if it commits an offense referred to in the first bullet point.
- A fine of EUR 450 to EUR 2,000 shall be imposed on the responsible person of the employer if he/she commits an offense referred to in the first bullet point.
- A fine of EUR 450 to EUR 1,200 is imposed on an individual employer if it commits an offense referred to in the first bullet point.

Economic promotion and infrastructure measures

Which kind of financial incentives can be granted under the Act?

The Act provides for financial incentives in the form of grants and return funding for:

- ensuring the current operations and liquidity of companies and adequate security or safe operations of companies in order to prevent the spread of COVID-19;
- co-financing the loss of income in tourism and catering (food service activities);
- providing support to manufacturing in border problem areas;
- ensuring the digitalisation and digital transformation of companies;
- development projects in progress or with the potential for early start-up.

The beneficiary of the financial incentives referred to in the previous paragraph is a micro, small and medium-sized enterprise (in accordance with Commission Regulation (EU) No. 651/2014) and a large enterprise facing the negative consequences of the COVID-19 epidemic.

On the date of submission of the application, the beneficiary shall meet all the conditions set out in the Communication from the Commission – Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C NO. 91 I, 20. 3. 2020), and also the following conditions:

- that the beneficiary has its registered office or address in the Republic of Slovenia;
- that the beneficiary has paid due liabilities from mandatory duties and other monetary non-tax liabilities on the day of submitting the application. The beneficiary shall be

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Economic promotion and infrastructure measures

deemed not to have fulfilled this condition if, on the day of the submission of the application, he has not submitted all tax declarations which has to be submitted in accordance with the law governing the tax procedure.

Incentives will be granted on the basis of a public tender, public call and direct confirmation of the operation, or in accordance with the ZJF or ZPOP-1.

How is the liquidity for companies provided through public funds?

Public funds can receive dedicated property and use it for liquidity for companies. In the event that the public fund for the promotion of entrepreneurship and the public fund for the promotion of regional development, receive from the founder dedicated property for the implementation of financial products, the dedicated property of the public fund can be reduced to the statutory defined minimum.

What are the measures in the field of public procurement?

Notwithstanding the provisions of the ZJN-3, the public purchaser is allowed to use the small value procurement procedure until 15.4.2021, for which notifications in connection with the public procurement of goods and services do not need to be sent to the Publications Office of the European Union, and in the public procurement of construction, if the value of the public contract is lower than 1.000.000 EUR. This means a derogation from the provisions of the ZJN-3 - an increase in the amount of the estimated value for public procurement of works, up to which it is allowed to use the procedure of low value procurement in the general field.

Notwithstanding the provisions of the ZJN-3, a "correction mechanism" is allowed until 15.4.2021 even if the economic operator does not fulfil mandatory duties and other monetary non-tax liabilities, if the value of these unpaid overdue liabilities on the day of submission of the bid or application or verification is 50 EUR or more or if on the day of submission of the offer or application or verification, this entity has not submitted all tax declarations for the income from employment for the last 5 years (and until the date of submission of the offer or application). In this case, the public purchaser shall lay down a time limit of up to 30 days within which the economic operator must fulfil these obligations.

What are the measures in the field of infrastructure?

In order to maintain the operation of economic entities in the field of passenger or goods transport by road, the Republic of Slovenia and SID Bank shall agree on the financial engineering instrument referred to in the fifth paragraph of the Article 106.f ZJF.

Does the Act provide also for any other temporary measures?

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Economic promotion and infrastructure measures

Yes.

The Act also provides for financial assistance to operators of cableway installations, namely the recognition of a proportionate share of costs to operators of cableway installations and ski resorts (but cableway installations which costs will be reimbursed under the Article 94 ZIUZEOP are not eligible).

In addition, the Act provides for assistance to public transport operators, namely the extension of validity of contracts for special regular services. Notwithstanding the provisions of the ZJN-3, valid (framework) agreements may be extended without a public tender until 1.9.2021. This applies to agreements concluded with validity until 1.9.2020 with economic operators which are prevented or significantly hindered from providing services under the existing agreements due to state measures and the spread of COVID-19.

Measures in the field of social and disability assistance

What measures does the Act provide for in the field of social assistance?

The Article 52 of the Act stipulates assistance to providers of a home social care services and the conditions for such assistance. Providers whose services are significantly reduced due to the epidemic are entitled to the cost coverage for non-performed services in the amount of 80 % from the budget of the Republic of Slovenia. However, a provider who is entitled to a reimbursement of the paid wage compensation according to the ZIUZEOP is not entitled to this measure.

The Article 53 of the Act stipulates that under certain conditions the budget of the Republic of Slovenia covers the cost of care for a period of absence of the user of institutional care under the Article 16 ZSV due to placement at home care, for the period of the declared COVID-19 epidemic. The cost of labour for an employee employed at a provider of health services under the Article 16 ZSV is paid from the budget of the Republic of Slovenia in the event of non-payment of labour costs for an employee from the Health Insurance Institute of Slovenia. The cost of labour for an employee who is temporarily transferred to the provider of health services under the Article 16 ZSV on the basis of the Article 66 ZIUZEOP is paid from the budget of the Republic of Slovenia in case of non-payment of labour costs for the employee from the Health Insurance Institute of Slovenia.

In addition, the Article 54 of the Act regulates the allowance for danger and special burdens during the epidemic to private providers of institutional care and home care outside the public service network under the Article 41.b (3) ZSV on the basis of work permits and accommodation social welfare programs (e.g. safe houses, maternity homes, homeless shelters).

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Measures in the field of social and disability assistance

The above measures apply from 13 March 2020 to 31 May 2020.

What measures does the Act provide for in the field of disability assistance?

The Article 56 of the Act stipulates an increase in the wage subsidy for the disabled. Under the conditions set out in this Article, employers generally increase claims for the payment of a wage subsidy for an individual disabled person by 10 % of the minimum wage. Wage subsidies for disabled employees and subsidies from other public funds may not exceed 75 % of the salary of a disabled person. Employers can use this measure in the period from 1 June 2020 to 31 December 2020 at the latest.

Operation of the courts

What will be the duration of the summer court recess this year?

The Act provides for a shortening of the summer court recess. In accordance with the ZS, the court recess last from 15 July until 15 August. According to the Act, in 2020, the court recess will last from 1 August 2020 until 15 August 2020. During this period, the courts hold hearings and decide only in urgent matters.

Review of foreign direct investments

What does this measure mean?

This measure represents a mechanism for reviewing foreign direct investments, which could be potentially risky for the state security. Foreign direct investment means an investment made by a foreign investor with the purpose to establish or maintain permanent and direct links between the foreign investor and the economic entity established in the Republic of Slovenia, by acquiring at least 10 % participation in capital or voting rights.

What is the review procedure?

It is basically a notification procedure to the ministry responsible for the economy. The review is also carried out by a special commission appointed by the minister responsible for the economy. The provisions of the ZUP apply mutatis mutandis to the notification and review procedure.

A foreign investor or target company or an acquired company shall notify a foreign direct investment in the field of activities referred to in the Article 72 (3) of the Act to the ministry responsible for the economy within 15 days of concluding the merger agreement or publishing the takeover bid.

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Foreign investor or its subsidiary shall notify the foreign direct investment in the field of activities referred to in the Article 72 (3) of the Act, by which a foreign investor wishes to make an investment in tangible and intangible assets related to the establishment of a new business unit, expansion of existing business unit capacity, diversification of business unit production into new products, which were not previously produced in the business unit, or significant changes in the entire production process of the existing business unit in the Republic of Slovenia, no later than 15 days after the establishment of the company in the Republic of Slovenia. In this case, the application shall be submitted on a form prescribed by the minister responsible for the economy.

If a foreign investor or its subsidiary in the Republic of Slovenia acquires the right to dispose of the land and real estate that is essential for critical infrastructure or the land and real estate located in the vicinity of such infrastructure, it must notify the ministry no later than 15 days after the conclusion of the contract by which it acquired the right to dispose of land and real estate.

Foreign direct investment in the field of activities referred to in the Article 72 (3) of the Act shall be notified by submitting in the Slovene language the information defined in the Article 72 (4) of the Act: detailed information on the investor, target company or acquired company, annual turnover data, number of employees, ownership structures, value and source of financing, also a contract by which the foreign investor acquires ownership of the real estate must be submitted, etc.

The review shall have particular regard to the following:

- whether the foreign investor is directly or indirectly under the control of the government, including state authorities or the armed forces of a third country, including through an ownership structure or significant funding;
- whether the foreign investor has already been involved in activities that have affected security or public order in EU Member State;
- whether there is a serious risk that the foreign investor is engaging in illegal or criminal activities.

When does a foreign direct investment pose a threat (risk factors)?

The third paragraph of the Article 72 of the Act defines that a foreign direct investment poses a threat to the security and public order of the Republic of Slovenia, especially in cases where it affects:

- critical infrastructure, including infrastructure in the fields of energy, transport, water, health, communications, media, data processing or storage, the aerospace sector, and defence, electoral or financial infrastructure and sensitive facilities, as well as land and real estate essential for the use of such infrastructure or land and real estate located in

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Review of foreign direct investments

the vicinity of such infrastructure;

- critical technologies and dual-use items as defined in point 1 of the Article 2 of the Council Regulation (EC) No. 428/2009 (including health, medical and pharmaceutical technologies);
- supply of critical resources, including energy or raw materials, food security, medical and protective equipment;
- access to sensitive information, including personal data;
- freedom and pluralism of the media;
- projects or programs in the interest of the European Union, as defined in Annex I to the Regulation (EU) No. 2019/452.

What can be the decision of the competent authority on the review? What are the deadlines for this decision?

The special commission prepares an opinion on whether a foreign direct investment is approved, determines the conditions for its implementation, prohibits or revokes it if it endangers the security or public order of the Republic of Slovenia.

The commission submits its opinion to the minister.

Based on the opinion of the commission, the ministry issues a decision on whether the foreign direct investment in the field of activities referred to in the Article 72 (3) of the Act is approved/determines the conditions for its implementation/prohibits or revokes it.

If the ministry prohibits or revokes the foreign direct investment in the review, this decision results in the nullity of the merger agreement or the agreement by which the foreign investor acquired the right to dispose of the land and real estate, or the decision on entry in the court register, or the takeover bid.

The ministry shall issue a decision no later than 2 months from the notification of the foreign direct investment.

What does the Act provide for legal protection?

The Government of the Republic of Slovenia decides on the appeal against the decision of the ministry.

Until when is the review measure valid?

The measure is valid until 30 June 2021.

Payment to healthcare providers due to absence of activities

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Payment to healthcare providers due to absence of activities

Who is eligible for this measure?

Health care providers, social welfare institutions, educational institutions and advisory centres that, in accordance with the law governing health care, perform health care activities in the public health service network and have been prevented from performing contractual obligations with the Health Insurance Institute of Slovenia on the basis of a regulation governing temporary measures in the field of health activities to contain and control the COVID-19 epidemic.

What is the content of the measure?

The budget of the Republic of Slovenia reimburses the above stated beneficiaries in the amount of 80 % of the difference between the full value of the monthly agreed contractual program for 2019 (excluding separately chargeable materials and services) and the realized value of the program in 2020, which the providers communicated to the Health Insurance Institute of Slovenia. A health care provider in the public health service network may request a refund for the period from the entry into force of the regulation governing temporary measures in the field of health care to contain and control the COVID-19 epidemic until the end of the COVID-19 epidemic. The healthcare provider shall only assert claims in accordance with the Article 76(1) of the Act. Social welfare institutions, educational institutions and advisory centres shall assert claims only if they do not assert them under the costs of current operation on the basis of the Article 94(2) ZIUZEOP.

Who determines the method of calculation, procedure, and deadlines for claiming reimbursement from the budget of the Republic of Slovenia?

The method of calculation, which takes into account as a basis for payment the realized program in the same time period in 2019, the procedure and deadlines for claiming reimbursement from the budget of the Republic of Slovenia, shall be determined by the health minister.

Can a beneficiary claiming funds from this measure also pursue claims under the measures applicable to the activity of the economy?

No if the beneficiary exercises the rights arising from wages and wage compensations in accordance with the ZIUZEOP.

Other measures

How does the Act regulate the so-called tourist vouchers ("vouchers to improve the economic situation in the field of domestic tourism consumption")?

The beneficiary of the voucher in the amount of 200 EUR is an adult or a person who will reach

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the age of eighteen in 2020 and had a permanent residence in the Republic of Slovenia on 13 March 2020. Other persons who do not meet the age requirement but meet the condition regarding the permanent residence are entitled to a voucher in the amount of 50 EUR. The voucher, which is issued to a minor beneficiary, can be redeemed by the parents or legal representative or another competent person. The voucher, which is issued to an adult beneficiary placed under guardianship, can be redeemed by the guardian. The voucher is transferable between beneficiary's relatives in the direct line up to the second generation (grandparents, parents, children, children of the spouse or partner, grandchildren), spouses, partners and between children and their legal representatives if they are not their parents.

The voucher can be redeemed at the providers, who are registered in the Republic of Slovenia, entered in the register of accommodation establishments maintained by AJPES, and who perform activities according to the Standard Classification of Activities of the Decree on Standard Classification of Activities (Official Gazette of the RS, No. 69/07 and 17/08) under the Annex I: Standard Classification of Activities - SKD 2008 and Annex II: Explanatory Notes to the Standard Classification of Activities - SKD 2008: 55.201, 55.202, 55.203, 55.204, 55.209, 55.300.

The voucher is issued to the beneficiary and can be redeemed until 31 December 2020, for accommodation or for accommodation with breakfast. In case of payment for the service with a voucher, the service providers may not charge the beneficiary a higher price for the same type of service than in the case of payment by other means of payment. The voucher is recorded as a credit to the beneficiary in the information system of the FURS (Financial Administration). If the beneficiary does not redeem the voucher by 31 December 2020, he or she cannot request the payment of the voucher in cash from the Republic of Slovenia.

Notwithstanding the law governing personal income tax, no personal income tax is paid on the voucher. Also, the voucher is not considered for determining the material situation according to the ZUPJS.

What are the measures in the field of agriculture, forestry and food?

Regarding seasonal work, the Act stipulates that in 2020 a foreigner may perform seasonal work a maximum of 150 days on the basis of a permit for seasonal work. For seasonal work longer than 150 days, a worker must obtain a single permit for seasonal work.

The Article 45 of the Act also stipulates a special, simplified arrangement for the installation of greenhouses (the measure is valid until the end of 2020).

Irrespective of the prices of leases of agricultural land set for 2020 by the Farmland and Forest Fund of the Republic of Slovenia, these prices are reduced by 20 %.

Irrespective of the price list for the preparation of consents, contracts and calculation of compensation for 2020, the Farmland and Forest Fund of the Republic of Slovenia does not

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charge compensation for building rights in 2020 for the land managed by Farmland and Forest Fund of the Republic of Slovenia.

The Act also regulates some special measures (in order to simplify and speed up procedures) regarding the assessment and settlement of personal income tax on an annual basis; irrigation and erection of facilities for agricultural production; exploitation of geothermal energy in greenhouses; free lease of overgrown land owned by the Republic of Slovenia; live broadcasts of captured game.

What are the measures in the field of scholarships, student meals, higher education and sports?

The Act also regulates the following areas: enforcement of outstanding achievements; promotion to a higher year and completion of the educational program; co-financing of staff scholarships; deferred refund and instalment refund of a scholarship; exemption from personal income tax for gifts to pupils and students; subsidizing student meals; enrolment in higher education institutions (filing applications); vouchers for sporting events.

With regard to the co-financing of staff scholarships under the Act (Article 59) the employer is not obliged to return the amount of co-financing of the staff scholarship received for the scholarship holder to whom the employer terminated the employment contract, whereby the employment relationship lasted less than 1 year, if the employer terminated the employment contract due to exceptional circumstances related to the COVID-19 epidemic. Within 1 year after the termination of the employment contract, the employer must offer the scholarship holder an employment contract for a suitable job, the duration of which together with the duration of the terminated employment contract shall be 1 year. The employer must demonstrate that the scholarship holder is already employed with another employer by providing a statement from the scholarship holder that he or she does not accept the employment offer. An employer who breaches this obligation must reimburse the full amount of co-financing received for the staff scholarship for that scholarship holder.

With regard to the vouchers for sporting events under the Act (Article 65), all obligations of the event organizer are considered fulfilled if the ticket holder is issued a voucher in the amount of the ticket payment if a sporting event is not held due to the epidemic. The voucher can be redeemed within 24 months. If the ticket holder does not redeem the issued voucher within 24 months of issuance, he or she may, within 14 days of the expiration of this period, request the organizer of the sporting event to return the amount to him within 14 days of receiving the request. The organizer of the sporting event is liable for the issued voucher with all its assets.

Who is entitled to the risk and special burden allowance and to what extent?

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A member of the Civil Protection or a citizen called up to carry out tasks of protection, rescue and assistance to contain the COVID-19 epidemic is entitled to the allowance in the amount of 30 EUR per day.

Notwithstanding the preceding paragraph, a called-up member of the Civil Protection or a citizen who voluntarily participates in protection, rescue and assistance tasks shall be entitled to the allowance he or she received or would receive from his or her employer upon wage payment, for the time of call-up. In such case, the employer is granted a refund of the paid wage compensation (including the allowance) for the called-up individual.

Volunteers are entitled to a risk and special burden allowance for each intervention performed on the notification of the Information Centre of the Republic of Slovenia in the following amount: (i) 10 EUR for an intervention up to 4 hours, (ii) 20 EUR for an intervention of 4 to 8 hours, and (iii) 30 EUR for an intervention longer than 8 hours. The total amount received cannot exceed 30 EUR per day.

Funds for the allowance are provided from the budget of the Republic of Slovenia.

What is the duration of the status of a repatriated person for persons of Slovenian descent from the Bolivarian Republic of Venezuela?

Notwithstanding the fifth paragraph of the Article 76 ZORSSZNM, the duration of the status of repatriated person for persons of Slovenian descent from the Bolivarian Republic of Venezuela who arrived in the Republic of Slovenia between 13 November 2019 and 12 March 2020 is extended by three months.

What does the measure of exemption from paying for kindergartens determine?

Parents whose children are not attending kindergarten from 18 May 2020 to 30 June 2020 are exempt from paying for kindergarten for the time when their child does not attend kindergarten.

The amount of the reduced payment of parents for the kindergarten, which is determined in accordance with the decision of the competent centre for social work, is covered by the budget of the Republic of Slovenia.

Private kindergartens which are financed in accordance with Article 34 ZVrt are entitled to the coverage of the reduced payment of parents for the kindergarten from the state budget in the amount of the payment they would receive if the child would be included in the same type of kindergarten program in the area of the municipality in which the private kindergarten or its unit is established.

Funds in the amount of parental exemption of payment for public kindergartens are provided by the municipality that has established the kindergarten or the concession provider for all children

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enrolled in such kindergarten, regardless of the municipality of permanent residence of such children. These funds are reimbursed to municipalities from the budget of the Republic of Slovenia. Private kindergartens, which are financed in accordance with Article 34 of the ZVrt, shall claim the amount of parental exemption of payment directly from the budget of the Republic of Slovenia.

Transitional provisions

Do any provisions of other regulations cease to apply with the entry into force of the Act?

With the entry into force of the Act, certain articles of the ZIUZEOP and ZIUZEOP cease to be valid.

Does the Act change any existing regulation in the transitional provisions?

Yes. Notwithstanding the Article 34 ZIUZEOP, the proportionality of the part of the exceptional assistance in a form of basic monthly income does not apply to beneficiaries who are included in the insurance on the basis of the second paragraph of the Article 19 ZPIZ-2, unless they are not included in the insurance for an individual month on the basis of the Articles 15, 16, 17 ZPIZ-2 or the fifth paragraph of the Article 25 ZPIZ-2 or the sixth paragraph of the Article 19 ZPIZ-2 for the entire month. Notwithstanding the Article 94 ZIUZEOP, the public kindergartens and private kindergartens with a concession from the municipal budget are provided with funds in the amount of the loss of parents' payments for kindergartens in the period from 13 March 2020 to 31 May 2020. These funds are reimbursed to municipalities, based on their request, from the budget of the Republic of Slovenia. Under certain conditions, student dormitories that provide services to a limited extent from 1 June 2020 and do not charge users for these services will be covered operating costs from the budget of the Republic of Slovenia until the end of 2020.

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Our law firm is actively following the latest COVID-19 developments. As always, you can contact us via e-mail info@kbp.si or telephone +386 (0)1 2445500, or you can directly contact the lawyer you are generally in contact with.

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Ljubljana, 2 June 2020

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