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MANDATE LETTER SLOVAKIA

SETTING FOUNDATIONS

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Amendments related to the impact of Covid-19

Employer, state support and the Register of Public Sector Partners

Provision of Sec 72aq of the Act No. 5/2004 Coll. on Employment Services

On January 19, 2021, the amendment of the Act on Employment Services took effect passing the change/delay of the duty of state support recipients to be registered in the Register of Public Sector Partners (hereinafter referred to as "RPSP").

The employer receiving state support under the project "First aid", i.e. a project for the support of maintaining employment in the time of a declared extraordinary situation, state of emergency or extraordinary state and in connection with the elimination of the effects thereof or another state support deemed a project for the maintaining of jobs, receives funds from public sources. In terms of the valid legislative, such an employer should be registered in the Register of Public Sector Partners.

In order to simplify the drawing of state support for employers, the legislator has stipulated that the duty to register in the RPSP is deemed fulfilled for the period from January 01, 2021, till December 31, 2021, irrespective of the fact whether such an employer is registered in the RPSP or not.

With respect to the current situation, the amendment of the Act was passed that extends the period for registration in the RPSP till December 31, 2021. That means that recipients of this state support that are not registered in the RPSP as of yet have the time to perform this registration till December 31, 2021.

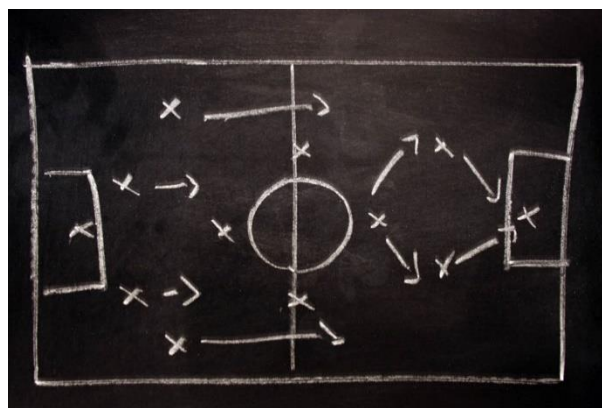
Voting in commercial companies

Provision of Sec 5 of the Act No. 62/2020 Coll.

Due to a restriction of assemblies and free movement of persons during the period of the Covid-19 pandemics, the possibility to use postal voting or to enable the participation of members of the collective body in voting by means of electronic devices also in cases where such a possibility does not result from internal regulations or Articles of Association was adopted and amended adequately.

In case the conditions of the decision making of the senior body of a legal entity do not result from law or internal regulations of the legal

entity, it rests with the statutory body to determine them with due diligence. The conditions of the decision making of another body of a legal entity rest with this body. The members of these bodies must be informed of the above stated conditions sufficiently in advance prior to adopting a decision.



Resting of periods till February 28, 2021

Provision of Sec 8 and 9 of the Act No. 62/2020 Coll.

On January 14, 2021, the National Council of the Slovak Republic passed a provision of law that temporarily extends periods of limitations and foreclosure periods. Periods under private law the expiry of which would lead to the limitation or extinction of a right cease to pass in the period from the day on which this Act came into effect till February 28, 2021. At the same time, a fiction was stipulated stating that in case a period has passed between December 31, 2020, and January 19, 2021, its passage shall be extended by 30 days as of the day on which the Act came into effect, i. e. as of January 19, 2021.

The resting of periods applies also to periods stipulated by law or a court of law for the execution of a legal act in a legal proceeding. In criminal proceedings, this applies only to the period for lodging a legal remedy for the person accused, his/her defender, the person aggrieved and the person participating.

Should the resting of a period lead to an endangerment of life or health or should it cause significant damage, the court can decide that the resting of periods shall not be applied to the given period and at the same time stipulate a new and adequate period. No legal remedy is admissible against the decision.

Temporary ban on performing auctions till
February 28, 2021

Provision of Sec 10 of the Act No. 62/2020 Coll.

The auctioneer, the court bailiff and the administrator are obliged to cease to perform auctions, authorize an auctioneer with the sale of assets, organise a call for tenders or another competitive proceeding aimed at the sale of assets in the period till February 28, 2021. Any method of disposal of assets of the debtor performed in the period from the day on which this Act came into effect, i.e. from January 19, 2021, till February 28, 2021, is invalid. The court bailiff is obliged to cease

to perform any debt enforcement by means of the sale of real estate till this date.

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→ Business

Changes in the Labour Code – Meal vouchers vs. financial contribution for boarding

In terms of the Labour Code, the employer is obliged to provide boarding corresponding to the principles of correct diet to employees in all shifts directly at the working places or nearby.

The employer ensures boarding mainly by providing the employees with one warm main meal including an adequate beverage during a work shift in its own catering establishment or the catering establishment of another employer.



In case the employer is not able to provide for the boarding of its employees in its own catering establishment, the employer can provide for the boarding of its employees by means of a legal or natural entity authorized to facilitate boarding services, in case this entity facilitates them at a legal or natural entity authorized to provide boarding services.

Every employee that has been performing work longer than four hours during a work shift is entitled for boarding. In case a work shift lasts longer than 11 hours, the employer can provide for another warm main meal.

In case of providing for the boarding of employees by means of a legal or natural entity authorized to provide boarding services, the meal price means the value of the meal voucher.

In terms of the legislative valid until now, the employer can also grant a financial contribution for boarding to employees, however, only in precisely defined cases, e.g. to employees performing work in a work place under conditions that exclude the duty of the employer to provide the employees with boarding (in form of a warm main meal or meal voucher), or to employees for whom the employer cannot provide boarding at all

irrespective of their work performance and work place – not in its own catering establishment / in the catering establishment of another employer and also not in form of meal vouchers, but also to employees that are due to a medical certificate from a specialized physician not able to use any of the forms of boarding of employees provided for by the employer.

The current amendment of the Labour Code expands the possibility to grant a financial contribution for boarding instead of meal vouchers to all employees.

Changes in the Act effective as of March 1, 2021

As of March 1, 2021, it will be possible to grant the financial contribution for boarding to all employees, **with the exception of those employees, for whom the employer ensures boarding in its own catering establishment or the catering establishment of another employer.**

As of March, the employer is obliged to enable its employees to choose between meal vouchers or the granting of a financial contribution for boarding.

The selection of the employee is obligatory during 12 months as of the day to which the selection is bound. The employee cannot change his/her decision during this period.

Unless the employee makes a choice, the employer provides for the boarding of the employee on basis of its own decision.

The amended provision of the Act states that the employer can stipulate the details of the selection and the execution of the duty of the employer to provide for boarding or to grant a financial contribution for boarding on basis of the selection in an internal regulation. The stated means that the employer can stipulate all rules regarding not only the selection of employees between these possibilities but also the execution itself (i.e. the method of handing out meal vouchers and pay-out of the financial contribution) in an internal regulation.

However, it must be remembered that the financial contribution must be paid out in advance in real time in order for the employee to be able to provide for his/her boarding. The employer must also avoid the situation in which employees receiving the financial contribution

would be at an advantage or disadvantage compared to employees receiving meal vouchers (e.g. due to a later transfer of the contribution to the account of the employee than on the day of handing out meal vouchers etc.). It will be therefore necessary to set such a mechanism in the internal regulation that will ensure that both methods are unified with respect to time and that the only change for the employee will be in the form of the boarding allowance he/she receives from the employer.

The amount of the granted contribution remains unchanged. In case the employer does not ensure boarding in form of a warm main meal, the financial contribution for boarding will amount to at least 55 % of the lowest possible value of the meal voucher, i. e. 2.11 EUR, but not more than 55 % of the boarding allowance granted during business trips lasting 5 to 12 hours in terms of the Act on Travel Expense Reimbursement (5.10 EUR), i. e. 2.81 EUR.

This is not a limit for the purposes of taxation of the employee, as the financial contribution for boarding will be also tax-exempt. It

is only the maximum amount for the purposes of acknowledging the tax-deductible expense of the employer from the amount of the financial contribution for boarding.

Except for the above stated contribution, the employer can also grant a contribution from the social fund to the employee.

The novelty is, that the electronic form of the meal voucher will be obligatory **as of January 1, 2023.**

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