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Slovakia

[Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting](#)

Notice of the Ministry of Foreign and European Affairs of the Slovak Republic on the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting was published in the Collection of Laws.

The Notice of the Ministry of Foreign and European Affairs of the Slovak Republic on the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting was published in the Collection of Laws. The Convention will take effect for the Slovak Republic on 1 January 2019. The Convention amends certain bilateral double taxation avoidance treaties to which the Slovak Republic is a party in accordance with the reservations and notifications raised at ratification. The impact on individual double taxation avoidance treaties in accordance with the reservations and notifications of the parties will be published by separate notices of the Ministry of Foreign Affairs.

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Amendment to the Social Insurance Act Implementing Annual Reconciliation of Social Security Premiums. The Amendment also Amends the Income Tax Act.

The proposed amendment to the Social Insurance Act was adopted and will be effective from 1 January 2019.

The National Council of the SR adopted an amendment to Act No. 461/2003 Coll. on Social Insurance, as amended, introducing, inter alia, a contribution allowance for an employee who carries out work under a work performance agreement (dohoda o vykonaní práce), or an agreement for general services (dohoda o pracovnej činnosti) and an annual reconciliation of social insurance premiums and other changes stated below.

Social insurance contribution allowance

With regard to the introduction of a social insurance contribution allowance for an income of up to EUR 200 per month for pensioners working under an agreement, legislation was adopted effective from 1 July 2018 incorporating into Act No. 461/2003 Coll. on Social Insurance, as amended, the necessary principles for the application of a deductible item on contributions (DIC) of EUR 200.

The DIC will apply to both the employee and the employer – which means that a person working under an agreement with the DIC with income of up to EUR 200 per month and the person's employer will pay no pension insurance premiums (old-age pension insurance and disability insurance) and the employer will also pay no premiums to the solidarity reserve fund. However, a person working under an agreement with the DIC will be covered by pension insurance throughout the term of the agreement, ie from the agreement commencement to the termination date.

Annual reconciliation

The amendment also introduces a legal regulation of the annual reconciliation in social insurance. It lays down the basic principles of annual reconciliation, procedures in annual reconciliation and for identifying the result of annual reconciliation.

The Social Insurance Agency will carry out the annual reconciliation. The result of the annual reconciliation is obtained by comparing the assessment bases recognised for the payment of premiums by advance payments with those identified during the annual reconciliation from the data available to

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the Social Insurance Agency at the annual reconciliation date, taking into account the maximum annual assessment base.

The annual reconciliation should reflect the duration of insurance and the periods in which the obligation to pay premiums is excluded when setting the maximum annual assessment base. The purpose is to reduce the maximum annual assessment base for the annual reconciliation to correspond to the period in which the premium was payable (relative maximum annual assessment base), as premium advance payments under each insurance relationship are proposed to be paid up to the maximum annual assessment base in the reconciliation period, regardless of the insurance period. The maximum annual assessment base will be proportionately decreased if the insurance did not last for the whole calendar year and also for self-employed persons when their obligation to pay premiums was excluded.

The first annual reconciliation by the Social Insurance Agency will be performed in 2022 for 2021.

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