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News Flash

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**Minimum wage in Slovakia will
increase from January 1, 2023**

Minimum wage will increase to EUR 700 from January 1, 2023

The Ministry of Labour, family and social affairs of the Slovak Republic set a higher minimum wage for 2023. There was a monthly increase of EUR 54 for individual levels of work intensity compared to last year. An increase in the minimum wage also means an increase in bonuses and on-call time.

From January 1, 2023, the monthly minimum wage will increase from the current **EUR 646 to EUR 700**. The basic minimum hourly wage increases from EUR 3.713 to **EUR 4.023 per hour for a working period of 40 hours per week**.

Example calculation of the minimum wage when working with the *1st degree of work intensity*:

	2022	2023	Difference 2022 vs. 2023
The amount of the minimum wage	646	700	54 EUR
Social security contributions (employee)	60.72	65.80	5.08 EUR
Health insurance contributions (employee)	25.84	28	2.16 EUR
Social security contributions (employer)	162.79	176.4	13.61 EUR
Health insurance contributions (employer)	64.60	70	5.40 EUR
Tax (when applying the non-taxable amount of the tax base)	33.79	37.23	3.44 EUR
Labour cost	873.39	946.4	73.01 EUR
Net wage	525.65	568.97	43.32 EUR

The increase in the minimum wage entitlement for individual levels of work intensity increases by EUR 54. Keep in mind that when setting the remuneration, it is necessary to pay attention to the degree of work intensity for which position!

Degree of work intensity	Minimum wage claim 2022 in EUR	Minimum wage claim 2023 in EUR	Increase in 2023 compared to 2022 in EUR	Minimum hourly wage in 2023 in EUR 40h / week	Minimum hourly wage in 2023 in EUR 38,75h / week	Minimum hourly wage in 2023 in EUR 37,5h / week
1	646	700	54	4.023	4.153	4.291
2	762	816	54	4.690	4.841	5.003
3	878	932	54	5.356	5.520	5.713
4	994	1048	54	6.023	6.217	6.435
5	1110	1164	54	6.690	6.906	7.136
6	1226	1280	54	7.046	7.593	7.846

Increase of surcharges

Since 2021, surcharges have not been linked to a minimum wage, but are fixed. Their amount is decided by the government and the National Council of the Slovak republic, and for 2023 they remain at the same level as in 2022.

Overview of surcharges:

Type of surcharge	2021	2022	2023
Night shifts	EUR 1.43	EUR 1.43	EUR 1.43
Saturday work	EUR 1.79	EUR 1.79	EUR 1.79
Sunday work	EUR 3.58	EUR 3.58	EUR 3.58
On-call duty (outside the workplace)	EUR 0.72	EUR 0.72	EUR 0.72

* The Labour Code provides for exceptions for lower surcharges

The holiday surcharge for employees is based on the average hourly earnings in the relevant period and is at least equal to the minimum hourly wage, EUR **4.023**. Also, overtime pay is based on average hourly earnings.

In the case of a person working on a contract, the holiday pay is set at a minimum of EUR 3.58 per hour of work.

The non-taxable amount increases from January 1, 2023

The non-taxable amount of the taxpayer increases to **EUR 410.24** per month (EUR 4,992.82 per year). In order to claim the non-taxable amount on a monthly basis, it is necessary for the employee to sign a Declaration for the application of the non-taxable amount (hereinafter referred to as the "Declaration"). If the Declaration has already been signed, the non-taxable amount also applies automatically in 2023 and it is not necessary to sign the Declaration again.

If the employee's total taxable income does not exceed EUR 2,461.41, the tax will not be levied and therefore will not be paid.

The maximum assessment basis increases from January 1, 2023

The maximum assessment base for social insurance increases from January 1, 2023 to the amount of **EUR 8,477**. It does not apply to accident and health insurance, which do not have a maximum assessment base.

Change of the amount of the tax bonus for a child

- **EUR 50** – child under 15 years of age
- **EUR 100** – dependent child above 15 years of age

The amount will not be always granted automatically to every employee's child. The amount of the claim depends on the provided percentage of the income tax base according to the Section 5 of the Income Tax Act. **The more children the employee has, the more the percentage limit increases (20% - 55%).**

Maximum amount of tax bonus in % from partial tax base						
Number of children	1	2	3	4	5	6 and more
A child under 15: 100 EUR	20%	27%	34%	41%	48%	55%
A child above 15: 50 EUR						

An example of tax bonus calculation

For an employee with a minimum wage of **EUR 700** and **3 children under 15** years of age, we will calculate the maximum tax bonus by calculating the tax base $(700 - 93.8) = 606.2$.

We will calculate the amount of the maximum tax bonus, i.e., $606.20 * 34\%$ (percentage for the number of children) = 206.11 EUR from the tax base.

Even though according to the age and number of children, the employee would be entitled to $3 * \text{EUR } 100 = \text{EUR } 300$, the tax bonus will be a maximum of **EUR 206.11**.

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