

Job retention schemes in Europe

Slovenia

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Note on ETUI classification of job retention schemes (JRSs): All job retention schemes (JRS) share the objective of preserving the ties between companies and their employees in times of temporary economic difficulties. They support incomes of workers who keep their employment contract even if the work is fully suspended. Depending on the primary objective and the nature of support, three different categories of JRS can be distinguished:

(1) Short-time Work Scheme (STW): The key objective of STW schemes is to provide support to companies to retain their employees in times of economic difficulties. The company receives financial support for the employees' wages paid for the time not worked. The extent of working time reduction can vary, including also a full work suspension.

(2) Furlough Scheme (FS): FSs can be best understood as temporary unemployment. The financial support is thus paid directly to the worker for the period of partial or full working time suspension. The aim of a FS is to enable companies to reduce their wage bill by temporarily laying off (parts of) their workforce. While retaining the ties with the employer, workers on the FS scheme are available to seek alternative employment. Integrated into the existing system of unemployment insurance, FSs can be seen as a tool to facilitate the transition towards a new job.

(3) Wage Subsidy (WS): The main objective of WS is to preserve employment through subsidizing companies' wage bills. For this purpose, a company in temporary financial difficulty receives financial support per employee, regardless of whether or not working time of specific employees is reduced. The employees keep receiving their wages. Permissible wage adjustments are not directly related to working time reductions.

Key characteristics of the job retention scheme

ETUI classification of the job retention scheme (JRS)	Short-time work scheme (STW)
Name of the scheme	'Waiting for work at home' scheme (<i>začasno čakanje na delo doma</i>) and 'partial subsidising of shorter full-time work' scheme (<i>delno subvencioniranje polnega delovnega časa</i>) as part of the Covid-19 packages of measures to tackle the Covid-19 epidemic and mitigate its effects for citizens and the economy (PKP).
Start date of the implementation of the special Covid-19 JRS rules	Since the end of March 2020 various Covid-19-related laws have been adopted setting out measures to support companies and employees, including through STW (seven packages or PKP by December 2020; the eighth was adopted in February 2021). Among other things, in 2020 Slovenia introduced two measures to preserve jobs: reimbursement of wages for employees waiting for work and partial subsidies for shorter full-time work. The first measure entered into force in mid-March 2020 and the second in early June 2020. The fifth such law was adopted on 15 October 2020 and extended the STW crisis scheme ('waiting for work at home') for another two and a half months until 31 December 2020 for all sectors suffering lost revenues of at least 20% compared with 2019. The sixth Covid-19 law extended the scheme for another month until 31 January 2021. Among other things, the eighth Covid-19-related law envisages the extension of the scheme from 1 February to 30 April 2021, with the possibility of extending the measure by a government decision twice more, for another month. The second scheme 'partial subsidising of shorter full-time work' was prolonged for the first time in December 2020 to remain valid for another six months until 30 June 2021.

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Eligibility	<p>Rules of eligibility have been changed over time. In order to be eligible for wage support or subsidies, employers are subject to the following conditions:</p> <ol style="list-style-type: none"> 1) they must pay their employees wage compensation; 2) they are prohibited from profit sharing, management rewards and business performance payments in 2020; 3) revenues in 2020 will, according to their estimate, decrease by more than 20% because of the pandemic or its consequences; exempt from this rule are organisations with a humanitarian or a disability-related status; 4) all compulsory levies and other monetary non-tax liabilities collected by the tax authority must have been paid when filing the application; 5) there must be no ongoing bankruptcy proceedings against the employer; 6) consultation with trade unions or works councils (or workers directly) about the number of employees on STW, their working hours and duration of the measure; 7) they must have been registered in the Slovenian Business Register before 13 March 2020; 8) they must not be direct or indirect users of public budgets or engaged in a financial or insurance activity belonging to NACE category K with more than 10 employees, or foreign diplomatic missions and consulates, international organisations, missions of international organisations and institutions, bodies and agencies of the European Union in the Republic of Slovenia; 9) they must notify the Employment Service of Slovenia about STW; 10) during STW employers are prohibited from requiring workers to work overtime or unevenly distribute working time if this work could have been performed by the employees on STW; 11) the employer may not dismiss employees receiving wage compensation and may not initiate termination procedures for business reasons with employees ordered to work part-time, during the period of receiving the subsidy and for one month after this period; 12) employers are entitled to the subsidy for shorter full-time work if they have employees on full-time employment contracts, and according to their estimate cannot provide at least 90% of usual working hours per month to at least 10% of employees.
Exceptions (category of workers or companies excluded from support)	<p>Reimbursement of wage compensation – for workers waiting for work at home All employers are entitled to this, except:</p> <ul style="list-style-type: none"> – direct or indirect users of national budget or municipal budgets, the proportion of whose revenues from such funds was higher than 70% in 2019; – employers engaged in a financial or insurance activity belonging to NACE category K according to the standard classification of activities and having more than ten employees on 13 March 2020; – foreign diplomatic missions and consulates, international organisations, missions of international organisations and institutions, bodies and agencies of the European Union in the Republic of Slovenia. <p>Partial subsidisation of full-time work reduction All employers are entitled to this, except:</p> <ul style="list-style-type: none"> – direct or indirect users of national budget or municipal budgets, the proportion of whose revenues from such funds was higher than 50% in 2019.
Duration of support (maximum duration for which JRS support is paid)	<p>The sixth Covid-19 law, which came into force on 28 November, extended the scheme until 31 January 2021. Among other things, the eighth Covid-19 law, which will be adopted at the beginning of February, envisages the scheme's extension from 1 February to 30 April 2021, with the possibility of extending the measure by a government decision twice, for another month.</p> <p>The second scheme – the subsidising of shorter full-time work – which came into force on 1 June 2020, was first prolonged in December 2020, to be valid for another six months until 30 June 2021.</p>

Level of support for employees (percentage of gross or net wage, please also specify whether social security contributions are covered)

Review of absences and amounts of compensation

Situation	Pay/compensation for employee	Payer
A healthy worker who, as agreed with the employer, stays at home as a precaution	100% pay	Employer
A healthy worker who is ordered to wait for work at home by their employer for business reasons	Compensation of 80% of average gross pay for the past three months and not less than the minimum wage of €940.58	The state reimburses 80% or 100% of the pay compensation (gross)*
A healthy worker who is ordered to work from home (or do other work) by their employer due to exceptional circumstances	100% pay	Employer
A healthy quarantined worker working from home	100% pay	Employer
A healthy quarantined worker who cannot do their job at home	Compensation of 80% of gross pay for the past three months and not less than the minimum wage**	The state reimburses the pay compensation
A healthy quarantined worker, who was in contact with an infected person at work, and is unable to work at home	100% pay compensation	The state reimburses the pay compensation
Sick and infected worker (infection confirmed)	90% sickness benefit for the first 90 days, then 100%	From the first day, paid by ZZZS (Health Insurance Institute of Slovenia)
Worker remaining at home for childcare (force majeure due to childcare obligations)	Compensation of 80% of average gross pay for the past three months and not less than the minimum wage**	The state reimburses the pay compensation

* The amount of partial reimbursement of pay compensation by the state, paid for November 2020 (until the expiry of the entitlement), is limited to the average monthly gross wage in Slovenia for 2019 (€1,753.84, SORS) and may not exceed 80% of the pay compensation that has been paid out. The state reimburses 100% to employers that do not receive more than €800,000 from state aid under a Covid-19 scheme.

** For absences from work from 1 December 2020, enforced with # PKP7.

Cap on support (maximum amount of JRS support payable)

In the context of the 'Waiting for work at home' scheme the wage support for employees is at least the minimum wage of €940,58.

Regulation of the maximum amount (cap) of wage compensation which the state reimburses to companies has changed several times in line with the various PKP (see below). In principle, the state reimburses 100% of the wage compensation up to a cap of €800,000 of overall state aid per undertaking. Alternatively, the state covers 80% of the wage compensation per employee up to a maximum amount of the average wage of Slovenia at a specified date, which for the period covered in this report was October 2020 (€1,821,44).

Waiting for work at home

PKP from April

The state reimbursed wage compensation in the full amount paid, not exceeding the average wage for 2019 in the Republic of Slovenia (€1753.84), minus employees' social security contributions. Employers were also exempted from paying social security contributions for these workers (waiting for work or at home due to force majeure).

PKPs from June to November 2020

The state covered 80% of wage compensation up to a maximum of the unemployment benefit (€892.50).

The state covered 80% of wage compensation and all employees' social security contributions (gross 1) (gross 2 on the other hand includes employers' social security contributions as well); this means that the employer had to cover the remaining amount of the employee's wage compensation of up to 20% plus contributions.

PKP from December 2020 until 31 January 2021

The amount of the state's partial reimbursement of wage compensation was 80% and limited to the maximum amount of unemployment benefit (€892.50). The 80% also included all social security contributions (gross 1). The upper limit was set at the average national monthly wage.

The amount of wage compensation covered by the state, however, was 100% for companies that did not exceed the cap of €800,000 in state aid per undertaking (in line with the Temporary Framework for State Aid Measures in support of those suffering from the Covid-19 outbreak).

PKP from February until the end of April 2021

State aid has been increased to €1.8 million for individual companies. The compensation is still 80%, or 100%; limited by the average wage in October 2020 (€1,821.44).

In the case of **force majeure** (childcare obligations because schools are closed) the wage compensation paid to employees who cannot perform their work is reimbursed to employers in full.

Partial subsidisation of full-time work reduction

The retention subsidy is:

- €448 per worker per month, while performing part-time work ranging from 20 to 24 hours per week;
- €336 per worker per month while performing part-time work ranging from 25 to 29 hours per week;
- €224 per worker per month while performing part-time work ranging from 30 to 34 hours per week inclusive;
- €112 per worker per month while performing part-time work for 35 hours per week. The subsidy is reduced proportionally for the time of absence from work.

What share of the support is covered by the state and by the employer?

The law stipulates that 100% of the wage compensation be reimbursed to all companies that have not yet and will not exceed €800,000 in state aid; all others are entitled to 80% reimbursement by the state. The employer submits an amount for reimbursement.

Dismissal protection

SWT measures (waiting for work and part-time work) aimed at maintaining employment. As a result, restrictions on workers' dismissal have intensified with the adoption of new intervention laws. There are also restrictions on part-time work.

Waiting for work

The law lays down that employers may not dismiss employees when receiving wage compensation. The fourth Intervention Act further stipulated that when receiving wage compensation for workers temporarily waiting for work, employers may not dismiss those workers. The employer, furthermore, is not allowed to terminate the employment contract of a large number of workers for business reasons, unless the redundancy programme was adopted before 13 March 2020 and the employer has not claimed subsidies for these workers.

Violation of the prohibition of dismissal for business reasons is an offence for which a fine is payable.

Part-time work

During the period of receiving the subsidy and for one month afterwards, the employer may not initiate the dismissal for business reasons of employees who have been ordered to work part-time. If the subsidy is not claimed, the employer may terminate an employment contract for business reasons unless it concerns a large number of employees. In the latter case, redundancy schemes had to have been adopted before 13 March 2020, and the employer must not have claimed a subsidy for these workers under the PKP laws.

In the event of a breach of the dismissal prohibition for business reasons, the funds received must be repaid in full with statutory interest. Employers must return all funds received for workers ordered to work part-time. Such infringements are an offence for which a fine is prescribed.

Role of collective bargaining in the adoption and implementation of JRS support

The adoption and implementation of STW support have not been included in collective bargaining and collective agreements. Collective bargaining has come to a complete standstill during the Covid-19 crisis. Some private-sector unions called for measures to protect workers and higher allowances for workers working in hazardous conditions (Covid allowance), obtaining a supplement of €200 for the private sector. In the public sector, this allowance is defined in a public sector collective agreement at 65% of a worker's basic salary. The public sector has also negotiated an additional supplement for working in grey and red zones.

The law also lays down that before the employer sends workers home temporarily to wait for work, they must consult the trade unions, or, if there is no union at the company, the works council. If there is no trade union or works council, the employer must inform the workers in the usual way before a decision is taken.

Also, a consultation must be organised with trade unions before the employer decides to impose part-time working and a written opinion must be obtained from the trade union, concerning:

- the scope of part-time work;
- the number of employees to whom such work will be assigned; and
- the duration of the measure from its introduction to its termination.

If there is no trade union at the employer, consultation with the works council must be organised, and a written opinion of the works council must be obtained. If there is no trade union or works council, the employer must inform the workers in the usual way before the decision is taken. When the circumstances that were the basis for the part-time work order change (scope, number of employees, duration) a new consultation must be held.

Special conditions for support to avoid misuse of the system (for instance, ban on paying out dividends or bonuses; ban on share buybacks or operating from tax havens)

In April, the legislator introduced a *ban on profit sharing, management bonuses and business performance payments* if the employer claimed wage compensation for workers' temporarily waiting for work or due to force majeure or exemption from paying social security contributions. Later this *ban was extended to the payment of profits, share buybacks, the payment of bonuses to management or part of salaries for business performance* paid to management in 2020 or for 2020, in 2021.

When the employer claims partial subsidies for a reduction in full-time working and pays a dividend, buys back its own shares or pays bonuses to management in 2020 or for 2020 then all received Covid-19 funds will have to be repaid with the statutory interest. The same applies to the self-employed who have claimed a monthly basic income or exemption from the payment of social security contributions.

The Covid-19-related packages also lay down employers must return three times the funds received if the employer did not pay wage compensation, ordered overtime or did not inform the Employment Service about employees' recall to work. If liquidation proceedings are initiated, furthermore, the employer must reimburse all funds received.

Special provisions as regards training/ requalification/ reorientation of employees on JRS

On one hand, the intervention legislation allows employers to claim reimbursement of wage compensation for workers waiting for work temporarily, and subsidies for part-time work. On the other hand, it offers employees the opportunity to strengthen their knowledge and skills. They can participate in informal education and training or validate professional qualifications, free of charge for both employees and employers. The law provides that employees waiting for work from 1 October 2020, and employees ordered to work part-time can be included in the training schemes.

The new regulation lays down that all part-time employees can be included in the programmes. Those temporarily waiting for work, on the other hand, can join the programmes only if employers have been granted the right to reimbursement of wage compensation for them.

The available programmes include:

- informal education and training (digital literacy courses, computer literacy training, website designer courses, obtaining the ECDL, foreign language courses, fork-lift truck driver courses, security training, CNC operator courses, bookkeeping training, accountancy for small companies, business start-up workshop);
- verification and validation of NPK: employees may also take part in the certification of national professional qualifications (NPK) and basic qualifications (TK) in agreement with the employer. Participants who successfully go through verification and certification receive a publicly valid document (NPK certificate or TK certificate). Verification and validation of NPK are possible, for example for the following professions: security guard, real estate agent, social worker, CNC machine operator and fork-lift truck driver.

Quantitative data

How many workers were on JRS each month? (Please indicate whether these are applications for JRS or the actual numbers of workers on JRS)

Employers and employees included in the intervention measures that received payments

Month	Waiting for work		Quarantine, force majeure		Part-time work	
	Number of employees	Number of business entities	Number of employees	Number of business entities	Number of employees	Number of business entities
March 2020	114,501	23,648	21	26		
April 2020	176,551	28,135	471	155		
May 2020	149,948	25,395	256	97		
June 2020	49,573	7,526			19,322	3,325
July 2020	22,138	5,979	97	72	18,796	4,312
August 2020	18,613	5,322	356	228	16,477	4,327
September 2020	13,819	4,966	742	445	14,891	4,441
October 2020	32,914	9,911	2,088	1,187	16,023	5,115
November 2020	47,062	11,743	1,962	1,119	15,486	4,882
December 2020	28,112	7,296	244	190	30	5
Total	209,695	31,076	5,183	2,375	38,703	7,429

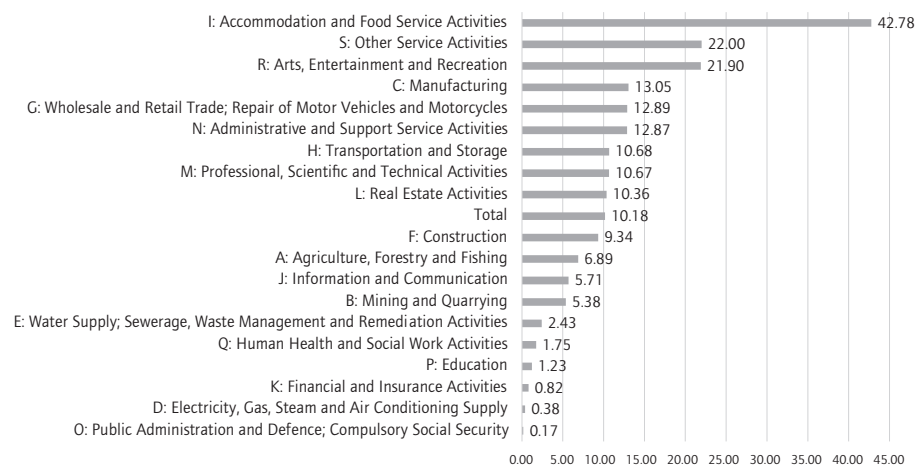
Individual persons and business entities are counted only once.

The data represent the payment of compensation under the intervention measures:

1. Waiting for work is covered by measure 1.2. Intervention measure on reimbursement of wage compensation (ZIUPPP, ZIUZEOP, ZIUZEOP-A), and 1.4 Intervention measure on partial reimbursement of wage compensation (ZIUOOPE, ZIUPDV, ZZUOOP, ZIUOPDVE).
2. Part-time work covers measure 1.5 Intervention measure on subsidising part-time work (ZIUOOPE, ZIUOPDVE).
3. Quarantine, force majeure covers measure 1.3 Intervention measure on quarantine (ZIUPDV, ZZUOOP, ZIUOPDVE).

Which sectors were most affected at the beginning of the pandemic in March/April and towards the end of the period studied in November/December? (as a percentage of overall number of workers on JRS)

Proportion of employees included in SWT in the sector (from March to November 2020)



Share of workers included in SWT in all employed in that sector in %

Is there any data on how much money the state spent on JRS and over time? (in absolute figures and as a percentage of GDP)

Intervention measures (in euro)

	1.2. Partial reimbursement of wage compensation	1.3. Quarantine	1.4. Reimbursement of wage compensation	1.5. Part-time work
March 2020	42,401,430.10	15,607.71		
April 2020	121,098,605.90	153,912.18		
May 2020	83,453,768.98	64,620.38		
June 2020			26,705,913.61	5,106,606.29
July 2020		50,672.81	12,923,985.08	5,433,063.86
August 2020		189,381.46	10,692,748.38	4,799,359.47
September 2020		328,725.94	8,670,394.69	5,064,396.55
October 2020		594,618.82	13,184,167.17	4,878,926.98
November 2020		996,755.49	38,475,670.93	5,248,330.94
December 2020		224,763.21	23,426,015.73	10,518.25
Total	246,953,804.98	2,619,058.00	134,078,895.59	30,541,202.34
Total all:	414,192,960.91			

The data represent the payment of compensation under the intervention measures:

1. Waiting for work is covered by measure 1.2 Intervention measure on reimbursement of wage compensation (ZIUPPP, ZIUZEOP, ZIUZEOP-A) and 1.4 Intervention measure on partial reimbursement of wage compensation (ZIUOOPE, ZIUPDV, ZZUOOP, ZIUOPDVE).
2. Part-time work covers measure 1.5 Intervention measure on subsidising part-time work (ZIUOOPE, ZIUOPDVE).
3. Quarantine, force majeure covers measure 1.3 Intervention measure on quarantine (ZIUPDV, ZZUOOP, ZIUOPDVE).

The intervention measures listed in the table amounted to about €414.2 million, or about 0.9% of forecast GDP in 2020 (IMAD, 2020: Autumn forecast, p. 36: https://www.umar.gov.si/fileadmin/user_upload/napovedi/jesen/2020/angleski/Autumn_forecast_2020.pdf).

The social security contributions paid by the state are not included in the data.

PKP5, PKP6 and PKP7 alone amount to around €1.97 billion in line with government information (<https://www.gov.si/teme/koronavirus-sars-cov-2/odpravljanje-posledic-epidemije/peti-paket-ukrepov-za-omilitev-posledic-epidemije-pkp5/>; <https://www.gov.si/teme/koronavirus-sars-cov-2/odpravljanje-posledic-epidemije/sesti-paket-ukrepov-za-omilitev-posledic-epidemije-pkp6/>; <https://www.gov.si/teme/koronavirus-sars-cov-2/odpravljanje-posledic-epidemije/sedmi-paket-ukrepov-za-omilitev-posledic-epidemije-pkp7/>).

Information on non-standard workers and JRS²

Do non-standard workers (NSW) have access to the regular JRS scheme or are there other support schemes, for instance for the self-employed?³

The state has adopted several measures to help the self-employed cope with the consequences of the Covid-19 pandemic. The first packages included:

- extended deadline for submission of tax returns and annual reports until 31.5.2020;
- exemption from the advance payment of personal income tax;
- deferred payment/payment of taxes in instalments for a maximum of 24 months;
- postponement of payment of social security contributions for the self-employed and later total exemption (also for farmers and religious workers; for April and May);
- extraordinary assistance in the form of basic monthly income for March, April and May (also for farmers and religious workers; €350 for March and €700 for April and May 2020, if in operation since 13 March 2020). For the period October–December 2020 the amount was increased to €1,100 (see below).

2. Non-standard workers include workers with a temporary work contract, platform workers, temporary agency workers, multiparty employment, disguised employment/dependent self-employment, freelance workers, etc.
3. The following questions refer to any existing schemes for non-standard workers.

As of October these measures were expanded:

- extraordinary assistance in the form of a basic monthly income (from October to December and in January 2021 further prolonged until the end of March 2021);
- entitlement to compensation during temporary incapacity for work;
- partially reimbursed lost income for the self-employed and partners for the duration of home quarantine (possibility to prolong for another 6 months);
- partially reimbursed lost income for the self-employed and partners for the period of inability to perform work due to force majeure – childcare obligations.

What are the eligibility criteria?

Extraordinary assistance in the form of monthly basic income (October–December 2020; prolonged to the end of March 2021)

Self-employed persons, farmers and partners or shareholders of a company or founders of a cooperative or institution who are managers are eligible if, because of the epidemic, they cannot perform activities or can perform them only to a significantly reduced extent, and if they have performed activities at least from 1 September 2020. The beneficiary may not have any outstanding tax liabilities and other non-tax liabilities on the day of application.

Another criterion is a fall in revenues by more than 20% in 2020 because of the pandemic. If these conditions aren't met, the beneficiary will have to repay all assistance received.

So-called 'afternoon self-employed' are not entitled to extraordinary assistance in the form of a basic monthly income.

Partially reimbursed lost income for the self-employed and partners for the duration of home quarantine (October–December 2020)

The measure applies to self-employed persons, farmers and partners or shareholders of a company or founders of a cooperative or institution who are managers who, due to their inability to perform work due to quarantine, cannot perform activities or organise the performance of activities at home.

The lost income is partially reimbursed if the beneficiary visits a country on the green or orange list, is quarantined because a country was put on the red list when they return, or have been quarantined because of contact with an infected person.

Partially reimbursed lost income for the self-employed and partners for the period of incapacity to work due to force majeure – taking care of children (October–December 2020)

The measure applies to self-employed persons, farmers and partners or shareholders of a company or founders of a cooperative or institution who are managers who cannot perform activities and organise activities at home, due to quarantine or childcare obligations, when their children are unable to attend school or kindergarten because they are closed due to Covid-19.

How is the financial support for non-standard workers calculated?

Extraordinary assistance in the form of monthly basic income (October–December 2020)

Extraordinary assistance in the form of a basic monthly income amounts to €1,100 per month (€700 compensation for loss of income and €400 for the payment of social security contributions); for farmers it amounts to €940 per month; and for the self-employed in cultural activities to €700 per month for October, November and December 2020.

If beneficiaries have applied for extraordinary assistance in the form of a basic monthly income and partially reimbursed lost income, the first is reduced by any partial reimbursement of lost income for an individual month.

If dividends are issued, there are share buybacks or bonuses are paid to management or part of salaries are paid for business performance, the funds will have to be returned, including statutory interest.

The basic monthly income is exempt from all taxes and contributions.

Partially reimbursed lost income for the self-employed and partners for the duration of home quarantine (October–December 2020)

The amount of partially reimbursed lost income is €250 when the beneficiary cannot perform work during quarantine, but no more than €250 for ten days, €500 for 20 days and €750 in one month.

If the beneficiary is paid the basic monthly income, they are not entitled to partially reimbursed lost income for the same period.

Partially reimbursed lost income is exempt from all taxes and social security contributions.

Partially reimbursed lost income for the self-employed and partners for the period of incapacity to work due to force majeure – taking care of children (01.09.2020 – 31.12.2020)

The amount of partially reimbursed lost income is €250 when the beneficiary is unable to perform work due to force majeure – childcare obligations but not more than €250 for ten days, €500 for 20 days and €750 in one month.

If the beneficiary is paid extraordinary assistance in the form of a basic monthly income, they are not entitled to partially reimbursed lost income for the same period.

Partially reimbursed lost income is exempt from all taxes and contributions.

Which sectors were most affected in terms of providing support to non-standard workers?

Are there any measures for training/ requalification/ reorientation for non-standard workers?

Sources:

Tables: Employment Service of Slovenia, 27 January 2021.

Review of measures: Official Gazettes RS.