Slovak Republic

This chapter includes data on the income taxes paid by workers, their social security contributions, the family benefits they receive in the form of cash transfers as well as the social security contributions and payroll taxes paid by their employers. Results reported include the marginal and average tax burden for eight different family types.

Methodological information is available for personal income tax systems, compulsory social security contributions to schemes operated within the government sector, universal cash transfers as well as recent changes in the tax/benefit system. The methodology also includes the parameter values and tax equations underlying the data.

Slovak Republic 2022

The tax/benefit position of single persons

		Wage level (per cent of average wage)	67	100	167	67
		Number of children	none	none	none	2
1.	**Gross wage earnings**		10 410	15 538	25 948	10 410
2.	**Standard tax allowances**					
	Basic allowance		4 579	4 579	4 021	4 579
	Married or head of family		0	0	0	0
	Dependent children		0	0	0	0
	Deduction for social security contributions and income taxes		1 395	2 082	3 477	1 395
	Work-related expenses					
	Other					
		Total	5 974	6 661	7 498	5 974
3.	**Tax credits or cash transfers included in taxable income**		0	0	0	0
4.	**Central government taxable income (1 - 2 + 3)**		4 436	8 876	18 450	4 436
5.	**Central government income tax liability (exclusive of tax credits)**		843	1 687	3 506	843
6.	**Tax credits**					
	Basic credit		0	0	0	0
	Married or head of family		0	0	0	0
	Children		0	0	0	1 132
	Other (ETC)		0	0	0	0
		Total	0	0	0	1 132
7.	**Central government income tax finally paid (5-6)**		843	1 687	3 506	- 289
8.	**State and local taxes**		0	0	0	0
9.	**Employees' compulsory social security contributions**					
	Gross earnings		1 395	2 082	3 477	1 395
	Taxable income					
		Total	1 395	2 082	3 477	1 395
10.	**Total payments to general government (7 + 8 + 9)**		2 238	3 769	6 983	1 106
11.	**Cash transfers from general government**					
	For head of family					
	For two children		0	0	0	819
		Total	0	0	0	819
12.	**Take-home pay (1-10+11)**		8 172	11 769	18 965	10 123
13.	**Employers' compulsory social security contributions**		3 092	4 615	7 707	3 092
14.	**Average rates**					
	Income tax		8.1%	10.9%	13.5%	-2.8%
	Employees' social security contributions		13.4%	13.4%	13.4%	13.4%
	Total payments less cash transfers		21.5%	24.3%	26.9%	2.8%
	Total tax wedge including employer's social security contributions		39.5%	41.6%	43.6%	25.0%
15.	**Marginal rates**					
	Total payments less cash transfers: Principal earner		29.9%	29.9%	34.0%	24.0%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		45.9%	45.9%	49.1%	41.4%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Slovak Republic 2022

The tax/benefit position of married couples

		Wage level (per cent of average wage)	100-0	100-67	100-100	100-67
		Number of children	2	2	2	none
1.	**Gross wage earnings**		15 538	25 948	31 075	25 948
2.	**Standard tax allowances**					
	Basic allowance		4 579	9 159	9 159	9 159
	Married or head of family		4 187	0	0	0
	Dependent children		0	0	0	0
	Deduction for social security contributions and income taxes		2 082	3 477	4 164	3 477
	Work-related expenses					
	Other					
		Total	10 848	12 636	13 323	12 636
3.	**Tax credits or cash transfers included in taxable income**		0	0	0	0
4.	**Central government taxable income (1 - 2 + 3)**		4 690	13 312	17 753	13 312
5.	**Central government income tax liability (exclusive of tax credits)**		891	2 529	3 373	2 529
6.	**Tax credits**					
	Basic credit		0	0	0	0
	Married or head of family		0	0	0	0
	Children		1 363	1 363	1 363	0
	Other (ETC)		0	0	0	0
		Total	1 363	1 363	1 363	0
7.	**Central government income tax finally paid (5-6)**		- 472	1 166	2 010	2 529
8.	**State and local taxes**		0	0	0	0
9.	**Employees' compulsory social security contributions**					
	Gross earnings		2 082	3 477	4 164	3 477
	Taxable income					
		Total	2 082	3 477	4 164	3 477
10.	**Total payments to general government (7 + 8 + 9)**		1 610	4 643	6 174	6 006
11.	**Cash transfers from general government**					
	For head of family					
	For two children		819	819	819	0
		Total	819	819	819	0
12.	**Take-home pay (1-10+11)**		14 747	22 124	25 720	19 942
13.	**Employers' compulsory social security contributions**		4 615	7 707	9 229	7 707
14.	**Average rates**					
	Income tax		-3.0%	4.5%	6.5%	9.7%
	Employees' social security contributions		13.4%	13.4%	13.4%	13.4%
	Total payments less cash transfers		5.1%	14.7%	17.2%	23.1%
	Total tax wedge including employer's social security contributions		26.8%	34.3%	36.2%	40.7%
15.	**Marginal rates**					
	Total payments less cash transfers: Principal earner		29.9%	29.9%	29.9%	29.9%
	Total payments less cash transfers: Spouse		29.1%	29.9%	29.9%	29.9%
	Total tax wedge: Principal earner		45.9%	45.9%	45.9%	45.9%
	Total tax wedge: Spouse		45.4%	45.9%	45.9%	45.9%

On 1 January 2009 Slovakia joined the Euro zone; the national currency became the Euro (EUR). In 2022, EUR 0.96 was equal to USD 1. In that year, the average worker earned EUR 15 538 (Secretariat estimate).

1. Personal Income Tax System

1.1. Central government income taxes

1.1.1. Tax unit

The tax unit is the individual.

1.1.2. Tax allowances and tax credits

1.1.2.1. Standard reliefs

- Basic relief: An allowance for all taxpayers is set at 21 times the minimum living standard (MLS) for a basic adult as of January 1 2022 (EUR 4 579.26). In 2022, the basic personal allowance for taxpayers with gross earnings net of employee social security contributions in excess of the threshold of EUR 20 235.97 per year (20 235.97 = 92.8 x MLS, which is approximately equal to an employee's monthly gross wage of EUR 1 947) is gradually withdrawn. If gross earnings net of employee social security contributions exceed EUR 20 235.97, the personal allowance is calculated as 44.2 times the minimum living standard minus 0.25 times gross earnings net of employee social security contributions. The basic personal allowance reaches 0 if the gross earnings net of employee social security contributions amount to EUR 38 533.01 per year (employee's monthly gross wage of approximately EUR 3 710). The value of the basic tax allowance cannot become negative.
- The regressive tax allowance is taken into account only once a year (when the tax return is filed or when the annual clearing is performed). Monthly tax prepayments during the year are therefore not affected.
- Marital status relief: An additional allowance is given to the principal earner in respect of a spouse living in a common household if the spouse earns no more than EUR 4 186.75. As from January 1, 2008 the value of the spouse allowance depends on the gross earnings net of employee social security contributions of both the principal and the spouse. As of 2013, to be entitled to the spouse allowance one of the following conditions should be met:
    - spouse is taking care of (not necessarily personally) children up to 3 years (or up to 6 years if the child is disabled) or
    - spouse is unemployed or
    - spouse is receiving nursing allowance or
    - spouse is disabled.

If the principal's gross earnings net of employee social security contributions in 2022 are lower or equal to EUR 38 553.01 (= 176.8 times MLS) and the spouse's gross earnings net of employee social security contributions are lower than EUR 4 186.75, the spouse allowance is calculated as the difference between 19.2 times MLS and the spouse's gross earnings net of employee social security contributions. If the gross earnings net of employee social security contributions of the spouse exceed EUR 4 186.75, the spouse allowance is 0. If the principal's gross earnings net of employee social security contributions exceed EUR 38 553,01 (= 176.8 times MLS), the spouse allowance is calculated as 63.4 times MLS minus 0.25 times the principal's gross earnings net of employee social security contributions. This amount is reduced by the spouse's gross earnings net of employee social security contributions. The value of the spouse allowance cannot become negative.

The digressive tax allowance is taken into account only once a year (when the tax return is filed or when the annual clearing is performed). Monthly tax prepayments during the year are therefore not affected.

For the purposes of this Report, only families with an unemployed spouse are entitled to the spouse allowance (spouse income does not influence any equations of the spouse allowance as of 2013). Child care up to 3 years does not affect the calculation of tax wedges as according to the *Taxing wages* methodology any children in the household are assumed to be aged between six and eleven inclusive.

- Relief for children: The prior allowance for children has been replaced by a non-wastable tax credit as from January 2004. As from July 2007, the monthly tax credit is automatically indexed by MLS growth as of 1st July when also the new amount of MLS comes into force. Since 2015 the monthly tax credit is automatically indexed on January 1 by the MLS growth from the previous year. Monthly tax credit in 2022 is EUR 23.57 per child for the whole year. The annual amount will be EUR 282.84. The tax credit for each dependent child is deducted from the tax liability; if the credit exceeds the tax liability, the excess will be paid to the taxpayer. In order to receive this credit, the parent must annually earn at least 6 times the minimum monthly wage, which for 2022 is set at EUR 646.00 (the total annual earnings must therefore be at least EUR 3 876.00). The credit can be taken only by one partner. It can be taken by one partner for a part of the tax period (year) and by the other partner for the rest of the tax period (year); this choice will have to hold for all dependent children. (For the purposes of this Report, it is assumed that the credit is claimed by the principal wage earner).
- Since 2019, the tax credit on dependent children is doubled for each child below the age of 6 years.
- Since January 2022, 1.85-times the basic value of the tax credit is provided for children aged 6 to 15 years (1.85*23.57 = EUR 43.60 in 2022). This follows an earlier increase to 1.7 times the basic value valid in July-December 2021.
- Since July 2022, a new system of the tax credit on dependent children has been introduced with a monthly fixed values of EUR 70 for children below the age of 15 years and EUR 40 for children aged 15 and more years. The eligibility condition of income at least 6 times the minimum wage has been abolished. Instead, the credit amount is capped at a given percentage of the partial tax base (= gross income net of employee social security contributions) based on the number of children in the following amount:

Number of dependent children	Cap as % of the partial tax base
1	20 %
2	27 %
3	34 %
4	41 %
5	48 %
6 and more	55 %

  Only for the second half of 2022, 50% of the partial tax base enters the calculation of the tax credit cap. Due to legislative reasons, both the old and the new system of the tax credit are in force in July-December 2022 and the tax payer claims whichever value is higher for them. As of January 2023, only the new system will be in force.

- As of January 2023, the annual indexation of the child tax credit is abolished. Instead, the amounts are set to increase once to EUR 100 for children younger than 15 years and to EUR 50 for children aged 15 years or older.
- Relief for social and health security contributions: Employee's social security contributions (see Section 2.1.) are deductible for income tax purposes.

1.1.2.2. Main non-standard tax reliefs applicable to an average wage worker

Supplementary pension insurance, special-purpose savings and life insurances was repealed as from January 2011. As of 2014 an allowance for supplementary pension insurance has been reintroduced. Supplementary pension contributions are tax-deductible up to the maximum limit of EUR 180 per year.

In 2018, a tax allowance for spa treatment was introduced. Each taxpayer can deduct up to EUR 50 per year per each member of the family (the principal earner, the spouse and their children) for expenses on domestic spa services. The allowance was abolished in 2021.

1.1.2.3. Non-wastable tax credit: employee tax credit (ETC / zamestnanecká prémia)

Prior to 2015 low-income workers were eligible for employee tax credit. The employee tax credit was effective since 2009 and depended on the employee's earnings and the number of months worked. In order to receive the employee tax credit, earnings should be at least 6 times of the minimum wage. The credit was then calculated as 19% of the difference between the basic allowance and the tax base (gross earnings net of employee SSC) calculated from 12 times the minimum wage or from the actual income (whichever is higher). In 2022 the partial tax base at the level of the minimum wage (EUR 6 713.23) is higher than the basic allowance (EUR 4 579.26). The tax credit is therefore automatically zero (so effectively nobody can be eligible).

1.1.3. Tax schedule

As from 2013 the previous flat tax rate of 19% was replaced by a new tax schedule with two tax brackets. The ceiling for the first bracket is set out as 176.8 times MLS (equal to EUR 38 553.01), which secures its automatic indexation. The tax schedule is as follows:

Annual taxable income (EUR)*	Rate (%)
0–38 553.01	19
38 553.01 and over	25

* Employee's social security contributions (see 1.12.) are deductible for income tax purposes.

1.2. State and local income tax

Personal income tax (PIT) is redirected solely to the local governments. The share of PIT yield which is transferred to municipalities is 70%. The share of PIT yield transferred to self-governing regions is 30%.

2. Compulsory Social Security Contributions to Schemes Operated within the Government Sector

2.1. Employees' contributions

Compulsory contributions of 13.4% of gross wages and salaries are paid by all employees into government operated schemes. The total is made up as follows:

-- Health Insurance		4.0%
-- Social Insurance		9.4%
of which:		
-- Sickness	1.4%	
-- Retirement	4.0%	
-- Disability	3.0%	
-- Unemployment	1.0%	

There are maximum assessment bases MSSAB (maximum threshold for contributions to apply) that apply to social security contributions. From 2004 these MSSAB are no longer fixed values but depend upon the average wages (AW). As of 2013 formulae for calculation of all maximum assessment bases has been unified. Since 2017, the MSSAB for health insurance contributions are abolished. As of 2017, the monthly MSSAB for social insurance contributions are calculated as: 7 x AW(t-2), where AW(t-2) is the average wage two years ago (previous equation for calculating the MSSAB was 5 x AW(t-2)). The average wage (AW) is determined by the Statistical Office of the Slovak Republic – for 2020 it was EUR 1 133 per month.

In 2015, the health insurance contribution (HIC) allowance was introduced. The allowance decreases the employee's and employer's assessment base for the health insurance. It amounts to EUR 380 per month (EUR 4 560 annually) and decreases with rising income up to EUR 570 (EUR 6 840 annually) when it reaches zero. With EUR 1 rise in the monthly income the monthly allowance is reduced by EUR 2. The HIC allowance is applicable only on standard employment income (not self-employed income or income based on temporary contracts). However, to determine the amount of allowance all types of incomes are assessed, to target only low income workers. In 2018, the HIC allowance for employers was abolished.

2.2. Employers' contributions

The total contribution for employers is 35.2% of gross wages and salaries. The contribution comprises the health insurance contribution (10% of gross wages and salaries) and the social insurance contribution (25.2%). The social insurance rate reflects contributions to sickness insurance (1.4%), disability insurance (3%), retirement insurance (14%), the Guaranteed Fund (0.25%), accident insurance (0.8%), for unemployment (1%) and to the Reserve Fund (4.75%). All contributions are rounded down to two decimal places.

Since 2022, the unemployment insurance has been reduced to 0.5% and a new type of insurance contribution for the financing of short-time work support with the rate 0.5% has been introduced.

Since January 2005, Slovakia has introduced the privately managed fully funded pillar. This means that a given proportion (9 percentage points) of social contributions paid by the employer for retirement insurance flew directly to the private pension funds and not to the Social Insurance Agency as in the previous years. As from September 2012 the pension sharing scheme has been changed. The employer's retirement contribution rate to the fully funded pillar has been reduced from 9% to 4% (for more see pension contribution sharing scheme table below). As from 2017 the contribution rate to the II. pillar automatically increases by 0.25 p.p. per year (i.e. contribution rate to the I. pillar decreases in the same volume), stopping at 6% to the II. pillar and 8% to the I. pillar in 2024. Private pension funds are treated outside of the general government; these contributions are therefore not taken into account in the calculations of the average and marginal tax rates. For the purposes of this Report, the total contribution rate for employers in 2022 is 29.7% with contributions to the second pension pillar not included in the rate.

In 2015 the health insurance contribution (HIC) allowance was introduced and in 2018 it was abolished for employers, while for employees it remains unchanged (for more see 2.1).

The MSSAB also applies to the employer's SSC. The next table presents the annual values of MSSAB:

	Formula for MSSAB	Value of MSSAB
Health insurance		No limit
Social insurance		
of which		
-- sickness, retirement, unemployment, short-time work support, disability, Guarantee fund, Reserve fund	7.0 x AW (t-2)	95 172. 00
-- accident		No limit

Social security contributions: Pension – contribution sharing in case of II. Pillar participation

Period	Percentage of gross earnings		
	I Pillar	II Pillar	Total
System up to September 2012	9% (5% employer + 4% employee contribution)	9% (employer contribution)	18%
System up to December 2016	14% (10% employer + 4% employee contribution)	4% (employer contribution)	18%
System up to December 2017	13.75% (9.75% employer + 4% employee contribution)	4.25% (employer contribution)	18%
System up to December 2018	13.5% (9.5% employer + 4% employee contribution)	4.5% (employer contribution)	18%
System up to December 2019	13.25% (9.25% employer + 4% employee contribution)	4.75% (employer contribution)	18%
System up to December 2020	13% (9% employer + 4% employee contribution)	5% (employer contribution)	18%
System up to December 2021	12.75% (8.75% employer + 4% employee contribution)	5.25% (employer contribution)	18%
Current system from January 2022	12.5% (8.5% employer + 4% employee contribution)	5.5% (employer contribution)	18%

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

The central government pays a benefit for each dependent child in the amount of EUR 25.88 per month in January-May 2022, a one-off increase to EUR 100 in June 2022, and a permanent increase to EUR 30.00 in July-December 2022. In January 2008 a benefit surcharge for dependent children whose parents are not eligible for the non-wastable child tax credit was introduced. The monthly amount of this benefit is EUR 12.14 in January-June 2022 and EUR 30 from July 2022. For the purpose of the tax wedge calculations this benefit is not relevant, as only non-workers and taxpayers with annual earnings lower than six times the minimum monthly wage (which is the condition for eligibility for the non-wastable child tax credit) are entitled to the surcharge.

The non-wastable tax credit mentioned in Section 1.1.2.1 is part of the social support for families with dependent children. However, it is not considered as a transfer for the purposes of this Report.

3.3. Transfers related to social status

To determine the claim to state social benefits (for example the allowance for housing costs), the minimum living standard amounts are relevant as they form the basis of the income test. The MLS amounts are indexed on 1 July. For 2022, these amounts are:

	MLS monthly (1.7.2021 – 30.06.2022)	MLS monthly (1.7.2022 – 30.06.2023)
First adult	218.06	234.42
Second adult	152.12	163.53
Child	99.56	107.03

A family is entitled to a social allowance if the total combined monthly disposable income of the family is less than the calculated MLS for this family. In the calculation of the benefit eligibility, only 75% of net income from employment is taken into account. The allowance varies with the family type.

The benefits available to a family in material need (valid for 2022) are:

- EUR 68.80 per month for an individual.
- EUR 130.90 per month for an individual with between one and four children.
- EUR 119.60 per month for a couple without children.
- EUR 179.00 per month for a couple with between one and four children.
- EUR 191.20 per month for an individual with more than four children.
- EUR 241.30 per month for a couple with more than four children.
- activation allowance: EUR 70.40 per month – for people who become active either by accepting qualifying employment opportunities or participating in retraining courses.
- housing allowance: EUR 59.40 per month for individual in material need, EUR 94.80 for a household in material need (if household has more than 1 person).
- protection allowance: EUR 70.40 per month for an individual in material need where employment is not possible due to such circumstances as a disability or old age, EUR 38.70 per month for individual on sick leave for at least 30 consecutive days and EUR 15.10 for a pregnant woman from 4th month of the pregnancy and lasts until the child's age of 1 year (for the purpose of this Report, protection allowance is assumed to be EUR 68.80 for each individual).
- specific allowance: EUR 70.40 per month - entitlement arise for long-term unemployed individuals who move into work for 6 months (does not affect the calculations in this Report).
- dependent child allowance: EUR 19.30 per month for a child who properly fulfils compulsory school attendance.

The amounts are indexed on January 1 in line with the growth of the MLS on July 1 in the previous year.

4. Main Changes in Tax/Benefit Systems since 2017

Automatic growth of the contribution rate to the II. pension pillar by 0.25 p.p. per year was introduced in 2017. The contribution rate to the I. pillar decreases by the same amount. In 2022 the contribution rate to the II. pillar is 5.5 % and contribution to the I. Pillar is 8.5% (see Section 2.2). Moreover, the MLS value was revised up in July 2017 after 4 years of no change, which led to changes in the tax system allowances, credits and brackets from January 2018. Since 2018 the HIC allowance for employers was abolished.

In 2018, there were also legislative changes which do not directly affect calculations of the tax wedge used in this Report. The first is a new spa tax allowance for the PIT. Each taxpayer is allowed to reduce their tax base by up to EUR 50 each for themselves, their spouse and children if they spent money on domestic spa services. The allowance was abolished in 2021.

The second change is related to support for housing mortgage interest payments for young people. Since 2018 taxpayers are allowed to deduct half of the mortgage interest payment (maximum amount is EUR 400 per year) from their own tax liability. Previously, support for housing was in the form of a public subsidy.

Third, pensioners who earn income from special short term labour contracts (*dohoda o vykonaní práce*) benefit from an SIC allowance of EUR 200 per month from July 2018.

New exemptions of the 13th and 14th salaries were introduced in 2018. This measure has a negative impact on revenues, which is increasing with gradual phasing of exemptions from health insurance contributions, the PIT, and from 2019 onwards also from social insurance contributions. Maximum exemption is EUR 500 per additional salary. Since 2021, the exemptions of the 13th and 14th salary are abolished.

Overview and timing of PIT and SSC exemptions of 13th and 14th salary (Y = exemption)

	2018			2019			2020		
	SIC	HIC	PIT	SIC	HIC	PIT	SIC	HIC	PIT
13th salary (June)		Y			Y	Y		Y	Y
14th salary (December)		Y	Y	Y	Y	Y	Y	Y	Y

Since 2019, the tax credit on dependent children is doubled for each child below the age of 6 years (Section 1.1.2.1). In addition, an exemption for recreational vouchers was introduced. Employers can provide maximum EUR 275 per year as a cash benefit exempted from social security contributions and the PIT to employees who spent at least EUR 500 on recreation in the Slovak Republic. Provision of this benefit is compulsory for employers who have at least 50 employees.

The amount of the basic allowance was increased in 2020 from 19.2 times the MLS to 21 times the MLS. The threshold when the basic allowance is gradually withdrawn was adjusted accordingly from 100 times the MLS to 92.8 times the MLS.

Since July 2021, the child tax credit has been increased to 1.7-times the basic value for children aged 6 to 15 years. The multiple is set to increase to 1.85-times the basic value from January 2022.

Since July 2022, a new system of the tax credit on dependent children has been introduced with a monthly fixed values of EUR 70 for children below the age of 15 years and EUR 40 for children aged 15 and more years. The eligibility condition of income at least 6 times the minimum wage has been abolished. Instead, the credit amount is capped at a given percentage of the partial tax base (= gross income net of employee social security contributions) based on the number of children in the following amount:

Number of dependent children	Cap as % of the partial tax base
1	20 %
2	27 %
3	34 %
4	41 %
5	48 %
6 and more	55 %

Only for the second half of 2022, 50% of the partial tax base enters the calculation of the tax credit cap. Due to legislative reasons, both the old and the new system of the tax credit are in force in July-December 2022 and the tax payer claims whichever value is higher for them. As of January 2023, only the new system will be in force.

As of January 2023, the annual indexation of the child tax credit is abolished. Instead, the amounts are set to increase once to EUR 100 for children younger than 15 years and to EUR 50 for children aged 15 years or older. The benefit for each dependent child has been increased as from July 2022 to EUR 30.00 and its annual indexation in line with the growth of the MLS has been abolished. Instead, the benefit amount is set to increase once to EUR 40 in January 2023.

As from March 2022, the employer social insurance contributions for financing of short-time work support of 0.5% of the assessment base and an equivalent reduction of the employer contribution rate for unemployment insurance from 1% to 0.5% were introduced.

4.1. Changes to labour taxation due to the COVID pandemic in 2020 and 2021

The deadline for the annual tax clearing and filing of tax returns for the year 2019 was moved from the end of March 2020 to the end of October 2020. Any outstanding tax liability is payable by the new deadline as well. In addition, payment of employer contributions for certain months was deferred if the business suffered at least 40% loss of revenue in that month. Moreover, businesses that were compulsorily closed by the order of the government do not have to pay employer social insurance contributions (including the II. Pillar contributions if applicable) for April 2020. This one-off abatement is not modelled for the purpose of this Report because it affected only about 15% of the workforce.

5. Memorandum items

5.1. Identification of AW and valuation of earnings

The average earnings of the AW are estimated by the Ministry of Finance of the Slovak Republic based on the data provided by the Statistical Office of the Slovak Republic. The source of the information is the quarterly survey of employers which covers:

- all financial corporations and public sector organizations,
- around 50% of firms with at least 20 employees or firms with annual revenue at least €5 mil. regardless of the number of employees, and
- around 7% of firms with less than 20 employees

The average earnings are calculated as the mean of the monthly average wages in industry sectors B-N according to the SK NACE Rev. 2 classification, weighted by the number of employed in the given sector. The earnings data are not adjusted to full-time equivalents, but part-time workers are included only if they have a standard employment contract. Workers with non-standard temporary contracts[1] are excluded completely. Managerial workers are also included only if they have a standard employment contract. The self-employed are not included in the earnings data, but they are included in the sectoral employment figures.

2022 Parameter values

Average earnings/yr	Ave_earn	15 538	Secretariat estimate
Minimum living standard (MLS)	basic_adult	218.06	
	basic_adult1	152.12	
	basic_child	99.56	
	ave_basic_adult	226.24	
	ave_basic_adult1	157.825	
	ave_basic_child	103.295	
Basic allowance	basic_al_mult	21.0	
	basic_al	4579.26	
	basic_al_mult1	92.8	
	basic_al_mult2	44.2	
	basic_al_redn	0.25	
Spouse allowance	spouse_al_limit	4186.75	
	spouse_al_mult	19.2	
	spouse_al_mult1	176.8	
	spouse_al_mult2	63.4	
	spouse_al_redn	0.25	
Income tax rate	tax_sch/tax_rate	0.19	38553.01
		0.25	
Tax credits - nonwastable	tax_cr	523.2	
	tax_cr1	840	
	tax_cr_lim1	0.13	
	tax_cr_lim2	0.07	
	tax_cr_lim6	0.55	
	min_wage	646	
	minwage_mult	6	
	etc_thresh	6713.23	
Employee social security contributions	SSC_rate	0.094	
	SSC_sick	0.014	
	SSC_ret	0.04	
	SSC_dis	0.03	
	SSC_unemp	0.01	
	SSC_health	0.04	
Employer social security contributions	SSC_empr	0.189	
	SSC_empsick	0.014	
	SSC_empret	0.085	
	SSC_empdis	0.03	
	SSC_empunemp	0.005	
	SSC_empshort	0.005	
	SSC_emphealth	0.1	
	SSC_gua	0.0025	
	SSC_acc	0.008	
	SSC_fund	0.0475	
Health Insurance Contribution allowance	HIC_treshold	4560	
	HIC_rate	2	
Maximum assessment base	MSSAB	95172	
Cash transfers	transf_1	409.40	
	transf_indiv	825.6	
	transf_indiv_child	1570.8	
	transf_couple	1435.2	
	transf_couple_child	2148	
	transf_hous_indiv	712.8	
	transf_hous_couple	1137.6	
	transf_dep	231.6	

2022 Tax equations

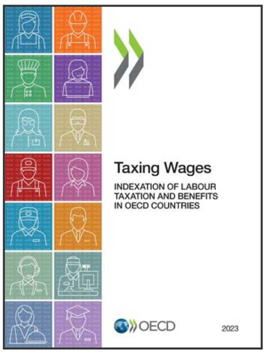
The functions which are used in the equations (Taper, MIN, Tax etc) are described in the technical note about tax equations. Variable names are defined in the table of parameters above, within the equations table, or are the standard variables "married" and "children". A reference to a variable with the affix "_total" indicates the sum of the relevant variable values for the principal and spouse. And the affixes "_princ" and "_sp" indicate the value for the principal and spouse, respectively. Equations for a single person are as shown for the principal, with "_sp" values taken as 0.

	Line in country table and intermediate steps	Variable name	Range	Equation
1.	Earnings	earn		
2.	Allowances:			
	Basic	basic_allce	B	IF(earn-SSC<=basic_al_mult1*basic_adult, basic_al,MAXA(basic_al_mult2*basic_adult-basic_al_redn*(earn-SSC),0))
	Spouse	spouse_allce	P	IF(earn_spouse=0,1,0)*Married*Positive(IF(earn_princ-SSC_princ<=spouse_al_mult1*basic_adult, spouse_al_mult*basic_adult,spouse_al_mult2*basic_adult-spouse_al_redn*(earn_princ-SSC_princ)))
	Social security contributions	SSC_al	B	SSC
	Total	tax_al	B	basic_allce+spouse_allce+SSC_al
3.	Credits in taxable income	taxbl_cr	B	0
4.	CG taxable income	tax_inc	B	Positive(earn-tax_al)
5.	CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch)
6.	Tax credits:			
	Employee tax credit	etc_cr	B	IF(earn>=min_wage*minwage_mult, tax_rate*Positive(basic_al-MAX(etc_thresh, earn-SSC)), 0)
	Children	child_cr	P	(earn>=min_wage*minwage_mult)*Children*tax_cr/2+MAX((earn>=min_wage*minwage_mult)*Children*tax_cr;MIN(Children*tax_cr1;MIN(tax_cr_lim6;tax_cr_lim1+Children*tax_cr_lim2)*(earn-SSC)/2))/2
	Total	tax_cr	B	etc_cr+child_cr
7.	CG tax	CG_tax	B	CG_tax_excl-tax_cr
8.	State and local taxes	local_tax	B	0
9.	Employees' soc security	SSC	B	MINA(earn,MSSAB)*SSC_rate+ MAX(0;(earn-MAX(0;HIC_treshold-MAX(0;(earn-HIC_treshold)*HIC_rate))))*SSC_health
11.	Cash transfers	cash_trans	J	Children*transf_1+Positive(IF(0,75*((earn-SSC-CG_tax_excl)/12)<(ave_basic_adult+Married*ave_basic_adult1+ Children*ave_basic_child); ((1-Married)* (IF(Children>0;transf_indiv_child;transf_indiv))+ Married*(IF(Children>0;transf_couple_child;transf_couple))+IF((Married+Children)>0;transf_hous_couple;transf_hous_indiv)+(Children*transf_dep)-0,75*(earn-SSC-CG_tax_excl));0))
13.	Employer's soc security	SSC_empr	B	MINA(earn,MSSAB)*SSC_empr+earn*SSC_acc+earn*SSC_emphealth

Key to range of equation B calculated separately for both principal earner and spouse P calculated for principal only (value taken as 0 for spouse calculation) J calculated once only on a joint basis.

Notes

[1] Agreements on work performed outside employment relationship - *Dohody o prácach vykonávaných mimo pracovného pomeru.*



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