

## Abstract

### **SME Test of the social package – extra pays for works performed in the night and implementation of extra pays for works performed in the weekend**

The draft Act by which Act No. 311/2001 Coll. Labour Code as amended is changed and amended and by which some acts are amended (hereinafter referred to as Draft) **with the effective dates of 1 May 2018 and 1 May 2019 is aimed at:**

1. **increasing the minimum sum of wage compensation provided for works performed in the night from the current rate of 20% of the minimum wage** in Euro per hour for each hour of such work performed in the night for
  - a) **risky employees** (categories 3 and 4) – **from 1 May 2018 to 35% of the minimum wage** in Euro per hour and **from 1 May 2019 to 50% of the minimum wage in Euro per hour**,
  - b) so-called general employees (whose work shall be performed in the night as well – such as food and automotive industries) – **from 1 May 2018 to 30% of the minimum wage in Euro per hour (25%, when the derogation clause is applied) and from 1 May 2019 to 40% of the minimum wage in Euro per hour (35%, when the derogation clause is applied)**,
2. **increasing the minimum sum of wage compensation for works performed on public holidays from the current rate of 50% of the average employee wage to 100% of the same**,
3. implementing a new special wage compensation for the works performed on Saturdays, for which employees will be entitled to the normal wage plus wage compensation **in the minimum sum of 50% of the sum of the minimum wage in Euro per hour from 1 May 2019**,
4. implementing a new special wage compensation for the works performed on Sundays, for which employees will be entitled to the normal wage plus wage compensation **in the minimum sum of 50% of the sum of the minimum wage in Euro per hour from 1 May 2018 and minimum sum of 100% of the sum of the minimum wage in Euro per hour from 1 May 2019**.

Since the Ministry failed to submit the proposal in accordance with the procedure as defined by the Unified Methodology for selected impacts assessment, but the proposal was submitted by members of the Slovak National Council under the rules of Act on Rules of Procedure, the followings were omitted at its preparation:

- a) *publishing a preliminary information on the Slov-Lex portal*,
- b) *performing consultations with the business sector*,
- c) *preliminary commenting procedure*,
- d) *performing the SME test*,
- e) *inter-departmental commenting procedure*,
- f) *final assessment* of impacts,

and the followings were omitted within its content appurtenances:

- i. *clause of selected impacts and analysis of impacts on the business sector* as well as
- ii. *report of participation of the public on the regulation preparation.*

The Better Regulation Center has proposed, as an alternative that could be applied with the amendment effective from 1 May of the next year – regardless of whether the increase of or setting the legal compensation for works in the night, on holidays, on Saturdays or on Sundays is concerned, **a compromise**, thanks to which not only wages of employees would increase but the increase or setting a legal compensation for the given works would not be considered liquidation ones; the compromise is based on **relieving such wage compensation of compulsory contributions to the state budget**. Such relief exists both **in Germany and Austria**. When **compared to selected EU member states**, the new Slovak regulation is also unreasonably strict.

The Better Regulation Center succeeded in obtaining comprehensive data from three organizations – *accommodation facility, bakery, and non-profit organization dealing with re-integration of addicted people*. In absolute sums, compensations for 2018 for the accommodation facility in central Slovakia will be higher **by more than € 22,400, which represents increase by almost 350%**, for the bakery by **more than € 8,030, which represents the increase of compensations by 76%**, and for the non-profit organization **by almost € 4,385, i.e. the increase is 142%**. Should the lawmakers not reconsider contents of the regulation, such costs will be even higher and will cause liquidation of many SMEs.