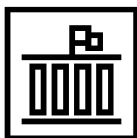


Contribution to recreation? Recreational voucher? Frequently asked questions

On 1 January 2019, an amendment to the Tourism Promotion Act came into effect, which also amended related laws – especially the Labour Code, the Social Fund Act, and the Income Tax Act.



The new legal regulation obliges employers to provide contributions to their employees for recreation in Slovakia. The basic conditions for providing such contributions are as follows:

- The obligation to provide a contribution to recreation applies to every employer with 50+ employees (average registered number of staff for the previous calendar year).
- Only employees with an employment relationship with the employer of at least 24 consecutive months may receive a contribution to recreation.
- An employer is obliged to provide a contribution to recreation in the amount of 55% of eligible expenses, up to a maximum of €275 a calendar year (for a full-time employee).
- Eligible expenses include the employee's expenses for accommodation for a minimum of two nights in Slovakia, catering and other recreation-related services received either by the employee on his own, or with their spouse, child, or other person living with them in a common household.



An employer may opt to provide a contribution to recreation in the form of a recreational voucher issued under a special regulation.

What do these changes mean for Slovak companies?

Frequently asked questions:

- Will contributions to recreation lead to higher personnel costs for companies?
- May expenses for contributions to recreation be settled from the social fund? If yes, would the contribution to recreation be part of the employee's taxable income and therefore subject to contributions to social and health insurance?
- May the contribution to recreation be classified as other benefits provided to employees by the employer (e.g. within the cafeteria system)?
- If the employer also provides this contribution to employees who do not qualify for it, is it a tax deductible expense for them?
- Is the employer obliged to check whether the employee uses the recreational voucher in line with the conditions set out by the law (e.g. whether the accommodation provider paid the local accommodation tax to the respective municipality, whether the employee used the recreational voucher for accommodation for at least two nights, etc.)?
- May the employer provide recreational vouchers to some employees and pay a contribution to recreation to other employees after receiving accounting documents showing the eligible expenses?

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