

GMS Flash Alert

2024-046 | March 1, 2024

Slovenia – Compulsory Health-Care Contribution Introduced

A new compulsory health insurance contribution (*Obvezni zdravstveni prispevek - OZP*) came into force in Slovenia on 1 January 2024.¹ Until 1 January 2024, the previous annuity was not a mandatory contribution, but a contribution on a voluntary basis for additional health insurance covered by insurance companies.

The amount of the compulsory health-care contribution will be a flat-rate contribution and will be adjusted annually on 1 March. Until the first adjustment in 2025, the monthly contribution will be EUR 35 and will be adjusted in line with the annual correction of the average gross salary in Slovenia.

WHY THIS MATTERS

A new compulsory health insurance contribution (*Obvezni zdravstveni prispevek - OZP*) introduced in Slovenia on 1 January 2024 directly impacts the employee's salary. The gross agreed salary results in a lower net income as a result of the newly adopted amendment of the legislation. Adjustments to payroll and related withholdings may be necessary.

Persons Liable to Pay Compulsory Health-care Contribution

The compulsory health-care contribution is payable by individuals in an employment relationship, as well as by individuals who are self-employed in a trade or profession as their sole or main occupation. The newly-adopted contribution is also payable for part-time employed individuals.

Individuals with permanent residence in Slovenia, employed by foreign employers, who who are not registered with social security insurance abroad, are also liable to pay the compulsory health-care contribution.

Payments based on various contractual relationships (subcontracting, royalty payments, etc.) are not subject to the compulsory health-care contribution withholding.

Pensioners will have the compulsory health-care contribution deducted by the Pension and Disability Insurance Institute of Slovenia.

Payment of the Compulsory Health-Care Contribution

For individuals in an employment relationship, the contribution will be withheld from gross salary by the employer and paid together with other obligatory social security contributions, i.e., on the 20th of the month. The contribution should reduce the employee's income tax base.

Allocated Income Withholding

If an individual receives the monthly income in several instalments, then the compulsory health-care contribution will be deducted from the first income that the employee receives.

In case the individual receives income for several months simultaneously, the compulsory health-care contribution shall be deducted from each month's income.

If the individual receives income from more than one employer in a given month, the compulsory health-care contribution is calculated, deducted, and paid by the main employer.

The Impact on an Employee's Salary

The individual's gross salary remains the same unless otherwise agreed with the employer. The individual's employee portion of the contributions shall increase by EUR 35. The contribution should lower the income tax base; the monthly income tax advance should be slightly lower.

KPMG INSIGHTS

Employers of mobile employees into/from Slovenia, subject to Slovenian social security law, may wish to adjust their assignment program policies to address the new contributions.

Pre-departure and/or on-arrival counselling sessions with mobile employees should include discussion of the new compulsory health insurance contributions and all relevant social security charges as applicable.

If there are any questions regarding application of the new compulsory health-care contribution and employer/employee obligations, concerned parties should consult with their mobility advisers or a member of the GMS / People Services team (see the Contact Us section) with KPMG in Slovenia.

FOOTNOTE:

1 *Zakon o spremembah in dopolnitvah Zakona o zdravstvenem varstvu in zdravstvenem zavarovanju (Uradni list RS, št. 78/23).*

Contact us

For additional information or assistance, please contact your local GMS or People Services professional or the following professional with the KPMG International member firm in Slovenia:



Primoz Brezovnik

Tel. + 386 4130 3926

Primoz.Brezovnik@kpmg.si

The information contained in this newsletter was submitted by the KPMG International member firm in Slovenia.

© 2024 KPMG Slovenija, d.o.o., KPMG poslovno svetovanje, d.o.o. and KPMG računovodske stroitve, d.o.o. are Slovenian limited liability companies and member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

www.kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2F

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.