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# NEWSLETTER

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CHANGES IN MEAL VOUCHERS



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## CHANGES IN MEAL VOUCHERS

Amendment to the Labour Code becomes effective from **1 March 2021**. From that date on, employees may request their employer to provide them with a contribution for meal.

After choosing the form of contribution (meal voucher or financial contribution), employee cannot change it for the next **12 months** without a consent of his/her employer.

Employees of employer providing meals in own catering establishment (canteen) or in a catering establishment of another employer (off-site meals or on-site delivery) are not eligible to request the provision of financial contribution for meal.

Employer who has concluded a contract with a catering intermediary (issuer of meal vouchers) may postpone the possibility to choose the financial contribution for meals by employees to **1 January 2022**. In such a case, the contract with voucher issuer does not have to be necessarily concluded for a definite period.

Our clients are advised by us to inform their employees about advantages of keeping meal vouchers if the statutory contribution and the contribution from the social fund is supplemented by the respective employee with a voluntary contribution. We often encounter situations when such a voluntary contribution is exempted from taxes and contributions on the part of employee. If, however, such an employee chooses a financial contribution for meal it is likely that such a voluntary contribution by the employer will not be provided, as it would be subject to tax and contributions to the social security administration and health insurance company. The contribution for the employee would be therefore reduced by the tax and paid contributions, which would be not be beneficial for any of the parties.

The amendment to the Labour Code does not deal with the time and/or manner of provision of meals. Therefore, the obligation to provide the contribution before the start of the month, for which the contribution is paid, remains to be applicable. As an example, if an employer wants to pay the contribution together with wage, it is necessary to pay the contribution for April together with wage for February, which is paid during March. In this way, the law will be observed and the

contribution will be available to an employee by the first of April at latest.

We also recommend to modify internal regulations so that they reflect the new wording of the Labour Code effective from **1 March 2021**.

Employers are not obliged to ask their employees whether they require a financial contribution or meal vouchers. Employees should be aware of their rights. Employers' internal regulation and procedure for selecting catering form and/or financial contribution by employees should be made accessible to employees in a suitable manner. If employees do not make their choice, we recommend that their employer keeps applying the form of catering utilized so far.

The difference in taxation of the voluntary contribution for a meal voucher and the financial contribution for meals is subject to review by the Financial Directorate of the Slovak Republic, as the law's wording is rather ambiguous. We will keep you updated about this matter.

## ABOUT US

The companies **MANDAT CONSULTING, k.s.** and **MANDAT AUDIT, s.r.o.** were founded in 2004 as tax advisory and auditing companies. Since their establishment, they have been providing small, medium-sized and companies active in Slovakia with services in the field of tax consultancy, audit and accounting. Long-lasting cooperation with foreign advisory companies hand in hand with the competence of Slovakian tax advisors and auditors enables us rendering our service to the clients originated from abroad.

In present time, 57 well trained members of our staff are at the disposal to our clients.

Information provided in this material are only of a cursory nature.

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