

Market and Benchmark Insight Report for Slovenia – 2021

Competitive benefit norms for mid-market employers in Slovenia

Introduction

MAI CEE group was founded in Hungary in 1991, and for 30 years, has provided insurance solutions and employee benefits consulting across Eastern Europe, the Commonwealth of Independent States, and the Caucasus region. With steady growth, MAI CEE now provides insurance advice and services to the 29 countries in the region while having a physical presence in 25.

Today, MAI CEE is the leading insurance broker in the region and enjoys strong and long-lasting ties with its associate Partners. The company prides itself on delivering excellent service with the highest levels of integrity to its clients and partners.

It has specialist divisions to assist multinational businesses as brokers with specific expertise in employee benefits, construction and real estate, cyber, marine and logistics, and claims. MAI-CEE's employee benefits consulting services include:

- A separate Employee Benefits Department Personal Manager for each client
- Significant staff experience ranging from three to 20 plus years in employee benefits management
- Effective resolution of all disputed issues during the insurance period, contract follow-up support, and advocacy for clients' interests
- Complimentary review of clients' existing insurance coverage and recommendations to improve financial and medical efficiencies
- Ongoing contract review to maintain quality and ensure client satisfaction

MAI CEE is proud to be an Asinta Partner and hopes this document is of use to you.



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1. Slovenian Benefits Landscape

The prevalence of employee benefits in Slovenia mainly depends on the three following factors:

- Mandatory and social security benefits
- Employee benefits available as insurance products
- Business sector

1.1 Mandatory and Social Security Benefits

The social security system plays an important role in providing employee benefits to the people of Slovenia. It covers an exhaustive list of employee benefits, including retirement benefits, death in service, long-term disability benefits, medical benefits, workmen's compensation insurance, maternity and paternity benefits, family benefits, unemployment, long-term care benefits, minimum resources, leaves, and private benefits.

1.2. Employee Benefits Available as Insurance Products

Slovenia has a highly-developed social security system, and the state entirely regulates it without the possibility for insurers and broker's involvement. As a result, the voluntary employee benefits market is not very developed, and it is limited to several insurance lines.

1.3. Business Sector

Besides the benefits provided by the social security system, some employers provide voluntary benefits to their employees through voluntary insurance contracts. They vary substantially based on a company's attraction and retention goals, culture, and business sector.

In sectors with a highly competitive hiring market, such as high-tech companies, it is common to see a wider benefit offering. However, the industrial sector is more oriented to personal accident insurance lines covering all employees in case of death and permanent disability due to incidents at work.

2. Slovenian Benefits Menu

Slovenia's comprehensive social security system includes pensions and disability, health insurance and health care, unemployment insurance, parental insurance, family benefits, and social assistance. Both employees (22.10%) and employers (16.10%) pay contributions and taxes into social security.





2.1 Mandatory Benefits

Benefit	Comments
Health Insurance	<p>Insured persons and members of their families are included in compulsory health insurance coverage. The following persons are covered: hired and self-employed workers, farmers, and people receiving benefits (pension, incapacity benefit, survivor's pension, unemployment benefit, or permanent social assistance).</p> <p>The individuals liable for the registration of the insured person are the legal or physical persons who are defined as responsible for the payment of compulsory health insurance contributions.</p> <p>The insured persons are guaranteed by the law the following: the payment of health services, sick pay during temporary absence from work, and the reimbursement of travel expenses tied to obtaining health services.</p> <p>Compulsory health insurance does not always cover all health care services and not at full price. Fully covered services within compulsory insurance include all health programs for children and youth (children are completely covered up to 18 years), students as long as they attend school, family planning, occupational diseases, malignant and other diseases, medical services related to donation and transplantations of tissues and organs, and long-term nursing care.</p> <p>For other services, compulsory health insurance covers only certain percentages of the full prices. The insured person or the voluntary health insurance policy covers the balance.</p>
Pension insurance	<p>Slovenia runs a three-tier pension system, with the first pillar being a pay-as-you-go (PAYG) scheme. The contribution rate for the public pension system is 24.35% of gross wages. Employees pay 15.5%, Employers contribute 8.85%, and the self-employed must cover the total amount.</p> <p>The second pillar consists of mandatory occupational pensions for certain sectors (public service, banking sectors, particularly hazardous occupations) and voluntary for other private sectors (different versions of pension schemes).</p> <p>Voluntary personal savings constitute the third pillar.</p> <p>Every person reaching the defined age and fulfilling the required number of years from the pension qualifying period is entitled to an old-age pension.</p> <p>Persons entitled to a pension also have the right to a partial pension in the instance that they remain employed for at least a quarter of the full-coverage time.</p> <p>Those entitled to an early retirement pension are people who reached the defined retirement age and fulfilled the required number of years from the pension qualifying period but do not yet have the right to a pension.</p> <p>Entitled persons also have the right to a lump-sum annual grant.</p> <p>Other types of pension benefits include:</p> <ul style="list-style-type: none"> • Disability pension • Widow's pension • Survivor's pension



<p>Occupational Injury and Diseases</p>	<p>Compulsory and voluntary are the two systems of insurance for occupational injury and occupational diseases. The system for compulsory health insurance covers risks regarding the inability to work. In contrast, the insured person's risk of disability or death is covered by the compulsory pension and disability insurance system.</p> <p>Occupational injuries are all injuries that occur as a result of work or while carrying out work. Occupational diseases are defined in the rules that list all covered occupational diseases.</p> <p>In the case of occupational injury or occupational disease, the insured person receives coverage for all essential treatment and medical rehabilitation from the compulsory health insurance system.</p> <p>Temporary inability to work</p> <p>The employee pays for the first 30 days of illness, and the Health Insurance Institute of Slovenia (ZZZS) covers the rest. The right to compensation lasts until the ability to work returns. Should the insured person leave employment during the disability period, they are eligible for another 30 days of paid leave.</p> <p>Disability</p> <p>In the case of disability, the insured person may receive a disability pension and various disability compensations.</p> <p>If disability results from occupational injury or occupational disease, the disability pension is calculated at 63.50% of the pension base. If it is more beneficial to the insured person, the disability pension may be assessed according to the completed retirement age.</p> <p>Death</p> <p>In the case of death of the insured person, surviving family members are entitled to a widow's or survivor's pension upon fulfilling the required conditions.</p>
<p>Sick Pay</p>	<p>Work-related illness or injury at work</p> <p>If the injury or illness is a consequence of work, the insured person is entitled to benefits until they can return to work. The employee pays the first 30 days of the benefit. Should there be further absence, the compulsory health insurance system covers the benefit.</p> <p>Illness or injury outside of work</p> <p>The insured person is also entitled to wage compensation for illness or injury occurring outside work. If the insured person ceases employment during the time of absence from work, they are still entitled to benefit for a maximum of 30 days following termination of employment. If the absence from work results from injury or illness from work, the insured person is entitled to benefits upon termination of employment until they can return to work.</p> <p>Care for an immediate family member</p> <p>A child's parent or guardian is entitled to wage compensation while caring for a child under 18.</p>



<p>Parental protection</p>	<p>The parental protection includes:</p> <ul style="list-style-type: none"> • Maternity leave, paternity leave, parental leave, and parental right to reduced working hours resulting from parenthood • The right to the payment of social security contributions as a result of parenthood in the instance of four or more and the right to benefits during nursing <p>Maternity leave</p> <p>As a rule, maternity leave begins 28 days before the anticipated birth date and amounts to 105 calendar days. The mother must use 15 days of maternity leave. As an exception, the father or guardian is entitled to leave in the case of absence (death of mother or abandonment) or incapacity of the mother.</p> <p>Paternity leave</p> <p>This benefit is the right of the father and is not transferable. The father is entitled to 30 calendar days (plus additional 10 days for the birth of twins or 20 days for triplets).</p> <p>Parental leave</p> <p>The parental leave benefit gives more time to care child and starts at the end of maternity leave. Each of the parents is entitled to childcare leave (130 days each, of which the mother may transfer 100 days to the father so that the father may use 230 days; the father may transfer all 130 days so that the mother may use 260 days) or the adoptive parent or guardian/foster parent. Leave for an adoptive parent takes effect at the latest 15 days following the child's placement in the adopted family with the intention of adoption or on the announcement of adoption.</p> <p>The benefit is compensation or a special payment within the scheme of insurance for parental protection. The types of compensation connected to individual types of leave are:</p> <ul style="list-style-type: none"> • Maternity allowance during maternity leave • Paternity allowance during paternity leave for 30 days • Parental allowance during parental leave <p>The right to part-time work resulting from parenthood (not less than half of full working hours) may be granted to one of the parents caring for:</p> <ul style="list-style-type: none"> • A child under 3 • Moderate or severe physical impairment or moderate or severe mental handicap up to 18 • At least two children up until completion of the first year of primary education of the youngest child (1 year of the right is non-transferable for each of the parents). <p>The payment of social security contributions in the instance of four or more children belongs to one of the parents leaving employment to care for four or more children. The parent has the right to payment of contributions for social security for the minimum wage.</p> <p>The right to benefit during nursing is based on a pediatrician's confirmation that the mother is entitled to a 1-hour nursing break until the child reaches 18 months.</p>
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2.2 Wider Benefit Provision

In addition to the mandatory benefits, employers often provide a range of benefits to help recruit and retain employees. The table below outlines the most common benefits.

Benefit	Comments
Company Cars	A company car is typical for management and other staff who require transportation to perform their work.
Fuel Card	Employees with a company car are entitled to a fuel card. Some fuel cards are usable only in Slovenia, and others are usable outside of the country.
Transportation Allowance	There are compulsory payments to cover transportation costs, amounting to €1.18 per kilometer (or the cost of a monthly pass for public transport).
Bonus	<p>Common bonuses to include in employment contracts are:</p> <ul style="list-style-type: none"> • 13th salary considered a gratuity and not required by law • Christmas bonus • Jubilee bonus, usually amount dependent on the length of service • Performance-based bonus <p>Twenty percent of all companies provide jubilee awards, and 59% offer service awards. Typical anniversary rewards are for 10, 20, or 30 years. The target payout is a percentage of the base salary and linked to the pay grade. Jubilee awards are similar but may celebrate a special anniversary such as 25 or 50 years.</p>
Meal Subsidy	Compulsory payments for lunch costs are a minimum of €4.12 per workday. Some companies subsidize canteen meals instead of providing a mandatory meal allowance or voucher, which costs up to €6.12 per workday (tax-exempt).
Discounted Company Products	Nineteen percent of companies grant product discounts.
Education	The majority (81%) of companies provide or assist with employee development in the form of conferences and training courses.
Mobile Phones	Almost all companies (98%) provide mobile phones to employees.

In recent years, companies began to offer extra benefits to their employees, including flexible hours for working mothers, paternity leave, and study leave for work-related courses.

Slovenia launched a family-friendly enterprise certification scheme – *Certifikat Družini prijazno podjetje* – in 2007, in partnership with the non-profit Equilib Institute. The scheme is based on the European family audit system developed by Berufundfamilie in Germany and is also used in Austria, Italy, and Hungary.

A Family Friendly Enterprise (FFE) certificate is based on the CSR principle of employee and management cooperation and emphasizes work-life balance. An FFE certificate is a long-term consultation process, providing positive effects that go beyond reconciling the work and private lives of employees. It clearly reflects competitive advantages with positive economic effects for the enterprise and long-term effects for society. Over 250 Slovenian companies and organizations enter the certification, and certificate holders employ more than 70,000 workers.



3. Insured Benefits – Design and Typical Costs

Below are the most popular insured employee benefits in Slovenia and frequently applied levels of cover.

Benefit	Comment/Cost	Lower Quartiles Approach	Medium Quartile Approach	Upper Quartile Approach
Medical Insurance	Voluntary health insurance can roughly be divided into supplementary and additional. Supplementary insurance covers participation costs, and additional health insurance consists of various insurance products related to additional health care (specialist examinations, unstandardized dental care, rehabilitation costs after accidents, hospital specialist activity, etc.).	It is not very common for companies to provide supplemental medical benefits.		
Pension Plan	<p>Voluntary supplementary pension plans may be established as collective insurance with an employer, who partially or entirely funds the insurance for all their employees, or by entering an individual insurance retirement plan.</p> <p>Employer's contributions to supplementary pension funds are deductible for purposes of both corporate and personal income tax and social security contributions. An employer paying the contributions to a pension plan can lower their tax base, and the contributions are not included in the base for the social security contributions.</p> <p>Pension contributions from both the employer and the employee benefit from tax relief up to 5.844% of the employee's gross wage and are capped annually at about €2,800 per employee. This maximum also includes premiums paid by the employee to individual pension schemes, with the employer having priority to the scope of tax relief.</p> <p>For a plan to receive tax favorable treatment, it must cover at least 51% of all employees of the sponsoring employer and be authorized by the Ministry of Labour.</p> <p>The third pillar – premiums paid from this pillar are subject to tax relief and preferences, which are lower than similar incentives of other occupational schemes. Tax incentives for individual pension insurance include only the personal income tax relief, but not other social contributions, so due to mentioned reason, this pillar is not very common in Slovenia.</p>	The broker is not involved.		
Life Insurance	Group life insurance products concluded by companies typically do not have a saving component. Insurance beneficiaries in case of death can be a company or person (family members, etc.) The premium is recognized as a taxable expense for the company, but when the company is the beneficiary, the payment increases the company's tax base for that year.	In general, life insurance policies are not very common insurance-based benefit.		



Personal Accident	It is possible to conclude individual or group policies with coverage for accidental death and permanent disability as primary coverages and other optional coverages (e.g., death due to illness, death due to traffic accident, bone breakage, daily home or hospital allowance, therapy expenses, etc.). The employer typically covers the cost, but it is possible to have employees contribute and include their family members.	Only Managers covered. Sum insured equals 1 to 2 annual salaries.	All staff is covered during the work or 24 hours with premium cost reduction from the employee's monthly salary.	All staff covered on 24 hours basis.
Travel Health Insurance	Covers costs of medical treatments during travel and staying abroad. Companies typically conclude this coverage only for business travels; 93% of companies provide this insurance. It is possible to conclude annual policies and separate policies for each trip.	Lower limits and limited territorial scope of cover during business travels.	Higher limits and wider territorial scope of cover only during business travels.	Higher limits and wider territorial scope of cover. Coverage for business and private travels.

4. Setting Up Policies

Employers often ask us to comment on how to accurately set up policies in Slovenia and about the possible restrictions that could apply.

The selection of cover is the first step in concluding group or individual policies, keeping in mind that custom programs are not available for some employee benefits insurance lines. Therefore, you can only choose among packages that the insurers offer. This mostly applies to voluntary health insurance.

The minimum number of insureds for a group policy depends on each insurer and insurance line for the benefit in question, but there should be at least 5 insureds. If there are not enough insureds for group policy, it is possible to conclude individual policy/ies for each employee.

For small groups, it is required to identify each employee by providing their full name and other census data. It is enough to complete a specific Excel sheet provided by the insurance company with the employees' data for larger populations.

Individual medical (health) information and other census data are required for health and life insurance, including some specific forms that the employer must complete, such as a client questionnaire, business subject, legal entities, ownership structure, and information on the legal entity's beneficial owner.

The usual age limit for voluntary employee benefits insurances is 75, but this limit could be around 65 years for some coverages. This also depends on each insurer.

In general, insurance costs may vary according to specific coverage, sum insured (limit), employers' business activity, number of insureds, health, and other census data (gender, age, etc.).

Voluntary pension insurance requires a direct agreement with pension system providers and is out of a broker's scope.



5. Onboarding and Policy Administration

Onboarding

The state regulates the social security system, and there are no special requirements for onboarding if all pre-conditions are met. Voluntary insurance lines mostly require moderate administration according to each insurer's directive.



Policy Administration

As brokers, we provide full support for policy conclusion and other related administration, but this is all in line with the broker's strictly regulated role.

Note: MAI CEE cannot provide the following additional services: benchmark reports, HR administrative support, legal and tax advice, flexible benefits, or actuarial services.

Due to strict GDPR and IDD regulations, we do not actively participate in the claims handling process.



6. Broker Remuneration

We base our costs on the requirements of the client and the time spent providing that service. Commissions payable on insured policies are the typical market practice, but we will be happy to discuss fee or commission options whenever required.

7. MAI CEE Contact



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