

## sozialversiche

### Social Security

#### For gainfully self-employed artists in Austria

Gainfully self-employed artists fall within the category of “new self-employed”. If your income from self-employment exceeds a certain threshold amount, you become subject to compulsory insurance with the **Social Insurance Institution for the Self-Employed** (*Sozialversicherung der Selbständigen (SVS)*). The legal basis for this is the Social Insurance Act for Commerce and Trade (*Gewerbliches Sozialversicherungsgesetz (GSVG)*).

Artists can apply to be granted an allowance for their social insurance contributions from the Artists' Social Insurance Fund – **Künstler-Sozialversicherungsfonds (KS VF)** (for the most important questions and answers relating to this, please click [here](#)).

#### ► **Social Insurance Institution for the Self-Employed (SVS)**

Social Insurance Institution for the Self-Employed (*Sozialversicherung der Selbständigen (SVS)*), is the new name of the agency having competence as of 1 January 2020 (formerly *Sozialversicherungsanstalt der gewerblichen Wirtschaft (SVA)*). The former Social Insurance Institution for Businesses (*SVA*) and the Social Insurance Institution for Farmers (*SVB*) have merged to form the Social Insurance Institution for the Self-Employed (*SVS*). All persons insured with the Social Insurance Institution for Businesses (*SVA*) automatically became insured with the Social Insurance Institution for the Self-Employed (*SVS*) at the turn of the year.

The income threshold amount for compulsory insurance with the Social

Insurance Institution for the Self-Employed is currently EUR 5,710.32 per year (income from self-employment). The same amount is considered the lower limit of income (!) from artistic self-employment which must be reached to qualify for the Artists' Social Insurance Fund – however, this is subject to various exceptions and special provisions. The maximum possible allowance from the Artists' Social Insurance Fund for an artist to subsidise contributions to the Social Insurance Institution for the Self-Employed remains unchanged at EUR 1,896.

**Tip** for insured persons with a small income: apply to be exempt from cost contributions for medical examinations and prescription charges!

### ► ***Compulsory insurance and income threshold***

If your annual income from self-employment (whether artistic or not) is above the insurance threshold, you are subject to compulsory insurance with the Social Insurance Institution for the Self-Employed. Please note: This applies whether or not you already have another kind of social insurance coverage. This means that multiple insurance is possible (e.g. if there is parallel employment).

**2021 Insurance threshold:** EUR 5,710.32

The insurance threshold is also the minimum assessment basis.

Compulsory insurance includes health insurance, accident insurance, pension insurance and supplementary pension provision for the self-employed.

### ► ***How much does compulsory insurance cost?***

This is how it is calculated: Assessment basis x contribution rate = contribution

The assessment basis results from the income subject to social insurance contributions according to the income tax assessment notice. During the current year, the Social Insurance Institution for the Self-Employed charges you provisional contributions. Later, once the income tax assessment notice becomes final, the Social Insurance Institution for the Self-Employed makes a re-assessment.

**2021 contribution rates**

- Health insurance: 6.80% (1)

- Pension insurance: 18.5%
- Supplementary pension provision for the self-employed: 1.53%
- Accident insurance: EUR 10.42 per month

*(1) plus allowance from federal government amounting to 0.85 % of the assessment basis.*

### **Cost example for 2021: Minimum contributions**

With a minimum assessment basis of EUR 5,710.32 (equivalent to EUR 475.86 per month), the minimum contributions are as follows:

- Health insurance: EUR 32.36 per month (= EUR 97.08 quarterly)
- Pension insurance: EUR 88.03 per month (= EUR 264.09 quarterly)
- Supplementary pension provision for the self-employed: EUR 7.28 per month (= EUR 21.84 quarterly)
- Accident insurance: EUR 10.42 per month (= EUR 31.26 quarterly)

=> total of EUR 138.09 per month (= EUR 414.27 quarterly)

### **Is it possible to pay less than the minimum contribution?**

If you have multiple insurance coverage due to simultaneous self-employment and other gainful employment, the minimum assessment basis of the Social Insurance Institution for the Self-Employed is disregarded. In this case, lower contributions are possible.

### **Is there a maximum contribution?**

The maximum monthly assessment basis for self-employed persons is EUR 6,475.00 (2021 value). Accordingly, the maximum monthly compulsory insurance contribution amounts to EUR 1,747.67.

### **► How and when are the insurance contributions to be paid?**

Requests to pay are sent out quarterly, with the reassessment and adjustment of final contributions being made at a later date. The Social Insurance Institution for the Self-Employed sends out “prescribed contribution statements” (“*Beitragsvorschreibung*”) on a quarterly basis: These requests for payment are received in February, May, August and November, and the

contributions are due at the end of the respective month. Upon request, a monthly debit of corresponding partial instalments is possible; this requires a direct debit authorisation order.

### **Provisional social insurance contributions**

During the current year, the Social Insurance Institution for the Self-Employed charges provisional insurance contributions. In the first three years of self-employment, the minimum contributions are charged as standard (see above: cost example). From the fourth year onward, the provisional assessment basis is adjusted to reflect the individual income situation: It is calculated on the basis of your income in the third preceding year plus the pension and health insurance contributions prescribed at that time.

### **Final social insurance contributions**

The final insurance contributions cannot be calculated before the relevant income tax assessment notice has become available. Please note: This means that the Social Insurance Institution for the Self-Employed then calculates the final contributions to health and pension insurance – and there may be claims for back payments. There is no re-assessment for the portion known as supplementary pension provision for self-employed persons. Accident insurance is a monthly fixed amount and therefore also remains unchanged. The final assessment basis is hence established retrospectively. It results from the income actually earned (basically “income minus expenses”, specifically “sum total of all income” according to the income tax assessment notice) plus any compulsory insurance contributions from self-employment prescribed in the relevant contribution year.

### **Tip: flexible adjustment of provisional assessment basis**

If the provisional contributions appear noticeably too high or too low in view of the current or expected income, you may apply to have the provisional assessment basis adjusted (form to be completed). By increasing your provisional assessment basis, you can avoid high back payments becoming payable later. The assessment basis may not be reduced below the minimum assessment basis (exception: multiple insurance coverage).

### **Tip: in case of payment difficulties, arrange a payment extension or payment in instalments**

If you are in a financially tight situation and cannot pay your (total) contributions to the Social Insurance Institution for the Self-Employed (SVS) on time, you are strongly advised to contact the SVS. If necessary, the Social Insurance Institution for the Self-Employed can offer a deferral (i.e. a payment

extension) or payment by instalments. In the absence of such an agreement, the Social Insurance Institution for the Self-Employed charges interest on arrears at the current rate of 3.38%.

### ► **Registration for insurance: Insurance declaration**

The registration for social security is done by submitting an “insurance declaration“ ([Online Form](#), German only). The form also contains an extensive list of questions about your self-employment. These questions are intended to clarify whether you are actually self-employed (and not in bogus self-employment).

The registration form asks whether or not your income is likely to be above the insurance threshold. If so, this “income threshold declaration” immediately leads to full insurance cover (pension and health insurance, accident insurance, supplementary pension provision for self-employed persons). This insurance cover does not subsequently cease, even if your income is not above the insurance threshold after all.

### ► **Voluntary self-insurance: “Opting in”**

If your income is likely to be below the insurance threshold, you have the option to take out voluntary health and accident insurance – called “opting in”. However, pension insurance is not possible in this case, therefore you will not be entitled to an allowance from the Artists’ Social Insurance Fund either. If your income is above the insurance threshold after all, the Social Insurance Institution for the Self-Employed (SVS) will invoice the pension insurance contributions retroactively. An allowance from the Artists’ Social Insurance Fund (KSVF) can then also be applied for retroactively (up to four calendar years retroactively).

The assessment basis for health insurance contributions is the minimum assessment basis:

- **Health insurance:** EUR 32.36 per month (= EUR 97.08 quarterly)
  - **Accident insurance:** EUR 10.42 per month (= EUR 31.26 quarterly)
- ⇒ total of EUR 42.78 per month (= EUR 128.34 quarterly)

► ***What happens if I have not registered with the Social Insurance Institution for the Self-Employed (SVS) but my income then exceeds the insurance threshold?***

In this case, the Social Insurance Institution for the Self-Employed will retrospectively establish compulsory insurance “ex officio”, and the corresponding contributions will subsequently be prescribed. What are the consequences? If you do not notify the Social Insurance Institution for the Self-Employed that your income has exceeded the insurance threshold on your own initiative within eight weeks of your income tax assessment notice being issued, you will have to pay a surcharge of 9.3% in addition to the insurance contributions incurred.

► ***What services are available for (expectant) parents?***

**Maternity benefit**

(Expectant) Mothers insured with the Social Insurance Institution for the Self-Employed are entitled to maternity benefit or temporary help allowance.

(Temporary help consists in a person who takes over the insured person’s professional activity during the period of maternity leave; thus not a viable option for women artists.) Maternity benefit is payable from eight weeks before the calculated date of birth, for the day of childbirth and for eight weeks afterwards. In the case of multiple, premature or Caesarean section births, the entitlement is extended to twelve weeks after the birth. The daily maternity benefit is EUR 56.87 (2021 value).

**Childcare benefit**

For childcare benefit, there is a choice between several flat-rate variants and an income-tested model. Parents can take turns, alternating a maximum of twice um. This means that a total of three care blocks are possible, each of which must last for at least 61 continuous days. It is important to note the additional earnings limits! In the case of the flat-rate variants, the additional earnings limit is EUR 16,200 in the relevant calendar year (or more in individual cases where the previous year’s income was commensurately high). In the case of income-tested childcare benefit, a maximum of EUR 7,300 per calendar year may be earned in addition (2021 value applicable for children born on or after 1 March 2017, for reference periods up to 2019: EUR 6,800).

If childcare benefit is not received for the whole year, it is sometimes necessary to “delineate” the income (month by month during and outside the period of

receipt of childcare benefit) – in such cases, it is highly advisable to seek advice from the Social Insurance Institution for the Self-Employed.

**Note for births in 2021:** Due to the Covid-19 crisis, the income-related childcare benefit is exceptionally based on the tax assessment for 2019 instead of 2020 for births from January 1st to December 31st, 2021, if this results in a higher daily rate.

### **Compensation for childcare benefit recoveries**

In recent years, self-employed persons repeatedly had to repay childcare benefit they had received, even though they had not exceeded the applicable additional earnings limit. They had only failed to provide the social security agency with a monthly delineation of their income within the applicable time limit. A new legal provision of 2019 extends the time limit for births between 1 January 2012 and 28 February 2017 until 31 December 2025. Important: If it has already been established that the limit was exceeded and the parents have been informed that a delineation of income proof can be submitted, this must be done within two months. For final recovery claims relating to births between 1 January 2012 and 28 February 2017 which result solely from missing the deadline for income delineation, the individuals concerned may apply to the Young Families Fund (form to be completed) for compensation.

### **Other benefits for (expectant) parents**

Family time bonus (for fathers who stay at home directly after the birth of a child), child supplement, family allowance, increased family allowance, child tax credit and sole earner's tax credit are further examples – mentioned here only as a suggestion for further research. New additions from 2019 are the family bonus tax credit and the additional child tax allowance to replace the child tax credit – although low-income parents cannot benefit from this, and if the children live abroad, it will be reduced or increased.

### **► *Who is exempted from cost contributions for medical examinations and prescription charges, and how do I apply?***

Those with a low income who have health insurance with the Social Insurance Institution for the Self-Employed can on application (German only) be exempt from paying cost contributions for medical examinations and from prescription charges. The monthly income limits are set as follows: EUR 1,000.48 max. (2021 value) for singles, or EUR 1,578.36 max. (2021 value) as household income for couples. These income limits are increased by EUR 154.37

(2021 values) for each child (for whom maintenance is payable and provided his/her net monthly income is below EUR 367.98). For certain illnesses which experience has shown to incur special expenses (e.g. increased need for medication), 15% higher income limits apply. Since self-employed persons cannot provide final information on their current income while the calendar year is still underway, the Social Insurance Institution for the Self-Employed assesses the income situation based on the information on current income provided and taking into account the most recent income tax assessment notices available. The annual amount relevant for the assessment is divided by 14. An exemption is granted for a maximum of one year, after which a new application is required. The application (German only) is to be made to the competent regional office of the Social Insurance Institution for the Self-Employed.

► ***What kind of support is available in case of long-term sickness?***

For sole proprietors and self-employed persons with less than 25 employees, financial support is available in case of long-term sickness – but only from the 43rd day of sickness onwards. Starting from 1 July 2018, the following applies: For periods of sickness lasting longer than six weeks, support is paid retroactively from the 4th day of your incapacity for work. Please note: A doctor's sick note is required. Following the sixth week of your incapacity for work, the Social Insurance Institution for the Self-Employed pays a daily cash benefit of EUR 31.55 (2021 value). The entitlement is valid for the duration of the incapacity for work, but is restricted to a maximum of 20 weeks for one and the same sickness.

► ***Voluntary supplementary insurance: sickness benefit for self-employed persons***

Generally, if you want to receive sickness benefit from the fourth day of sickness onwards, you must take out supplementary insurance – before the age of 60. For this supplementary insurance, costs of 2.5% of the assessment basis for health insurance are incurred, and in any case not less than EUR 30.77 per month. Sickness benefit is then paid – after a waiting period of at least six months after taking out the supplementary insurance – in the amount of 60% of the daily assessment basis, and at least EUR 9.52 per day (2021 value). Please note: A doctor's sick note is required. The Social Insurance Institution for the Self-Employed must be notified of your incapacity for work within seven days,



after which a current medical certificate is required every 14 days. The entitlement is valid for the duration of the incapacity for work, but is restricted to a maximum of 26 weeks for one and the same sickness.

► ***Voluntary supplementary insurance: Unemployment benefit for self-employed persons***

Anyone registering for compulsory insurance for the first time must decide for or against unemployment insurance within six months. Please note: This decision is binding for eight years. You can choose between three contribution levels. This decision too is binding for eight years. The contribution, depending on the option chosen, is either 3% of one quarter of the maximum assessment basis, or 6% of half or three quarters of the maximum assessment basis. How much does it cost in concrete terms? The monthly unemployment insurance contributions, depending on the option chosen, amount to either EUR 48.56, EUR 194.25 or EUR 291.38 (2021 values). The chosen contribution level determines the amount of unemployment benefit that can be received in the event of unemployment. For the calculation of the unemployment benefit, the contribution bases of the unemployment insurance of the year before last (application 01.01. – 30.06.) or the last year (\*application 01.07. – 31.12.) are decisive. The daily unemployment benefit is hence EUR 25.88 or \*EUR 25.18, 41.36 or \*EUR 40.28, EUR 56.95 or \*EUR 55.47 (values 2021).

On the point or pointlessness of voluntary unemployment insurance and the challenges related to the possibility of claiming an entitlement in the first place (How do artists meet the legal definition of unemployment?), we recommend the following brochure published by Kulturrat Österreich [Infobroschüre „Selbständig – Unselbständig – Erwerbslos“ und die ergänzenden Infoblätter](#) (German only). In any case we recommend a personal consultation on the matter. Generally, the following must be observed: To be considered unemployed, you must have no current compulsory insurance coverage. A suspension of the compulsory insurance with the Social Insurance Institution for the Self-Employed (SVS) is possible for commercial and artistic activities. For all other self-employed activities, there is no possibility of suspension. You can notify the Artists' Social Insurance Fund (KS VF) of a suspension of your artistic activity, albeit not retroactively.


### ► **Heating allowance**

All persons and pensioners insured with the Social Insurance Institution for the Self-Employed who are exempt from the prescription charge can receive a heating allowance of EUR 150. An informal application to the responsible regional office of the Social Insurance Institution for the Self-Employed is sufficient. The deadline for heating allowance applications is always the beginning of March. Please contact the Social Insurance Institution for the Self-Employed for the exact date.

### ► **One hundred euro for your health**

How about saving 100 euro on your next yoga or climbing course? The Social Insurance Institution for the Self-Employed supports its clients in health-promoting activities in the areas of exercise, nutrition, stress/burnout, relaxation/bodywork and giving up smoking. The “Health Hundred” is available once per calendar year, upon application, if at least EUR 150 were spent on such activities – either with official partners of the Social Insurance Institution for the Self-Employed or as part of individual programmes. The prerequisite is a medical checkup. The application (form) (German only) must be submitted to the competent regional office.

### ► **2020 Values**

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## **The most important addresses at a glance:**

### **SVS – Sozialversicherung für Selbständige – Social Insurance Institution for the Self-Employed**

There are regional offices in all federal provinces

Phone: 050 808 808, Web: <https://www.svs.at>

### **KSVF – Künstler\_innensozialversicherungsfonds – Artists’ Social Insurance Fund**

1010 Vienna, Goethegasse 1 / Stiege 2 / 4. Stock Phone: 01 / 586 71 85, Email:

office@ksvf.at, Web: [www.ksvf.at](http://www.ksvf.at)

### **IG Bildende Kunst: Information and Advice for artists**

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## Links

[↗ Sozialversicherung der Selbständigen \(SVS\)](#)

[↗ Künstler-Sozialversicherungsfonds \(KSVF\)](#)

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