

Mehrsprachige Info

Social insurance of small business owners

Sozialversicherung der Kleinunternehmer

Under certain conditions, small business owners have the option of obtaining an exemption from health and pension insurance under the Commercial Social Security Act (GSVG). The exemption does not automatically entail inclusion in the self-employed insurance arrangements. You are then only obligated to pay contributions to the accident insurance.

Definition

Small business owners are persons whose

- annual revenues do not exceed the amount of € 5,527.92 and
- whose annual turnover from all entrepreneurial activities does not exceed the amount of EUR 35,000

Revenues are those revenues disclosed in the income tax assessment, namely (put simply) operational income minus operational expenditures.

Application

The small business owner must file an application with the Social Insurance Institution for the Self-Employed for exemption from compulsory full insurance. This application must credibly show that the above income and turnover limits for small business owners are not exceeded.

The application form for the exemption from compulsory full insurance can be requested from the respective regional office of the Social Insurance Institution for the Self-Employed. You can find the necessary form on the SVS (Social Insurance Institution for the Self-Employed) homepage www.svs.at.

Personal requirements

The application can be filed only by a person who

- has been insured on a compulsory basis under the GSVG for no more than 12 calendar months within the past 60 calendar months (5 years) or
- has reached the age of 60, or
- has reached the age of 57 and has not exceeded the above income and turnover limits for small business owners within the past five calendar years.

These three conditions notwithstanding, the application can be also filed

- for the duration of the receipt of child care benefits and/or
- for a maximum for the first 48 calendar months of child rearing per child (in the case of multiple births, for the first 60 calendar months at a maximum).

In these cases, the limit amounts usually applicable to the calendar year are reduced to the months of the exemption from compulsory insurance. Hence the average

- monthly earnings may not exceed the amount of € 460.66 and
- the monthly turnover may not exceed the amount of € 2,916.67.

Example:

An entrepreneur has been insured on a compulsory basis under the GSVG since 2012. After the birth of her daughter, she wants to spend her time mainly on child-rearing and work less. She applies for the exemption from health and pension insurance as of 1 September 2020 (= commencement of the receipt of child care benefits), because she will not reach the limit of average monthly income and turnover from that date onward.

Exemption from health and pension insurance obligations can be granted only for those whole months in which child care benefits are received for at least one day or for which child-rearing time is taking place.

Attention!

Only a natural entity can file an application for exemption from compulsory full insurance. For partners/shareholders or managing directors of companies such as a partnership (OG), limited partnership (KG) or limited liability company (GmbH), the special provisions for small business owners do not apply.

Commencement of validity and consequences

If no health and pension insurance benefits were received in the calendar year of the application, the exemption from compulsory insurance (health and pension insurance) begins retroactively, i.e. as of the onset of the calendar year or as of the onset of the receipt of child care benefits/child-rearing time. If benefits have already been received, the exemption begins with the first calendar month following the filing of the application. In this case, the small business owner is only insured on a compulsory basis by accident insurance. The contribution to accident insurance amounts to € 10.09 per month.

Caution!

Before filing an application for exemption from compulsory insurance, it is advisable to take into consideration that in this case the business activity will not provide any health and pension insurance coverage.

This is unproblematic as long as coverage is given on account of another activity, e.g. employment; or on account of the receipt of pension benefits (e.g. on account of retirement annuity); or on account of the receipt of child care benefits.

If no other coverage is in place, the small business owner will have to pay, for instance, doctor's fees and treatment costs himself should he fall ill.

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