

# Social Security Service for Freelancers

An Introduction



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# 1. General information on social insurance for freelancers and new self-employed persons

Which laws are relevant for my insurance?

- GSVG:** Social Insurance Act for Trade and Industry
- ASVG:** General Social Insurance Act
- FSVG:** Social Insurance Act for Freelancers
- BSVG:** Farmers' Social Insurance Act
- NVG:** Notary Insurance Act
- B-KUVG:** Civil Service Health and Accident Insurance Act

To whom does social insurance apply?

Since 1998, anyone who receives **"income from business enterprises"** or **"income from self-employed work"** on the basis of their occupational activity and who is not subject to compulsory insurance on the grounds of their activity belongs to the statutory

- **health insurance**
- **pension insurance**
- **accident insurance**

scheme and has been subject to the

- **self-employment pension scheme since 1 January 2008.**

We classify anyone that falls into the above category into two groups:

- Freelancers  
and
- Neue Selbständige or "new self-employed persons", a group of self-employed persons that fall under Austria's new severance pay regulations.

SVA info sheets on a host of topics can be found online at [www.svagw.at/info](http://www.svagw.at/info)

**Freelancers** belong to a statutory professional organisation that represents their interests.

**New self-employed persons** belong to no statutory professional organisation that represent their interests.

If both freelancers and new self-employed persons are addressed in the following, we have opted to use the term "**self-employed persons**".

### **Freelancers can include**

- Public auditors (GSVG)
- Veterinarians (GSVG)
- Notaries (NVG)
- Lawyers (GSVG)
- Civil engineers (FSVG)
- Doctors (FSVG)
- Pharmacists (FSVG)
- Patent attorneys (FSVG)
- etc.

### **Examples of new self-employed persons**

If not yet insured in accordance with the GSVG/FSVG/ASVG by virtue of their activities, the following professions belong to the group of new self-employed persons:

- Artists
- Lecturers
- Experts
- Writers
- Freelance journalists
- Self-employed psychologists
- Self-employed psycho- and physiotherapists
- Self-employed nurses
- Active partners
- etc.

**Please note:**

If you are a **partner** in a general or trading partnership that has no business licence and have personal liability, you are also considered to be **economically active**. For other partners, we assume that they are economically active if

- they have **unlimited liability**
- or
- they hold **management authority** or
  - they are **active in the company** in any other way

Under these conditions, **limited partners** (*Kommanditist*) are also subject to compulsory insurance if the partnership was established after 30 June 1998.

Partners who are not considered economically active under these conditions (e.g. inactive partners in a GmbH) are not subject to compulsory insurance under the GSVG (as was previously the case).

### What is compulsory insurance?

To make sure that social risks affecting individuals is borne in solidarity by the community, social insurance law has defined the principle of compulsory insurance. Coverage under this insurance therefore applies irrespective of:

- the volition of the insured person
- the insured person's citizenship

In other words: As soon as you meet specific requirements, you are subject to compulsory insurance. No contract is necessary for insurance under this scheme.

### As a freelancer or new self-employed person, when am I subject to compulsory insurance?

As a freelancer or new self-employed person, you are subject to compulsory insurance once the following requirements have been met:

- you receive income from a **business** and/or from **independent work**.
- you are **not already subject to any other compulsory insurance** on account of this economic activity - due to a freelance service contract (*freier Dienstvertrag*) in accordance with the ASVG (with the exception of public auditors and veterinarians)
- the contribution basis resulting from your income exceeds the **insurance threshold** (page 8) and/or you report income above the insurance threshold in your insurance statement.

## Examples

A writer accepts a contract to lecture at an adult education centre. The adult education centre signs a **freelance service contract** (*freier Dienstvertrag*) with the writer. This freelance service contract means that the writer is subject to **compulsory insurance under the ASVG**. In light of their income from the adult education centre, the writer is not considered a new self-employed person.

### Please note:

The difference between a **freelance service contract** and self-employment is sometimes difficult to determine. Generally, the following criteria apply for freelance service contracts:

- You undertake to provide services to a **client** against payment.
- You essentially provide these services in person.
- You do not use any of your own resources/equipment that are essential for this activity.

Your responsible **regional health fund** assesses whether the contract constitutes a freelance service contract or not.

The **SVA insurance statement** includes several questions that allow or facilitate an assessment. If the replies to these questions indicate a freelance service contract, we send the insurance statement to be reviewed by the regional health fund.

## Which institutions are responsible for my social insurance?

**SVA:** Social Insurance Authority for Business

**AUVA:** General Work-Accident Insurance Authority

For self-employed persons, **health** and **pension insurance** under the GSVG is organised by the SVA. We collect the contributions and provide the statutory benefits.

**Accident insurance** for self-employed persons is provided by the AUVA. However, we also prescribe and collect the accident insurance contributions.

In addition, we collect some of the contributions under the **self-employment pension scheme** and transfer the funds to the provident fund.

## When do I need to contact the SVA?

If you are active as a freelancer or a new self-employed person, you need to report to us **within one month**. The **amount of your income** is irrelevant. Your data in the "**insurance statement**" forms the basis for your social insurance. This is the only way to guarantee that you are covered by insurance right from the start of your economic activity.

## What happens if I report to the SVA late or not at all?

If you fail to report to the SVA as expected of you and your income from self-employment is above the **insurance threshold** (page 9), pension, health and accident insurance will apply to you **retroactively**. In most cases, this means that you will have to **pay contributions in arrears** and, for your pension and health insurance, will even face a surcharge in the amount of 9.3 percent on the contributions you need to pay back. You can avoid paying this surcharge if you notify us that you have exceeded the insurance threshold no longer than eight weeks after the notice of income tax assessment is issued.



## 2 . Principles of compulsory insurance

The following section provides an overview of the principles applicable for compulsory insurance under the GSVG for self-employed people.

### From what income level am I subject to compulsory insurance?

As a freelancer or new self-employed person, you are only subject to compulsory insurance if your income from professional activities that are subject to compulsory insurance exceed a certain **threshold**. As a result, we are only able to determine whether or not you are in fact subject to compulsory insurance during a given year **retrospectively** (i.e. after you have received your notice of tax assessment). However, to make sure that you are actually covered by insurance, you can submit a **statement** , declaring that you expect your income to exceed the insurance threshold, thus establishing the start of your insurance in advance.

In 2019, the **insurance threshold** amounts to **5,361.72 Euro**, regardless of whether you are self-employed and also performed other jobs or received income from another source, such as:

- pension
- retirement or care benefit
- benefits from another statutory professional organisation (chamber)
- sick pay or maternity allowance from the statutory health insurance
- money from unemployment insurance
- childcare allowance
- etc.

Receipt of an accident benefit, or the like, is not considered to constitute a further economic activity.

### You are a business person insured under the GSVG and self-employed at the same time

If you are already insured in accordance with the GSVG and are self-employed in one of the professions described above **at the same time**, **no insurance threshold** applies for you. The income from all economic activities is **added together** to calculate the contribution basis under the GSVG. The **upper earnings limit** represents the maximum amount. This ceiling may not be exceeded.

**Please note:**

If, in a given calendar year, you are self-employed prior to or after another economic activity subject to compulsory insurance under the GSVG (not at the same time), then the insurance threshold applies for your self-employment activities. In this case, we add together the income from all the different activities.

### Examples

Let's assume that a woman is insured as a **business person** from January to June and that her income from this economic activity totalled 4,400 Euro. In July, she starts to **freelance** and earns 1,500 Euro in self-employment. Since the sum total of her income (5,900 Euro) exceeds the insurance threshold, compulsory insurance exists for the entire year.

### What happens if I do not have my notice of tax assessment for a given year and compulsory insurance cannot be finally determined?

Whether your relevant income under the GSVG exceeds the respective insurance threshold or not cannot be predicted for a year that is still ongoing. This is also true for the following year, since only a **notice of tax assessment** for the year for which contributions are payable can finally determine whether or not you were subject to compulsory insurance. We therefore need to **estimate** your **insurance obligation**. Since your **contribution basis** determines whether you are subject to compulsory insurance, and this basis is derived from your **income**, two options are available:

#### 1. You state that your income is likely to exceed the insurance threshold (“**Declaration of Excess Earnings**”).

Upon submission of such a declaration, you are **immediately subject to compulsory insurance**. This means that you will be required to pay contributions for health, pension and accident insurance and possibly contributions to the self-employment pension scheme, which we collect. Health and accident insurance coverage begins at the same time.

**What happens if it subsequently becomes apparent that my contribution basis is below the insurance threshold?**

If it subsequently turns out that your prediction was wrong, you **are still subject to compulsory insurance**. Your insurance coverage remains in place in all insurance classes.

**How long does my insurance coverage remain in place, if I state that my contribution basis is likely to exceed the insurance threshold?**

The compulsory insurance remains in effect until you revise your **Declaration of Excess Earnings** and declare that the insurance threshold is not being exceeded. In this case, compulsory insurance provisionally ends on the last day of the month in which you submitted the declaration.

**2. You state that your income will presumably not exceed the insurance threshold.**

You can submit this declaration **without any further explanations**, even if your notices of income tax assessment from previous years indicate that your income exceeded the insurance threshold. However, you should consider the consequences: you will not have to pay **any social insurance contributions** for the time being, but **neither are you covered by health and accident insurance**. (You may have the option of obtaining co-insurance free of charge in your spouse's health insurance.)

Using your actual income, we verify, **in retrospect**, whether you will continue to be exempt from compulsory insurance or have in fact exceeded the insurance threshold.

**Please note:**

If, contrary to your forecast, you **exceed the insurance threshold**, you will be required to pay **insurance and pension contributions** in arrears as well as the surcharge previously mentioned for pension and health insurance!

We therefore advise you to make your income forecast as realistic as possible and to **notify us of any changes no later than eight weeks after the notice of assessment is issued**.

### Is there a way for me to be insured even if my relevant earnings do not exceed the insurance threshold?

You can request health and accident insurance even if you do not exceed the insurance threshold. We refer to this declaration as "**Opting in**". The **insurance threshold** then represents your **contribution basis** for your health insurance contributions.

**Accident insurance** costs **9.79 Euro a month** (valid for 2019).

In this case, you are not obliged to pay contributions into the self-employed pension scheme.

### When does compulsory insurance begin?

Compulsory insurance begins

- on the day the SVA receives your Declaration of Excess Earnings ("*Überschreitungserklärung*"), if you have submitted one,
- but not before the day on which you begin your trade or profession and/or acquire any requisite entitlement under occupational law.

If you have been pursuing your trade or profession for an extended period of time prior to submitting the Declaration of Excess Earnings, compulsory insurance can be stipulated as beginning as early as 1 January of the current year in certain cases.

The earliest possible starting date for compulsory insurance is **1 January 1998**, even if you took up your trade or profession before this date.

### What happens if I do not register for insurance?

If, as new self-employed person, you fail to register for insurance, your compulsory insurance will commence **retroactively from the start of the year**, once your income is indicated in your notice of tax assessment for the contribution year. We can only take another date as the starting date for compulsory insurance, if you are able to prove that you did not take up your trade or profession until a later point in time.

"**Opting-in**" health insurance begins on the day of notification.

## When does compulsory insurance end?

- If you **discontinue your trade or profession ...**
  - If your **business licence becomes void ...**
  - If you declare that you do not/no longer **exceed the insurance threshold ...**
- ... then compulsory insurance ends on the **last day** of the **calendar month** in which this event occurs.

## What happens if I fail to report an event that leads to the end of my compulsory insurance?

If you breach your reporting obligation (notification within one month), your compulsory insurance will terminate with the **end of the relevant calendar year**. However, you have the option of proving earlier termination.

## When does my "opting-in" health insurance end?

If you decided on the "opting-in" health insurance, this ends

- on the last day of the calendar month in which you **deregister** or
- upon expiration of the third month, if you do **not make contributions** within three months.

### **Please note:**

When assessing your insurance obligation, we assume that you are exercising your **economic activity on a continuous basis** (exception: artists – see Chapter 4). Only if a statutory professional organisation (chamber) exists, which allows for the temporary suspension of freelance activities, can we take account of any such suspension in the course of a calendar year.

**While drawing maternity benefits**, female insured persons can either **suspend their economic activity** and temporarily suspend their trade licence with their competent professional organisation or notify us of such a suspension of economic activity (applies to insured persons without their own professional organisation). Such a step will not invalidate your entitlement to maternity benefits.

This suspension only applies if you are in possession of valid health insurance coverage provided by compulsory insurance or are self-insured in accordance with the Trade and Industry Social Insurance Act at the time of suspension. You will only be entitled to maternity benefits during this period, if you have been covered by compulsory insurance for at least 6 months prior to the start of such an interruption. For more information, please visit [www.svagw.at](http://www.svagw.at).

## Transitional provisions for pension insurance

### (age limit)

If you were already over the age of 55 on 1 January 1998, as a self-employed person, you are essentially excluded from compulsory insurance in the pension insurance scheme. The cut-off date of 1 January 2000 applies to specific occupational groups (such as limited partners).

**Please note:**

The age limit only applies to pension insurance. Health and accident insurance contributions remain payable.

### Can I opt out of pension and/or health insurance even if I earn more than the insurance threshold?

**Freelancers** who are associated with statutory professional organisations (chambers) have the option of opting out of pension and/or health insurance, if equivalent or similar support is provided to members of this chamber in the respective insurance classes. We refer to this option as "**Opting out**".

The following professions have implemented such an exemption from **health insurance under the GSVG**:

- Public auditors
- Veterinarians
- Doctors
- Pharmacists
- Patent attorneys
- Notaries
- Civil engineers

The following professional groups have implemented such an exemption for **health insurance** and **pension insurance**:

- Lawyers

However, all of the above freelancers must take out **health insurance**. The following options are available:

- Self-insurance in line with the GSVG
- Compulsory insurance in line with the GSVG
- Self-insurance in line with the ASVG
- Group contract by a private insurer

**Please note:**

In terms of costs and benefits, there are some **substantial differences** between the various health insurance schemes. You should therefore give due consideration to the choice of insurance scheme.

### 3. Costs of compulsory insurance

The contributions for statutory social insurance are determined by law. Health and pension insurance contributions are calculated using the following formula:

$$\boxed{\text{Relevant earnings}} \times \boxed{\text{Increment}} = \boxed{\text{Contribution}}$$

We distinguish between your **preliminary** and **final** contribution:

#### 1. Preliminary contribution

Until a notice of income tax assessment is available for any given year, we calculate a **preliminary contribution basis**. As soon as the notice of income tax assessment for the contribution year becomes available, we **retroactively** calculate the final contribution basis.

**I only recently took up self-employment. Which contribution basis applies to me?**

In the **first three years** the **insurance threshold** that applies to you is also used as **preliminary contribution basis**.

Valid for 2019:	Insurance threshold
<b>Preliminary monthly contribution basis</b>	<b>EUR 446.81</b>
<b>Pension insurance contribution (increment 18.50%)</b>	<b>EUR 82.66</b>
<b>Health insurance contribution (increment 7.65%)</b>	<b>EUR 34.18</b>
<b>Pension contributions (increment 1.53%)</b>	<b>EUR 6.84</b>

From the fourth year of self-employment, your preliminary contribution basis will be derived from the **income you earned three years earlier** (2016 for 2019) and from the pension and health insurance contributions prescribed at that time. If you opt for voluntary unemployment insurance, you also need to add the contributions you paid under your unemployment insurance plan. We "**adjust**" the sum total of these contributions by inflation (2019 inflation factor: 1.075) and then divide this figure by the number of months you were insured three years earlier. The result is the preliminary contribution basis.

## 2. Final contribution

Your contribution basis depends on your income generated in the relevant contribution year. All income that is specified in your notice of income tax assessment as income from a **business** or from **self-employment** is taken into account. Since any insurance contributions made are already deducted from your income as operating expenses in your notice of tax assessment, you need to add back the **health and pension contributions (as well as any contributions to unemployment insurance) you paid to the income for the year**. This results in your individual contribution basis, which may, however move within a certain margin:



### Examples

Let's assume that your notice of tax assessment specifies income from self-employment in the amount of 16,000 Euro. In this contribution year, preliminary health and pension contributions of 3,200 Euro were prescribed. Your **contribution basis** therefore amounts to 19,200 Euro a year or 1,600 Euro a month.



## **I expressly requested health insurance ("opting in") and my income did not exceed the insurance threshold. Which contribution basis applies to me?**

If you have decided to "**opt in**" and ultimately do not exceed the insurance threshold, the (minimum) monthly contribution basis of 446.81 Euro applies.

### What is the lower earnings limit?

The lower earnings limit is based on the **insurance threshold (446.81 Euro a month)**. In practice, this limit becomes applicable, if

- you originally stated that your income would exceed the respective threshold and
- your income ultimately did not exceed the insurance threshold.

### What is the upper earnings limit?

In 2019, the monthly **upper earnings limit under the GSVG** amounts to a standard **6,090 Euro**. No contributions for **social insurance** are payable for any income beyond this limit.

### When do I have to pay my contributions?

We require the (preliminary) insurance contributions to be paid on a quarterly basis. The contributions must be paid before the end of the second month of each quarter in a calendar year. In other words by

- 28/29 February
- 31 May
- 31 August
- 30 November

If the contributions are due, you are expected to pay them within **15+3** days. If you fail to pay contributions due, we will charge **interest on arrears** starting on the 16th day after the due date. This may subsequently also lead to reminders and, finally, the seizure of assets.

You also have the **option** of allowing the SVA to collect the prescribed contributions in **monthly instalments** – if you so wish and submit an application. The benefit: Due dates (e.g. social insurance and tax office) can be better coordinated and liquidity bottlenecks can be prevented. If you decide to take this approach, you will be notified of the contribution amounts and the collection dates before the contribution is processed.

## What happens if my final contribution basis turns out to be higher/lower than the preliminary contribution basis?

We can calculate the final contribution basis as soon as the notice of income tax assessment becomes available. This is used to determine your final contributions. We compare these with the preliminary health and pension insurance contributions that you were required to pay in the relevant year. This process is called **retroactive assessment**.

If your final contribution basis turns out to be higher than the preliminary contribution basis, you will be required to **pay contributions in arrears**. If the final contribution basis is lower, we will reimburse money to you.

Contributions for the **self-employed pension scheme** are **not retroactively assessed**.

### **Please note:**

Retroactive assessment may lead to **very high contributions that are payable in arrears**. While the amount payable in arrears is divided into **four instalments**, you need to remember that you will also be expected to continue paying your preliminary contributions for the ongoing year.

We therefore advise you to create appropriate **reserves** in the contribution year if you expect your income to increase. This will prevent difficulties in meeting your payment obligations.

## What is my increment?

You are expected to pay certain **percentages** of your relevant income as contributions to your health and pension insurance. This percentage is referred to as the increment. It amounts to

- **Health insurance in accordance with the GSVG:** 7.65 %
- **Pension insurance in accordance with the GSVG:** 18.5 %
- **Pension insurance in accordance with the FSVG:** 20.00 %
- **Self-employed pension in accordance with the GSVG:** 1.53 %

## What costs arise for accident insurance?

For self-employed persons, accident insurance contributions are not determined by income level. Everyone pays the same amount. In 2019, the accident insurance contribution amounts to 9.79 Euro per month.

- Contributions are required on a quarterly basis.
- We collect the contributions and transfer these to the AUVA

**AUVA** = Austrian General Work-Accident Insurance Authority

### Is there an option for me to pay higher accident insurance contributions voluntarily in order to receive higher benefits?

Your "compulsory contribution" means that you are entitled to benefits in kind and cash benefits in the event of a work accident or occupational disease. The assessment basis for cash benefits - particularly for annuities - is fairly low for the contribution mentioned. A contribution of 9.79 Euro a month is derived from an **annual assessment basis** of 20,473.43 Euro. You therefore also have the option of taking out additional accident insurance. This will also raise your assessment basis.

There are two levels for additional accident insurance. The following annual contributions and assessment bases are possible in 2019:

	Additional insurance I	Additional insurance II
Additional annual contribution	EUR 117.49	EUR 176.50
Annual assessment basis	EUR 33,480.01	EUR 40,079.32

### Where can I apply for additional insurance?

For additional insurance, you need to file a request with the AUVA's competent regional office. The additional insurance contribution will then be stipulated and collected by the AUVA directly.

## 4. Specifics applicable for artists

**Service centres for artists** have been available at the SVA since 2011. Staff from the SVA's regional offices are happy to provide you with information and advice in all matters concerning social insurance as a central point of contact.

The service centres accept **all kinds of requests** relating to social insurance. If the SVA is not responsible (e.g. pension requests), we are happy to forward your requests to the responsible insurer for further processing.

We are also happy to accept requests and applications under the Act on the Social Insurance Fund for Artists (*Künstler-Sozialversicherungsfondsgesetz*) (e.g. granting of allowances) and pass them on to the fund.

**K-SVFG** = Act on the Social Insurance Fund for Artists

However, the applicable statutory provisions and the competencies as well as the tasks of the insurers and of the Labour Market Service (AMS) and KSVF (Social Insurance Fund for Artists) remain unchanged.

### Who is considered an artist?

Artists under the Act on the Social Insurance Fund for Artists are defined as *"anyone who creates works of art as part of their artistic activities in fine arts, performing arts, music, literature, film or in any of the contemporary forms using his/her artistic abilities"*.

The Artist Commission (*Künstlerkommission*) decides whether a person satisfies the above requirements. This commission consists of several **committees** – one for each branch of art:

- Literature
- Music
- Fine arts
- Performing arts
- Film
- Contemporary forms of art

An **appeals committee** has also been set up to prepare an additional expert opinion in case of disputes.

If you have completed a **university degree from an academy of fine arts**, such a degree will be considered sufficient proof of your professional qualification as an artist. **Other criteria** for classification as an artist (such as samples of your work) will be reviewed by the competent commission.

### How do I obtain financial support from the Social Insurance Fund for Artists?

The Social Insurance Fund for Artists is responsible for helping artists raise the resources required for **their social insurance** by awarding grants to the contributions of insured artists.

It is not for the SVA, but for the Social Insurance Fund for Artists (K-SVFG) to decide on the approval of a request.

All self-employed artists are subject to K-SVFG.

### **As an artist, when am I considered self-employed and when am I considered an employee?**

Whether you are self-employed or not as an artist **does not depend on the title of your contract**, rather only on the **contents of the contract**. For example, actors and dancers appearing in a theatre performance cannot be self-employed, because this activity may only be carried on within the bounds of service employment.

### **Are artists permitted to conclude a freelance service contract (*freier Dienstvertrag*)?**

Artists cannot be subject to compulsory insurance pursuant to the ASVG by virtue of a freelance service contract. As an artist, you can only be

- insured as a **regular employee** in accordance with the ASVG (e.g. as an actor) or
- insured as a self-employed person under the **GSVG**.

### **What requirements need to be met to obtain pension allowances from the Social Insurance Fund for Artists?**

The following criteria need to be met to obtain an allowance:

- You need to file the appropriate **request** with the SVA or the fund.
- Your **income or earnings from artistic activities** (including secondary artistic activities) amount to a minimum of **5,361.72 Euro** (valid for 2019). This requirement may be waived, and more favourable terms may apply.
- The sum total of your annual income is not more than **29,042.65 Euro** (valid for 2019)

If you would like to submit an application, you are required to use the **forms** provided by the fund, in which you have to state your expected income and your artistic activities. You may also apply for allowances retroactively (up to four years). The Social Insurance Fund for Artists then decides whether you are entitled to any allowances. After making its decision, we will take it into account when preparing our contribution requirements.

#### **Please note:**

The Social Insurance Fund for Artists carries out regular **spot checks** in order to verify **compliance with the eligibility requirements**.

## What is the allowance from the Social Insurance Fund for Artists?

The allowance amounts to a maximum of 158 Euro per month (1,896 Euro per annum). However, it may not exceed the monthly pension, health and accident insurance contributions that you are required to pay.

### Subsequent verification

As soon as you have received your notice of tax assessment, we will once again verify if you are entitled to allowances. If not, the **Social Insurance Fund for Artists** may **demand that you refund** the allowances you had been initially awarded. For more information regarding such refund demands, please contact the Social Insurance Fund for Artists directly!

## What should I do if I do not exercise my self-employed artistic activities over a certain period of time?

Since 1 January 2011, self-employed artists have had the option of **suspending their activities**, if they are no longer exercising these activities. You need to notify the **Social Insurance Fund for Artists** of this suspension. You will be exempt from **compulsory insurance in accordance with the GSVG** from the time of notification until the time you resume your activities as an artist. Since the start of the exemption depends on the date of notification of the suspension, retroactive suspension is not possible!

During the exemption, you may receive **unemployment benefits** or **emergency welfare**, if you meet the requirements for these benefits.

## What transitional arrangements apply for artists?

The **"age-related exemption"** (page 13) also applies to artists. The age limit for women and men is 55 years. The relevant date for this exemption is 1 January 2001.

### Please note:

The **"age-related exemption"** does not apply to you if, on **31 December 2000**, you were insured as a

- musician (in accordance with the ASVG)
- artist (in accordance with the ASVG)
- cabaret artist (in accordance with the ASVG)
- fine artist (in accordance with the GSVG)

## 5. Multiple insurance

Alongside your activities subject to compulsory insurance under the GSVG, you are also carrying on a profession subject to compulsory insurance under the ASVG or BSVG

Self-employed persons are subject to **"multiple" insurance** if they simultaneously:

- work as a **salaried employee** subject to compulsory insurance and
- run a **farm or forestry operation**

If you are covered by multiple insurance policies, you are required to pay contributions into all the different health and pension insurance plans in which you are enrolled. To calculate your contribution, the individual contribution bases are added together. The upper earnings limit is the same under all the pension laws. If you are covered by multiple insurance plans, this limit will also apply as the ceiling for the sum total of your relevant earnings.

The following equation can be used to determine the upper earnings limit for each contribution year:

$$\boxed{\text{Monthly upper earnings limit}} \times \boxed{\text{Number of months of vested benefits under compulsory insurance in self-employment}} = \boxed{\text{Upper earnings limit per contribution year}}$$

If you are covered by multiple insurance plans and can prove that the sum total of your annual relevant earnings lies above the upper earnings limit, you may be entitled to pay less into the self-employed pension insurance scheme or not make any contributions at all. However, to benefit from this option, you first need to file a request for a **specification of the contribution differential payable** (*Differenzbeitragsvorschreibung*).

### Please note:

It is not possible to determine how many months you will be subject to compulsory insurance in the **current year**. As a result, we are also unable to determine the upper earnings limit for this year. The specification of a contribution differential is therefore calculated on a **monthly basis** for the time being:

$$\boxed{\text{Monthly upper earnings limit}} - \boxed{\text{Monthly contribution basis for your salaried Employment}} = \boxed{\text{Differential contribution basis (= contribution basis in accordance with the GSVG)}}$$

## In addition to being self-employed you also hold a tenured position

If you are not only self-employed

- but also hold a **tenured position as an employee**

and

- are subject to compulsory insurance in accordance with the **B-KUVG**,

any **limitation to contributions only applies under the health insurance scheme.**

### **Please note:**

If you belong to a **healthcare provider of a public employer** (e.g. KfA of the City of Vienna), your contributions are not automatically capped by the upper earnings limit. In this case, you are obliged to pay your GSVG contributions in full.

Generally, tenured employment does **not give rise to multiple insurance** in terms of **pension insurance**. In this case, you are required to pay your GSVG contribution in full, even if you have exceeded the upper earnings limit with your tenured position.

## 6. Options under the GSVG health insurance

You can tailor the cover provided by your insurance according to your needs. The following options are available:

- For **anyone eligible for benefits in kind**
  - either full entitlement to cash benefits or
  - entitlement to cash benefits for hospital stays in a special class room
- For **anyone eligible for cash benefits**
  - entitlement to cash benefits for hospital stays in a special class room



### Full entitlement to cash benefits

This option corresponds to the former *Höherreihung* scheme where higher contributions resulted in an entitlement to be assigned to a higher benefit category. When **consulting a doctor, buying medication** and in the **hospital's special class** you are considered a private patient and are required to pay for services rendered. We reimburse your expenses according to a rate schedule, but do not refund more than 80% of the costs incurred.

This option is available for a monthly fee of **107.30 Euro** (valid for 2019) in addition to the regular health insurance contributions.

### Entitlement to cash benefits for hospital stays in a special class room

In this option, you are only entitled to cash benefits for the **hospital's special class**.

**For those eligible for benefits in kind**, this option is available for a monthly fee of **85.86 Euro** (valid for 2019) in addition to the regular health insurance contributions. For those entitled to cash benefits this option is free of charge.

### When do the options begin and when do they end?

The option generally **begins** on the **first day of the month** after you file the request. However, the option may also become effective when compulsory insurance commences. In this case, you need to file a request within 4 weeks of being informed of the start of your compulsory insurance.

The option **ends** when **compulsory insurance ends**. However, you are also free to opt out. The earliest you can opt out is the end of the calendar year following the start of the option. Thereafter, you will only be able to opt out at the **end of a calendar year**. Should you fail to pay your additional contributions, we are also entitled to exclude you from the option.

#### Please note:

If you are **entitled to benefits in kind** and opt for "full entitlement to cash benefits" or "entitlement to cash benefits for hospital stays in a special class room" we can only reimburse **hospital stays in special class rooms** after a **waiting period of 6 months**. If you are entitled to cash benefits directly before the option begins, the waiting period is shorted by this time.

### **You have taken out private supplementary insurance**

The options may be of interest to you if you are entitled to benefits in kind and have taken out **private supplementary hospital insurance**. In this case, entitlement to cash benefits for hospital stays in special class rooms may reduce your private insurance premium.

Even if you are entitled to cash benefits for hospital stays in special class rooms, we can only reimburse 80% of your actual costs (usually, the refund amounts to less). To cover the remaining costs, we recommend you take out private supplementary hospital insurance.

## **7. Supplementary insurance under the GSVG health insurance**

To protect you from financial worries in case of sickness, we are offering you a voluntary complementary insurance cover according to the GSVG (Act on Social Security for Self-Employed Persons Engaged in Trade and Industry). Should you become sick, this insurance policy will entitle you to a sickness allowance the amount of which will depend on your current provisional contribution base. Any subsequent reassessment of your contribution base will not affect the contributions and benefits of this complementary insurance in any way.

Complementary insurance rate = 2.5% of your provisional contribution base subject to a mandatory monthly minimum rate of EUR 30.77 (2019 sum).

Your daily sickness allowance will be 60% of your provisional daily contribution base, amounting to at least EUR 8.94 as of 2019.

## 8. Support payment during long-term illness

The social security benefits for the self-employed are substantially improved with the new support payment during long-term illness benefit.

You are entitled to a "**Support payment during long-term illness**" if and as long as you:

- are self-employed and insured under the health insurance in accordance with the GSVG.
- regularly employ fewer than 25 employees or none at all.
- The existence of the operation depends upon your personal performance at work.

You are entitled to the support payment **from the 43rd day after your incapacity for work is confirmed by a doctor**. The entitlement is for the duration of the incapacity for work; for a maximum of 20 weeks for one and the same illness.

The payment is **30.53 Euro a day** and does not depend upon the income amount.

Please note:

From 1 July 2018, there will be a significant extension here: For illnesses that occur after 30 June 2018 and lead to a period of time off work lasting a minimum of 43 days, the SVA (social insurance institution) pays out support payments from the fourth day of working incapacity on a retroactive basis.

## 9. Financial support for start-ups

**NEUFÖG:** New Companies Promotion Act

The New Companies Promotion Act (NEUFÖG) aims to provide **financial relief** to start-ups by exempting them from specific levies if they apply for exemption. These levies include

- stamp duties
- administrative charges
- charges on employee salaries
- taxes

The NEUFÖG also applies to takeovers, subject to certain restrictions.

## Who can request financial support and where do I find out more about financial support?

Generally, financial support is available to all self-employed persons. Advisory services are provided by:

- statutory professional representations
- the SVA regional offices

**Start-up:** An organisational structure is created in order to generate income in one of the following areas:

- Business enterprise
- Self-employment
- Farming and forestry

**Transfer of an operation:** An existing business is transferred to another person by the previous owner. This transfer may be gratuitous or in return for payment.

### **Please note:**

Any change to the **legal form** of a company (e.g. from OG to GmbH) does not constitute a start-up.

What is more, the **business owner** of a newly founded or transferred operation may not have previously been involved in a comparable business.

Furthermore, the newly founded business may not be expanded by adding other, already existing **business operations (or divisions)**. Any such expansion would need to be immediately reported to the responsible authorities. Any financial support already provided would then have to be returned.

## For example

A trainer became **self-employed** five years ago, but was compelled to discontinue their profession as a new self-employed person after two years for financial reasons. The trainer then switched to an **employment relationship**. If this individual were to become a self-employed trainer again, they would not be entitled to the financial support.

## 10. Self-employed pension scheme

Since 1 January 2008, freelancers or new self-employed persons subject to compulsory health insurance under the Social Insurance Act for Trade and Industry (GSVG) are obliged to pay **contributions towards the self-employed pension scheme** under the BMSVG. Anyone who "opts in" for health insurance and self-insured individuals or those subject to compulsory insurance in accordance with Section 14a, b of the GSVG is exempt.

### **BMSVG:** Company Employee and Self-Employed Pension Plan Act

If you are insured under the GSVG or FSVG pension scheme and opted out of the GSVG health insurance in accordance with Section 5 of the GSVG, or are subject to compulsory insurance in accordance with the ASVG, you can **voluntarily** opt into the **self-employed pension scheme within 12 months** of taking up your freelance activity.

Your **contributions** make up **1.53 %** of the preliminary contribution basis. The contribution basis used to calculate the contribution depends on the respective model:

- Compulsory model: health insurance contribution basis
- Voluntary model: pension insurance contribution basis

The contributions are levied along with those for social insurance contributions.

#### **Please note:**

Contributions for the self-employed pension scheme are always based on the preliminary contribution basis and are **not retroactively assessed**.

We transfer the contributions to the provident fund you have selected; there are 8 such funds for you to choose from - list on page 34. You are also bound to participate in any fund you choose for your employees. Should you fail to select a fund in due time, you will be allocated to one. The provident fund is responsible for investing your contributions.

### When can I draw benefits from the self-employed pension scheme?

You are entitled to **benefits** from the self-employed pension scheme, if you

- have paid contributions for a period of at least 3 years and it has been
- at least 2 years since you ended your freelance activity  
or
- you begin your statutory pension  
or
- you were last required to make contributions to the pension scheme over 5 years ago.

In the event of the death of the insured person, the capital is paid out to close relatives, or it passes into the deceased's estate.

### In what form can I draw benefits from the self-employed pension scheme and what do the benefits amount to?

The **benefit amount** depends on the amount of contributions paid in and the provident fund's investment performance. The provident fund informs you of the current balance by sending you an annual account statement.

You may draw the benefits in various ways:

- Payment as a **one-off lump sum**
- Transfer to another **provident fund** (e.g. if you decide on salaried employment after a period of self-employment)
- Transfer to a **pension fund** or a private insurer (for the payment of an annuity)

### What is the tax treatment of the self-employed pension scheme?

Pension contributions are considered operating expenses. Investments in the provident fund are tax free. Pay-outs made as one-off lump sums are subject to a privileged tax rate of 6%, while pay-outs in the form of an annuity are completely tax free.

# 11. Unemployment insurance

Since 1 January 2009, self-employed persons have been able to voluntarily take out unemployment insurance to improve their social security protection. The scheme is a **genuine unemployment insurance**, which allows you to purchase an entitlement to all of the unemployment insurance benefits (unemployment benefits, emergency welfare, etc.). We collect the unemployment insurance contributions from everyone who is self-employed and transfer the funds to the Labour Market Service (**AMS**). The AMS alone is responsible for benefits under the unemployment insurance plan.

## Who can take part in the scheme?

You can join the unemployment insurance scheme if

- you are **self-employed** and hold pension insurance in accordance with the **GSVG** or **FSVG** (new self-employed persons and freelancers)

or

- **you are a privately practising lawyer or civil engineer** and are excluded from the GSVG pension insurance in accordance with Section 5 of the GSVG ("Opting out").

### **Please note:**

Unfortunately, you **cannot take out unemployment insurance** if you

- have already turned **60 years of age** or have reached the minimum age for an early retirement pension
- are already **entitled** to an **old-age pension** or **retirement pay**

## By when do I need to notify the SVA of my participation in unemployment insurance and when does coverage commence?

You must notify us of your participation in the **unemployment insurance within 6 months** of the date we inform you of the start of the GSVG/FSVG pension insurance or of any exemption in accordance with Section 5 of the GSVG. Depending on the date of your declaration of participation, unemployment insurance begins either:

- **together with the pension insurance** or on the effective date of any exemption (notification of participation within 3 months)

or

- in the **month following the start of participation in the scheme** (notification of participation after the 3rd month)

If you do not notify the SVA of your participation within the given deadline, you will not be able to join the scheme for another 8, 16, 24 ... years (within 6 months from the end of each time period).

### How can I join?

You will find the entry form on our homepage at **www.svagw.at** or you can obtain the form for your SVA regional office.

### How much is unemployment insurance?

Once you have registered for unemployment insurance, you are obliged to pay contributions for the duration of the compulsory pension insurance or the exemption in accordance with Section 5 of the GSVG; the **increment amounts to 6%** of the contribution basis. You have a choice of three options:

Contribution basis	Monthly contribution (valid for 2019)
1/4 of the GSVG upper earnings limit	EUR 45.68
1/2 of the GSVG upper earnings limit	EUR 182.70
3/4 of the GSVG upper earnings limit	EUR 274.05

**Please note:**

The contribution basis that you have selected applies **for the entire duration of your unemployment insurance**. It not only influences the contribution amount, but also the scope of possible cash benefits (e.g. unemployment benefits).

We collect the unemployment insurance contributions along with the other contributions. You only acquire periods of vested benefits under voluntary unemployment insurance if you have paid in all the prescribed contributions for the corresponding time period.



## Can I opt out of unemployment insurance?

You may opt out of voluntary unemployment insurance after 8, 16, 24, ... years at the earliest (within 6 months of the end of this period).

## I have already earned entitlements under the unemployment insurance scheme prior to 31 December 2008. Do I retain these?

**Transitional provisions** have been introduced to ensure that the indefinite extension of the framework period, an option effective until 31 December 2008, and the period for the continued receipt of unemployment benefits and emergency welfare continue to apply either in part or in full. In this case, you will need to consider

- whether the protection afforded by this scheme is sufficient and you therefore do not wish to participate in the voluntary unemployment insurance scheme

or

- whether participation in the unemployment insurance scheme is prudent.

**Framework period** = Period of unemployment insurance required to earn an entitlement to unemployment benefits.

The time periods during which you are self-employed and are covered by health insurance in accordance with the GSVG or BSVG further extends this framework period.

You are protected by entitlements from an earlier unemployment insurance plan if you

- held unemployment insurance and were self-employed before 1 January 2009 and so also covered by health insurance in accordance with the GSVG or BSVG. In this case, the indefinite extension of the periods continues to apply.
- took up self-employment after 31 December 2008 and held unemployment insurance for at least 5 years prior due to employment. The indefinite extension of the periods also continues to apply in this case.
- took up self-employment after 31 December 2008 and held unemployment insurance for less than 5 years prior to this. In this case, the extension of the period is limited to 5 years.

**Please note:**

The extension of the periods only protects you if your **entitlement to unemployment benefits continues to apply** or you are able to continue to draw unemployment benefits and/or emergency welfare. In all other cases, the extension of the periods is of no use and you would be advised to consider participating in voluntary unemployment insurance if you, as a self-employed person, wish to protect yourself against the risk of unemployment.

**What benefits am I entitled to under unemployment insurance?**

For detailed information on unemployment benefits and emergency welfare - **www.ams.at** – Service für Arbeitsuchende – Finanzielles – Leistungen.

If your entitlement is calculated exclusively based on the contribution basis applicable under voluntary unemployment insurance, the following **daily unemployment benefit payments** apply (valid for 2019):

- **EUR 24.47** (if income totals 1/4 of the upper earnings limit under the GSVG)
- **EUR 38.86** (if income totals 1/2 of the upper earnings limit under the GSVG)
- **EUR 53.71** (if income totals 3/4 of the upper earnings limit under the GSVG)

**As of when am I entitled to receive benefits?**

If you claim unemployment benefits **for the first time**, you are required to have been employed with unemployment insurance for a period of **at least 52 weeks in the 24 months (= framework period)** prior to your request for unemployment benefits. If you have received unemployment benefits before, 28 weeks of unemployment insurance within the last 12 months suffice (= framework period). **Special rules** apply for **anyone under 25 years of age**.

# Corporate provident funds

**Allianz Vorsorgekasse AG** (fund ID 71500 and 71510)

1130 Vienna, Hietzinger Kai 101-105

T +43 (0)5 9009-88750

E [servicekasse@allianz.at](mailto:servicekasse@allianz.at) [www.allianzvk.at](http://www.allianzvk.at)

**APK Vorsorgekasse AG** (fund ID 71100)

1030 Vienna, Thomas-Klestil-Platz 1, 4020 Linz, Stahlstraße 2-4

T +43 (0)5 0275-50

E [office@apk-vk.at](mailto:office@apk-vk.at) [www.apk-vk.at](http://www.apk-vk.at)

**BONUS Vorsorgekasse AG** (fund ID 71200)

1030 Vienna, Traungasse 14-16

T +43 (0)1 994 99 74

E [kundenservice@bonusvorsorge.at](mailto:kundenservice@bonusvorsorge.at) [www.bonusvorsorge.at/vk](http://www.bonusvorsorge.at/vk)

**BUAK Betriebliche Vorsorgekasse GesmbH** (fund ID 71900)

1050 Vienna, Kliebergasse 1a

T +43 (0)5 795 79-3000

E [buak-bvk@buak.at](mailto:buak-bvk@buak.at) [www.buak-bvk.at](http://www.buak-bvk.at)

**fair finance Vorsorgekasse AG** (fund ID 71150)

1080 Vienna, Alser Straße 21

T +43 (0)1 405 71 71-0

E [info@fair-finance.at](mailto:info@fair-finance.at) [www.fair-finance.at](http://www.fair-finance.at)

**Niederösterreichische Vorsorgekasse AG** (fund ID 71700)

3100 St. Pölten, Neue Herrengasse 10

T +43 (0)2742 90555-7160

E [office@noevk.at](mailto:office@noevk.at) [www.noevk.at](http://www.noevk.at)

**Valida Plus AG** (fund ID 71300)

1190 Vienna, Mooslackengasse 12

T +43 (0)1 316 48-0

E [service-plus@valida.at](mailto:service-plus@valida.at) [www.valida.at](http://www.valida.at)

**VBV – Vorsorgekasse AG** (fund ID 71600)

1190 Vienna, Mooslackengasse 12

T +43 (0)1 217 01-8500

E [info@vorsorgekasse.at](mailto:info@vorsorgekasse.at) [www.vorsorgekasse.at](http://www.vorsorgekasse.at)



## Addresses of SVA regional offices

You can contact your local state SVA office by calling  
+43 (0)50 808 808 – **this is a central number for all of Austria.**

Vienna	1051 Vienna, Wiedner Hauptstraße 84-86, E-mail: vs.w@svagw.at
Lower Austria	3100 St. Pölten, Neugebäudeplatz 1, E-mail: vs.noel@svagw.at
Burgenland	7000 Eisenstadt, Osterwiese 2, E-mail: vs.bgld@svagw.at
Upper Austria	4010 Linz, Mozartstraße 41, E-mail: vs.ooe@svagw.at
Styria	8010 Graz, Körblergasse 115, E-mail: vs.stmk@svagw.at
Carinthia	9020 Klagenfurt am Wörthersee, Bahnhofstraße 67, E-mail: vs.ktn@svagw.at
Salzburg	5020 Salzburg, Auerspergstraße 24, E-mail: vs.sbg@svagw.at
Tyrol	6020 Innsbruck, Klara-Pölt-Weg 1, E-mail: vs.t@svagw.at
Vorarlberg	6800 Feldkirch, Schloßgraben 14, E-mail: vs.vbg@svagw.at

**Fund address:** Social Insurance Fund for Artists  
1010 Vienna, Goethegasse 1, Stiege 2, 4. Stock  
Phone +43 (1) 586 71 85, Fax +43 (1) 586 71 7959  
E-mail: [office@ksvf.at](mailto:office@ksvf.at)  
**[www.ksvf.at](http://www.ksvf.at)**



