

Risk assessment and action plan

The obligations of an employer are provided by **subsection 1 of § 13 of the Occupational Health and Safety Act** and all expenses related to the performance of such obligations are exempt from tax.

In order to be able to treat expenses incurred on the working environment and arising from the Occupational Health and Safety Act as business-related expenses, the employer must:

1. **organise risk assessment of the working environment and prepare the results of the risk assessment in writing.**

Risk analysis will identify occupational hazards, risk factors and workers at risk, assess the magnitude of risks and the likelihood of occurrence. A risk assessment of the working environment may be carried out by a person authorised by the employer, or it may be purchased as an occupational health service. The results of the risk analysis must be preserved for 55 years.

2. **prepare a written action plan** in a format which can be reproduced, which includes measures necessary to improve working conditions and prevent damage to the health of employees and preserve work ability.

Measures applied to ensure occupational health and safety are organisational measures, general protection measures, personal protection measures, medical measures for the implementation of which a contract is entered into with a licensed occupational health doctor.

An occupational health service provider is a legal person or sole proprietor registered with the Health Board or holds an activity licence issued by the Health Board and who provides occupational health services.

3. **carry out internal control of the working environment**, the purpose of which is to ascertain on an ongoing basis the adequacy of the measures implemented, changes in the working environment and the need for additional risk assessment/action plan or medical examination.

The recommended measures are discussed between a specialist of the Labour Inspectorate, a working environment specialist or a competent external specialist and the employer and are included in the action plan with the consent of the employer.

The risk assessment identifies hazards in the working environment and the action plan provides for the necessary measures to reduce and prevent occupational safety and health risks to employees in each workplace, i.e., in all areas of activity of the company. Thus, these documents reveal the need and nature of the expenses incurred by a specific employer to ensure the safety of work at each workplace and the occupational health of the employee employed at that workplace, and it is easier to explain the need for a specific expense and its involvement in business to the tax authority.

The existence or non-existence of a risk assessment or action plan does not in itself create a tax liability or exempt from a possible tax liability, the tax liability still arises on the basis of the content of the expenditure. For example, if an employer has incurred occupational health expenses that cannot be attributed to its business or to the needs arising from the nature of the work of a particular employee, then such expenses are not deemed to be related to business even if they are specified in the risk assessment and action plan.

Also, if the necessity of the expense is not specified in the risk assessment or action plan, but the company is able to explain the necessity of the cost due to the legislation regulating occupational health, the cost is deemed to be related to business. In the latter case, it must be taken into account that the tax authority decides on the involvement of expenses in business based on the circumstances known to the tax authority.

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