

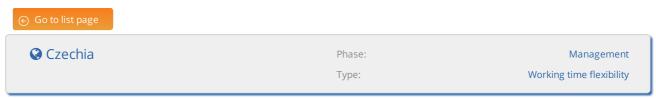
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Czechia: Working time flexibility



🛗 Last modified: 22 March, 2023

Native name: Zákon o zaměstnanosti, zákon č. 435/2004 Sb., Zákoník práce, zákon č.

262/2006 Sb.

English name: Employment Act (Law No. 435/2004 Coll.), Labour Code (Law No. 262/2006

Coll.)

Article

115 of the Employment Act, 209 of the Labour Code (paragraph 1)

Description

The amendment to the Act no. 435/2004 Coll., on Employment, in force since 1 October 2015, aims at helping employers to retain existing employees in the event of adverse economic developments.

This includes situations in which the employer is unable to provide an employee with work within the scope of weekly working hours either due to a temporary drop in sales of the employer's products or drop in demand for services rendered by the employer ('partial unemployment', also referred to as 'short-time working' or 'temporary layoffs'; in Czech 'částečná nezaměstnanost'), or due to adverse weather conditions or natural disasters.

The Employment Act establishes that if the company is unable to provide work for employees for more than 20% of the weekly working time, it should give employees a wage compensation amounting to at least 70% of their original monthly wage according to the employment contract. The employer is entitled to ask for so the called 'Contribution at time of partial unemployment' (in Czech: 'Příspěvek v době částečné nezaměstnanosti'). The above-mentioned wage compensation is also determined by agreement with the trade union or, in case a trade union does not operate, the agreement may be replaced by internal regulation. Compensation can be provided for a maximum period of six months with the possibility of extension for the same duration.

The employer and the labour office agree on the amount of the contribution, which has to be later approved by the government. The amount of the contribution according to the act is 20% of the average salary per employee, but not more than 0.125 times the average wage in the national economy in the first to third quarters of the calendar year which was preceding the year of contract conclusion.

In conclusion, this means that an employer should pay his employees at least 70% of their average monthly earning, of which 50% is paid by employer himself and 20% by the labour office. An employee cannot be dismissed while receiving the allowance.

Response to COVID-19

In the framework of the 'Antivirus employment retention programme' (Antivirus - podpora zaměstnanosti) the government compensates employers' wage costs from 12 March to 31 August 2020:

- In case of ordered quaratine, the employee receives a wage compensation amounting to 60% of the average earnings (the first 14 days paid by the employer) from the employer. Average earnings are determined from the gross salary (or salary) settled for payment by the employee in the relevant period and from the time worked in the relevant period. The relevant period is the calendar quarter preceding the calendar quarter in which the average earnings are determined to satisfy the employee's claims. The employer receives a state compensation of 80% of the paid wage compensation and the social insurance contributions (up to CZK 39,000 (€ 1,415) per month and employee).
- In case of business closure ordered by the government, the employee receives a wage compensation of 100% of the average earnings from the employer. The employer receives a state compensation of 80% of the paid wage compensation and the social insurance contributions (up to CZK 39,000 (€ 1,415) per month and employee).

• In case of obstacles to work on the part of the employer due to economic difficulties caused by the COVID-19 crisis, the employee receives a wage compensation of 60-100% of the average earnings from the employer. The employer receives a state compensation of 60% of the paid wage compensation and the social insurance contributions (up to CZK 29,000 (€ 1,052) per month and employee).

Comments

Since January 2011, the Labour Office of the Czech Republic has not updated statistics on applications for the years passed because of the improving conditions of the economy, which entailed a decreasing need for this measure. The Labour Office of the Czech Republic started to collect these statistics for the years 2009 and 2010 only. According to labour office of the Czech Republic and Ministry of Labour and Social Affairs (MoLSa) data, in 2010 the number of applications was 850, and 36,999 employees received reduced wages. However, in 2009 a total of 2,733 applications were sent by employers to the labour office and 149,275 employees received reduced wage.

Prior to 2009, the use of this measure was minimal (no mention can be found in ministerial reports for 2007 and 2008). Since December 2008, however, there has been a high level of interest in partial unemployment.

Cost covered by

Employer

National government

Involved actors other than national government

Public employment service

Trade union

Thresholds

No, applicable in all circumstances

Sources

- DG Employment, Social Affairs and Equal Opportunities/Héra, Selected companies' legal obligations regarding restructuring,
- Eurofound, Tackling the recession: Employment-related public initiatives in the EU Member States and Norway, Dublin, 2009
- Labour Code (Law No. 262/2006 Coll.)
- Zákoník práce
- ERM database on restructuring support instruments
- Analysis of development of employment and unemployment for 2007 2013, MPSV (MoLSA)
- Zákon o zaměstnanosti 435/2004 Sb. (Employment Act No. 435/2004 Coll.) in Czech only
- The government approved the basic parameters of the "Kurzarbeit", people would receive 70% of the salary
- Antivirus employment retention
- Antivirus support for employment
- Targeted Programme for Employment Support: Antivirus

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