

PETERKA PARTNERS

THE CEE LAW FIRM

EMPLOYMENT

With the coronavirus outbreak and the spread of the COVID-19 disease, employers are facing new challenges and are obliged to adapt themselves quickly to the evolving situation in the areas of health and safety, remote work, special regimes of obstacles on both sides (the employer's as well as the employee's), and especially in the area of crisis management. Due to governmental decisions many establishments were closed for the public and other entrepreneurs are suffering losses due to a lack of staff, and a decrease in demand for their products or services.

The Czech government decided on the state of emergency and recommended explicitly that employers:

- use to the maximum extent distant work if employees can work from home;
- encourage paid holidays and other paid leaves;
- limit work not substantial for the operations of the employer.

Below are listed selected employment issues reflecting the current situation.

MANDATORY QUARANTINE

Quarantine is ordered by the hygiene inspectorate or a physician (not the employer).

An employee is obliged to notify his/her employer of his/her absence and is entitled to receive **salary compensation of 60% of adjusted average earnings**, in the first 14 days, **from the employer**.

Subsequently, **sick leave allowance is paid by Social Security**.

Violation of the quarantine is strictly sanctioned (including a financial penalty up to 3M CZK).

PAID LEAVE (HOLIDAYS)

A unilateral order to take paid leave can be issued in writing at least 14 days prior to start of paid leave.

With the employee's agreement the paid leave (holiday) can start immediately.

During paid leave, the employee is entitled to get **100% of his/her average earnings**.

HOME-OFFICE

Home-office is the preferred method of dealing with the current situation, if such mode of work is possible with respect to the nature of the work and if it is accepted by the employee. **Home-office cannot be ordered**.

Costs incurred by the employee are to be paid by the employer, for example, internet connection, electricity, etc.

Security and hygiene at work must be assured even at home and other aspects such as reporting, cybersecurity, etc., are to be taken into account by the employer.

PETERKA PARTNERS

THE CEE LAW FIRM

The employee is paid with **his/her salary**.

CHANGES IN WORKING SCHEDULES

Rescheduling of shifts can be considered within weekly working hours planning, provided that the employee must be notified about any modification of his/her shifts based on such planning 2 weeks in advance at the latest (1 week in case of account of working hours), unless there is another agreement (general/ad hoc) with the employee.

ACCEPTING EMPLOYEES' REQUESTS FOR SPECIFIC WORK ARRANGEMENTS

Requests from employees for unpaid leave or for supplementary spare leave which will be made up for in the future can be accepted. These measures cannot be imposed by the employer.

CARE LEAVE

Employers are obliged to allow employees caring for **children up to 13 years old** and **disabled persons** living in a common household to take care leave if their children cannot attend school due to school quarantine or if the school or the establishment caring for disabled persons has been closed (for reasons of epidemic).

The employees are **paid through Social Security** during the care leave as in the case of sick leave or quarantine.

Care leave compensation shall be paid during the entire duration of extraordinary measures related to the COVID-19 epidemic.

The corresponding act needs to be adopted by the Czech Parliament; however, the payment will be made retroactively.

OBSTACLES ON THE EMPLOYER'S SIDE

In case of obstacles on the employer's side causing that the employee cannot work, **the employee is entitled to receive compensation of salary**, unless transferred to other work:

- (i) **Minimum 80% of average earnings**, if the obstacle consists in a temporary breakdown of machinery or equipment which not caused by the employer, in a **problem with the supply of raw materials or power (energy)** or some other operational causes (unless an employee is transferred to other work).
- (ii) **100% of average earnings in case of other obstacles** (this is according to the Ministry of Labour and Social Affairs, the case if the establishment was closed due to the recent governmental measure).
- (iii) **Minimum 60% of average earnings in case of partial unemployment**: if the employer is not able to assign work to its employees to the extent corresponding to the weekly amount of hours because of the temporary **reduction of demand in the employer's products or services** and if there is **an agreement with the trade unions** about the amount of salary compensation,

PETERKA PARTNERS

THE CEE LAW FIRM

the employee is to receive such salary compensation whose amount cannot be lower than **60% of average earnings**. In case of no presence of trade unions, **the agreement can be replaced by the issuance of internal rules**.

(iv) Minimum 60% of average earnings, if the obstacle consists in a work disruption caused by adverse climatic conditions or a natural disaster (the pandemic is not considered as a natural disaster thus far, a legislative change will be necessary in this respect).

ANTIVIRUS PROGRAMME

The Czech Government has approved on March 19, 2020 the following two ANTIVIRUS Programme measures. Employers whose business activities will be threatened because of the spread of the COVID-19 virus will be granted a contribution covering fully, or partially, the compensation of the salaries paid to employees due to obstacles on the side of the employee (mandatory quarantine) and on the side of the employer (closure of the establishment as a result of governmental measures ordering the closure of operations).

The contribution shall be paid by the Labour Administration. Details on how to request the contribution have not yet been communicated.

Regime A

When the employee was ordered into mandatory quarantine

The employee receives salary compensation from the employer in the same amount as sick leave compensation for the first 14 days (60% of adjusted average earnings). Subsequently, sick leave allowance is paid by Social Security. The employer will receive a **contribution in an amount equal to 100%** of what was paid by the employer to the employee.

Regime B

When the employers cannot assign employees with work due to the extraordinary crisis measures from the government

If the employer is ordered based on the crisis decision of the government related to the outbreak of COVID-19 to cease its operations (close shops and other establishments), the **employee is paid with the compensation of salary in the amount of 100% of average earnings**. The employer will be granted a **contribution in the amount of 80%** of the paid compensation.

The Minister of Work and Social Affairs has mentioned that other measures focusing on further problems faced by employers, such as measures known as “kurzarbeit” or postponement of payment of allowances may be adopted. Such potential measures and any others will be discussed further.

The document reflects the status as of March 20, 2020.

This document is for informational purposes only and may not be considered a legal opinion or advice on how to proceed in a particular case.

*For any legal matters arising in these special circumstances, please do not hesitate to contact our **COVID-19 Help desk** at covidhelpdesk@peterkapartners.com.*