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Coronavirus from the perspective of Czech labour law



CORONAVIRUS FROM THE PERSPECTIVE OF CZECH LABOUR LAW

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During the last few days, the spread of the COVID-19 epidemic, i.e. infectious coronavirus disease, has inundated the global media. After it spread to neighbouring countries and consequently our own, Czech employers are now forced to face this issue as well. We have yet to experience any such similar situation regarding labour law, and therefore several theoretical and practical questions have arisen. When answering them, we base our conclusions on the following **general assumptions and principles**:

- Coronavirus infection is problematic especially with respect to the fact that its **incubation period may be up to 14 days**, and the infection may therefore manifest itself after a relatively long time. An infected person may be without symptoms for up to two weeks and appear to be healthy, and neither they nor those around them may be aware of their infection. This significantly increases the risk of spreading the disease.
- One of an employer's basic duties is to **create a safe and non-hazardous work environment** and work conditions by the suitable organization of occupational health and safety and **the implementation of measures to prevent risks** (Section 1a par. 1 letter b), further specified in Section 101 et. seq. of the Labour Code).
- With respect to ensuring safety, an **employee has the right to refuse to work** if they reasonably believe that it imminently and seriously endangers the life or health of themselves or other persons. At the same time, an employee is **obliged to participate in creating a safe and non-hazardous work environment** for themselves and for other natural persons. This especially by following the measures defined and implemented by their employer, and by undergoing all necessary examinations (Section 106 of the Labour Code).
- According to the Ministry of Health of the Czech Republic ("MHCR"), persons who were present in an area of coronavirus infection or who have transferred through an international airport in Asia during the last 14 days are considered at risk. High-risk areas are currently: China (although the number of cases is declining), South Korea, Italy, Iran, France, Germany, Spain.
- The situation is constantly changing and evolving, and therefore employers should regularly check the information provided by the MHCR and the National Institute of Public Health ("NIPH").

Below, we briefly summarize the answers to the most frequent questions that employers are asking us in connection with the coronavirus:

1. In the current situation, may I send an employee on a business trip abroad? Is the employee entitled to refuse such business trips?

It is not possible to conclude that employers would have to stop sending employees on business trips altogether. However, with respect to the principles mentioned above, an employer should not send employees on business trips abroad to the areas where there is an increased risk of coronavirus infection. At the very least, it is certainly possible to start with the areas that are identified as risky by state authorities (i.e. currently China, South Korea, Iran and northern Italy).

If an employer sends their employees to a risky area in conflict with the above-mentioned principles, the given **employee would be entitled to refuse to take the business trip** which they reasonably consider to imminently and seriously endanger their life or health. Subsequently, it would not be possible to consider such a refusal as a breach of duty and the employer would not be able to infer unfavourable consequences for the employee, for example in the form of reproach, wage reduction or even efforts to terminate their employment.

Whether the employee refused to undergo a business trip rightfully or not would be assessed according to the particular circumstances of the case. It cannot be excluded that it would be possible to **rightfully refuse a trip** even to areas other than the ones directly marked as risky by state authorities (e.g. if the employee would be forced to stay in a big international airport during their trip). It would be necessary to assess such situations according to their particular circumstances. Such a significant circumstance could even be in regard to the employees themselves – for instance, consider whether the trip involves an employee under 40 years of age without any health problems, or whether this is the case of an employee over 60 years of age suffering, for example, from asthma.

However, it is not possible to conclude that an employee would be entitled to the complete refusal of all business trips abroad during the coronavirus pandemic.

If the employee and their employer disagree on whether an area is safe or not, we recommend employers to contact the relevant state authority (e.g. regional hygiene station or the Ministry of Health) and to request their written (an e-mail would generally be sufficient) statement. Although such a statement is not legally binding, it could be used as a means of reasoning, if there will be any subsequent litigation.



2. How should I treat a so-called “employee at risk”, i.e. an employee who has arrived from one of the areas considered as at risk? I do not want to lose productivity, but by no means am I interested in spreading the infection among my employees.

It is necessary to distinguish between several different cases here.

a) The employee shows signs of illness (fever, respiration problems)

If an employee becomes infected, or if they show some signs of the infection, **the employee is obliged to contact their attending physician or the regional hygiene station by phone** and they shall decide on the best course of action. This obligation arises from labour regulations and public health protection regulations. In this case, the employee will likely be classified as incapable of work (currently in the form of the so-called “eNeschopenka”) with all connected consequences. I.e. they will receive wage compensation from the employer for the first 14 days, and if the incapacity to work will be longer, they will receive sickness insurance benefits. This is regardless of whether it is the mentioned virus or another illness.

b) The employee does not show signs of illness, but they have arrived from an area at risk

If the employee does not show signs of illness, but they have arrived from an area at risk, they should, in the interest of other persons including co-workers, **inform their employer and also their attending physician or the regional hygiene station by phone**. It is possible that a quarantine will be issued on the employee as a cautionary measure with respect to their specific circumstances (pursuant to Act No. 258/2000 Coll., on public health protection). **The quarantine is never issued by the employer, such a decision on a quarantine order is issued by the general attending physician or the regional hygiene station**. At the moment, the quarantine is issued by the general attending physician or paediatrician upon initiative of a regional hygiene station, or their own decision. According to the degree of risk, the quarantine may be issued as institutional or home.

Employees are, naturally, not obliged to inform their employer where they spend their vacation, weekends or other leisure time. In the current situation, an employer should ask their employees (e.g. by issuing an internal guideline) to **inform them if they will spend their free time in areas at risk or areas infected by the coronavirus** and require them to undergo a medical examination in such cases. Employees should behave responsibly as well and consider whether it is necessary for them to travel to such areas. They should always inform their employer, even if they are not directly requested. Based on the government’s decision, people who have returned from Italy are to be quarantined for 14 days. The country has also introduced random checks at selected border crossings.

From the perspective of labour law, the quarantine behaves similarly to a temporary incapacity to work, i.e. the employee is entitled to **the compensation of wage, as if during an illness** through its duration. This unfortunately means that the employer bears all of the costs during the ordinary 2-week quarantine. On the other hand, employees must follow a detailed regime during the quarantine, as is with any illness, and its compliance may be checked.

If an employee agrees with their employer that they will work during their quarantine (e.g. from home), they will be entitled to a proper wage or salary for the performed work, not to a compensation or (subsequently) sickness insurance benefits.

c) The employee does not show signs of illness, but they have arrived from areas where the coronavirus has since appeared

When the employee returns from an area that has not (yet) been identified as risky by state authorities, but the coronavirus has since appeared there, then it is at the discretion of the employer. However, it is important to be cautious even in this instance. For this case, the parties may agree that the employee will not attend work for the necessary period of 14 days, but they will work from somewhere else, usually within a so-called **home office**. The provision of **paid leave** is also possible in order to protect other employees and other persons.

In this way, the employer avoids concerns from the employee's colleagues about the transmission of the infection (these may have a significant impact on work morale and performance) and posing the justified risk of spreading the infection to a wider work team, or even to customers and other persons.

Within the home office agreement, or the agreement for paid leave, the parties may **agree on further terms and conditions**, e.g. place of employee's presence during that period, content of their activity (that may be even different from employee's regular activity, if agreed) and the method of control or keeping a record of their work.

d) Quarantine abroad (e.g. the hotel in Tenerife)

How would you assess the situation when employees are quarantined abroad when taking their statutory vacation (as it happened, for example, to the hotel guests in Tenerife), and the employee will not be able to return to work after the vacation?

If any employee is stuck in the **forced quarantine in any state of the European Union or other country with which the Czech Republic concluded a security agreement, then this situation is the same as in the case of a quarantine in the Czech Republic**, because the unified European regulation shall be applied. The employee is entitled to **wage compensation**, if they send a confirmation about the issuing of this quarantine to their employer. However, the part of the quarantine that falls into the originally planned vacation period is still deemed as vacation time, since the quarantine (unlike illness) is not a reason to interrupt vacation. Therefore, the quarantine behaves as an incapacity to work after the end of the planned vacation.

There may be a situation when the quarantine is issued in a foreign state outside the EU with which the Czech Republic does not have a security agreement. If the employee duly informs the employer in compliance with all internal practices, **it will not be counted as an unexcused absence**. The employer may not terminate the employee's employment or otherwise sanction the employee as a result of such situation. From the perspective of the labour laws, this situation would likely be assessed as another example of an obstacle to work on the side of the employee.

If the employee has the ability to work remotely, it is naturally possible to make an agreement for the employee to continue performing their duties while in foreign quarantine.

3. If the employee stays at home, do I have to pay them even if they do not perform any work? Can I order them to work from home?

Even if an employee is not incapable of work due to the infection or they are not in quarantine due to a direct threat, then the parties may intend, especially to protect the health and safety of other employees and other persons, to **keep the employee away from the workplace and let him stay at home**. In this respect, the Labour Code offers two possible solutions:

a) Home office

If the nature of employee's work allows it, i.e. the type of work mentioned in the employment contract or other type of work (temporarily) agreed by the parties can be performed remotely, e.g. from home, the **parties may agree that the work will be temporarily performed by the employee via home office** (i.e. usually from home or other place agreed by the two parties).

Of course, in that case, the employee is entitled to a full, i.e. **unbridged wage for the performed work**. Also, it is suitable to agree with the employee in advance the terms and conditions of such remote work (e.g. the issue of occupational health and safety, the issue of scheduling, records and control of working hours, the issue of compensation and related costs – e.g. for internet connection etc.).

In general, it is necessary to agree on the home office with the employee, i.e. **in principle, it cannot be ordered**, especially with respect to the fact that an employee is obliged to perform work only at the agreed place of work.

We believe that an employee should, in the context of their work duties, protect the employer's property interests and also the health of themselves and others, and so they should agree to work via home office under these extraordinary conditions, that are not caused by the employer and are acknowledged by the state, if it is possible with respect to the nature of the employee's work and if the employer compensates possible increased costs connected with it. We also believe the refusal of such work may have, in theory, elements of the abuse of the law. However, it is not possible to guarantee that the employer would be successful with such arguments with regard to the current case law of both supervisory authorities and courts.

Nevertheless, home office is generally more beneficial economically for employees, as opposed to a partial unemployment or even a full termination of employment, which are steps the employer might be forced to take if they did not agree on home office with the employee.

b) Obstacle to work on the side of the employer

If it is not possible for an employee to perform work from home (machinery operators, receptionists, shop assistants, medical staff, teachers etc.), but the employer believes that the employee should not come to the workplace during the incubation period to ensure the health of other employees, customers (patients, pupils) or contractual partners, then the employer may **order the employee to not come to work** and not assign any work to them for a certain period.

In such case, it is considered as an **obstacle to work on the side of the employer** and the employee is entitled to the **full wage compensation**.

c) Taking vacation

Nothing prevents the employer from **agreeing** with the employee (not only the one at risk, but with any employee afraid of someone at risk) that the employee will **take vacation** for the necessary period.

We consider unilateral ordering of vacation to be problematic. In particular, it is necessary to mention that an employer must order vacation at least 2 weeks prior to it being taken (Section 217 par. 1 of the Labour Code). It is further necessary to take into account that an employer shall decide on the terms of vacation according to their operational needs, but they are also obliged to take into account an employee's justified interests. And also the fact that vacation is intended mainly for the employee's leisure. We therefore recommend to take these circumstances into account, if you want to order vacation, so that the order of vacation cannot be understood as an abuse of the employer's right.

4. Do I have to or can I, as an employer, provide meal vouchers to employees working via home office?

The meal voucher (as a form of ensuring of meal provided by the employer through other entities) is an employee benefit provided by the employer voluntarily and at its discretion. It can therefore also be provided to employees working in the home office mode. It is necessary to ensure equal entitlements for employees working in comparable conditions.

On the employee's side, this non-monetary benefit is treated as income exempt from payroll tax and is not subject to social security and health insurance (regardless of the nominal value of the meal voucher or the amount of the employee's contribution).

As regards the tax deductibility on the side of the employer, one of the basic conditions is the presence of the employee at work during the stipulated shift of at least 3 hours. Determination / possibility of shift determination is therefore essential. Shift means the part of the weekly working time (without overtime hours) that the employee is obliged to work based on a predetermined work shift schedule. If an employee shift can be determined, it will be a tax-deductible expense. If the employee works in such a regime that the shift cannot be determined, it will be an employer's non tax-deductible expense.

5. Is there any possibility to save costs for employees unable to work as a result of the coronavirus?

The coronavirus epidemic may have direct negative impact on employer's operational activity due to labour shortages, lack or limited supply of energy, fuel, necessary raw materials, materials, subcontractors' work etc.

a) Idle time

Cases when an employee cannot do their work due to a **temporary problem with the supply of raw materials or power (energy) or due to some other operational causes, are considered idle time** (pursuant to Section 207 letter a) of the Labour Code). We believe that these other operational causes might, in principle, include even situations when an employer does not have enough employees for the proper performance of their activity due to any quarantine of a larger number of employees, or even, for example, due to the issuance of an official (hygienic) decision to close certain areas (parts of cities or cities) as a measure for preventing the further spread of the coronavirus, as a result of which the employee cannot leave their residence.

In such case, the employee is entitled to the **compensation of wage or salary in the amount of at least 80 %** of their average earnings. We would like to point out that this is the case for employees who are ready and capable of coming to workplace and performing their work (not employees in quarantine or those incapable of work).

The coronavirus epidemic cannot be considered a natural disaster (pursuant to Section 207 letter b) of the Labour Code), therefore it is not possible to conclude that an employee would be entitled to the compensation of wage in the decreased amount of 60 %.

If, due to certain safety and hygienic measures, a certain area was closed and the employer has been forced to shut down their registered office, it would not be an operational cause in our opinion. Rather, it would be considered an obstacle on the side of the employer; therefore the employees would be entitled to a **compensation of wage** in the amount of 100 % in this case (pursuant to Section 208 of the Labour Code).

b) Partial unemployment

Employers in the private sector may also use the institute of a so-called partial unemployment pursuant to Section 209 of the Labour Code. This is applicable on situations when the **employer is unable to provide an employee with work within the scope of weekly working hours due to a temporary drop in sales of the employer's products, or due to a drop in demand for services provided by the employer**. So the assumption for its use is the fact that the employer experiences a drop in sales and this is why they do not have enough work for their employees. This does not cover the cases when the employer themselves is not able to fulfil their obligations (idle work can be considered – see the previous point).

In case of partial unemployment, employees are entitled to the compensation in the amount of **at least 60 % of average earnings**, but it is necessary to conclude an agreement with the trade union or issue an internal regulation to govern further terms and conditions (in places where no trade union operates).



c) Working hours accounts

Employers who implemented working hours accounts according to Sections 86 – 87 of the Labour Code in agreement with the trade union or in internal regulation may save wage expenses through this institution as well, because it allows them to pay a **fixed wage in the amount of at least 80 %** to employees. The rest is paid only if the work actually performed by the employee exceeds this limit.

Because we expect and hope that potential measures connected with the coronavirus will be only temporary, **the new implementation of any working hours accounts** by employers as a result of the pandemic does not seem **to be a purposeful and practical solution**.

d) Traffic interruption

The obstacle to work on the side of the employee would then be the case when there is any traffic interruption or delay of public transport due to the spreading of the epidemic or any anti-epidemiological measures pursuant to Government Regulation No. 590/2006 Coll.

In this case, the employer is obliged to **excuse the employee's absence, but the employee is entitled to unpaid leave** for the necessary period.

6. What should I do if schools or kindergartens are closed?

Another situation that might occur as a result of quarantine or other state measure is closure of schools or kindergartens of which the employee's child attends. This has already happened due to MHCR's decision dated 10 March 2020. The closure does not only apply to a certain area, but to all primary, secondary and higher education institutions (with some exceptions – e.g. art schools). As a result, students are not permitted into schools, but teachers and other staff are allowed to enter these educational facilities and have been doing so. Schools are considering other teaching options.

If a parent-employee is forced to stay at home with their child as a result of the above decision, it will constitute the **other important obstacle to work on the side of the employee** (Section 191 of the Labour Code). Therefore, it is not an unexcused absence. This obstacle is not connected with any compensation of wage by the employer. However, if caring for a child under 10 years of age, the employee may apply for benefits due to closure of educational facility (school) from the sickness insurance system (according to Section 39 par. 1 letter b) of Act No. 187/2006 Coll.). The application is issued (confirmed) by the facility or authority that decided to close the school facility. In the current situation, the applications are confirmed by the school in question. It is necessary to contact the respective educational facility regarding their specific procedure, as some currently issue electronic certificates only, with the hard-copy originals to be issued subsequently before applying for benefits.

7. What workplace measures should I take in connection with the coronavirus?

It is always necessary to take purposeful measures with regard to an employer's particular circumstances, i.e. with regard to the nature of their operation and the nature of the employees' work.

Many employers have carried out **temporary suspensions or significant restrictions on business trips abroad** for their employees, or **cancellations of mass events**, which should involve large numbers of employees, customers or business partners. Conferences and personal meetings are replaced with **phone or online conferences**.

We recommend employers to **define employees' duties connected with trips to risky areas or areas affected by the infection** in writing or as an internal regulation – in particular, the duty to inform the employer about such trip in time, i.e. before coming back to the workplace, and to agree on further suitable procedures with their employer (see point 2. above). This should also apply mutatis mutandis to cases where a family member or other person with whom the employee comes into daily contact is traveling to these areas.

Employers are also recommended to inform their employees about recommendations of the Ministry of Health (published on the site www.mzcr.cz), or the National Institute of Public Health (published on the site www.szu.cz) focused on the limitation of the spreading of the infection, especially preventive measures – increased hygiene, avoiding mass events etc. – and recommended steps in case of any suspicion of the infection.

If employees are in contact with persons at risk (e.g. within an international transport of goods or persons), employers should provide their employees also with **other protective equipment** (e.g. disinfectants, protective respirators with necessary filters etc.).

We further recommend employers to consider and plan how they will respond in the event of a dramatic worsening of the coronavirus epidemic in the Czech Republic, so they can fulfil their duty to protect the health of their employees while ensuring their further operational activity as much as possible. It cannot be ruled out that for a number of reasons described above, a large number of employees will not be able to come to the workplace to work.

All implemented measures should be always reasonable and appropriate. However, it is suitable to start planning them now and be prepared when the need arises. As an example, it is possible to **conclude agreements on home office work with employees now** in case the infection spreads further and results in forced quarantines and other restrictions.

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HOW MAY WE HELP YOU?

E-mail: czechrepublic@accace.com

Tel.: (+420) 222 753 480

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