

News Flash

March 25, 2020



**Introduction of extraordinary
employment-preserving measures
in the Czech Republic**

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On 23 March 2020, Government of the Czech Republic adopted resolution no. 293, amending resolution no. 257 of 19 March 2020. Under this resolution, the Government adopted the “Antivirus”, a **targeted program for employment sustainability and support of businesses**, introducing 5 separate programs (marked A to E below) for prevention of unemployment and economic crisis in the Czech Republic due to the spread of the novel SARS2 coronavirus.

Due to the state-wide introduction of restriction of freedom of movement, quarantine of travellers from risk-countries and quarantine of infected persons as well as persons the infected interacted with, the majority of businesses have been severely hit. In order to prevent the rise of unemployment, the Czech Labour Ministry (MPSV) and the Labour Office (*Úřad práce*) will commence compensating the directly affected employers.

Below we bring you a short summary of the introduced compensatory measures. No specifics on the mechanism were provided as of yet, we will be bringing you the latest news as soon as they are published.

The below spreadsheet lists the individual programs, as well as the overview of the legal ground for the situation, its description, usual employees’ entitlement to remuneration in such situations and the announced compensation to employers’ provided to be provided by the Labour Ministry.

	Obstacle	Employer’s personnel costs (without compensation)	Reason for obstacle	Compensation
A	Sec. 192 LC* (on the part of the employee’s)	60 % for the duration of the first 14 days, starting from the 15th day no cost for the employer, employee granted social security benefits in the same amount	Employee quarantined by order of the GP	100 % of employer’s costs
B	Sec. 208 LC* (on the part of the employer’s)	100 % for the entire duration of such obstacle	Ordered shutdown of operation by government order (all retail businesses except for grocers, take away food permitted)	80 % of employer’s costs
C	Sec. 208 LC* (on the part of the employer’s)	100 % for the entire duration of such obstacle	Employer unable to carry on operation due to ordered quarantine of many employees	80 % of employer’s costs (applies to healthy employees only, see row A)
D	Sec. 207 LC* (on the part of the employer’s)	80 % for the entire duration of such obstacle	Reduction of operation due to shortage of necessary input goods (usually for ordered quarantine of the supplier’s employees)	50 % of employer’s costs
E	Sec. 209 LC* (on the part of the employer’s, the so-called partial unemployment)	60 % for the entire duration of such obstacle (employer’s internal regulation must be introduced, please refer to one of our colleagues for information)	Reduction of demand for products due to ordered quarantine in particular locations (typically retailers and take-away businesses unhindered by the government regulation as per row B)	50 % of employer’s costs

LC* Labour Code Act No. 262/2006 Coll.

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Contact

Andrea Drhová

Senior Associate

E-Mail: andrea.drhova@accace.com

Phone: +420 222 753 480

Filip Lukačovič

Junior Associate

E-Mail: filip.lukacovic@accace.com

Phone: +420 222 753 480



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