



Employment support programme as a consequence of the COVID-19 pandemic

The Government of the Czech Republic has approved a proposal of the Ministry of Labour and Social Affairs this week to expand the employment support programme as a consequence of the COVID-19 pandemic (so-called Antivirus Programme). As part of this programme, the state intends to grant employers full or partial compensation in the form of a contribution to the compensation of a compensatory wage paid out to employees due to an obstacle to work on the part of the employee or employer.

We have already informed you of some of the earlier adopted measures in a previous payroll alert. For better clarity, we bring a brief summary of the existing and newly adopted measures of this programme:

A Ordering the quarantine of an employee

An ordered quarantine is an obstacle to work on the part of the employee for which the employee is entitled during the first 14 calendar days of quarantine from the employer a **compensatory wage of 60% of the average reduced earnings**.

Employers will be granted a **full contribution** to pay this compensatory wage. As of the fifteenth day of quarantine, employees will be entitled to sickness insurance benefits.

B Obligation to close an operation based on the extraordinary measures

The obligation to close an operation, as a consequence of the extraordinary measures adopted under the Crisis Management Act, is an obstacle to work on the part of the employer for which an employee is entitled from the employer to a **compensatory wage of 100% of the average earnings**. Employers will be granted a **contribution of 80% to pay out the compensatory wage**.

C Limited operation as a consequence of the quarantine order or caring for a child for a significant part of employees

Limited or closed operation as a consequence of the quarantine order or caring for a child for a significant part of employees (min. 30%) is an obstacle to work on the part of the employer for which an employee is entitled from the employer to a **compensatory wage of 100% of the average earnings**. Employers will be granted a **contribution of 80% to pay out the compensatory wage**.

D Limited operation as a consequence of limited availability of inputs

Limited or closed operation due to limited availability of inputs necessary for its activity is an obstacle to work on the part of the employer for which an employee is entitled from the employer to a **compensatory wage of 80% of the average earnings**. Employers will be granted a **contribution of 50% to pay out the compensatory wage**.

E Limited operation as a consequence of limited sales or demand

Limited or closed operation due to temporary limitation of the sale of products or limited demand for services provided is an obstacle to work on the part of the employer for which an employee is entitled from the employer to a **compensatory wage of at least 60% of the average earnings**. Employers will be granted a **contribution of 50% to pay out the compensatory wage**.

Currently the proposal is being discussed for granting this contribution and for cases of voluntary closure of an employer's operation for preventive reasons (regime F).

Currently employers will pay their employees a wage (or compensatory wage) on regular pay days and the state will subsequently grant them compensation. Employers will be granted a contribution through the Labour Office of the Czech Republic at the start of each month for the period prior to the calendar month. The Ministry will publish detailed conditions for filing an application and claiming the contribution in the next few days.

Carer's allowance

Apart from the above mentioned measures, we would like to draw your attention to the fact that the Chamber of Deputies and the Senate passed the government bill this week which extends the carer's allowance for parents caring for their children during the period of

school closures due to the extraordinary measures. The carer's allowance will now also apply to care of all children under the age of 13 years throughout the period of the extraordinary measures. It will now be possible for two carers to alternate in caring for children. To file a claim for the carer's allowance an applicant will complete the Výkaz péče o dítě (Child Care Statement) form due to closure of an educational facility in which the applicant will state the days on which he/she took care of a child in the past month and, if required, also the days on which the second carer took care of the child. The applicant will submit this form to his employer after the end of the calendar month.

Waiver of health insurance premium advances for the self-employed

This week the Chamber of Deputies and the Senate also passed a government bill under which there will be a blanket waiver of man-

datory advance payments of public health insurance premiums, advances on pension insurance premiums and the state employment policy contribution for the self-employed in the period from March to August of this year. There will be a total waiver of minimum advances whereas those self-employed obliged to make advance payments of more than the minimum need only make additional payment to settle the difference on the date for filing the summary for 2020.

We will keep you regularly informed of any further measures adopted in connection with the current extraordinary situation.



Grant Thornton Tax & Accounting s.r.o.
Jindřišská 16
110 00 Praha 1
office@cz.gt.com



Jiří Zoubek
Tax Partner
+ 420 296 152 111
jiri.zoubek@cz.gt.com



Pavel Humplík
Tax Partner
+420 296 152 111
pavel.humplik@cz.gt.com