

Government measures supporting employment or individual economic revenue

COVID-19

August 17

state of emergency.

The [state of emergency ended on May 17](#). Some restrictions [will still remain in place](#). The final phase of the government's plan to relax emergency measures will start on May 25 when hotels, restaurants and other facilities will be allowed to reopen again. From May 18, emergency measures are issued by the Ministry of Health under the Public Health Protection Act.

summary of economic measures supporting employment or individual economic revenue approved by czech authorities (valid)

employment protection program "[Antivirus](#)".

The Program which purpose is to compensate for all or part of wage costs, including social contributions, in the form of wage reimbursement for employees for period of work-related obstacles caused by the quarantine, emergency measures or their secondary impacts, all related to the spread of COVID-19, raises the cap on government compensation and reduces the previously proposed five categories to two (regimes A and B).

Regime A) Reduction of business operation and/or quarantine ordered: Closure or reduction of operation as a result of an emergency measures or quarantine ordered by the authority. Regimes A-B in the previous proposal.

- in the case of quarantine, the employee receives a compensatory wage / salary of 60% of average reduced earnings;
- in the case of closure of the operation by a government order, the employee receives a compensatory wage / salary of 100% of the average earnings;
- state reimbursement of 80% of the super-gross wage (amount paid by the employer, including social and health insurance contributions) up to a maximum government compensation of CZK 39,000 per employee.

Regime B) Related economic difficulties: For businesses experiencing an obstacle to work on the side of the employer due to related economic difficulties of the coronavirus outbreak. Regimes C-E in the previous proposal.

- depending on the type of obstacle, the employee receives a compensatory wage /salary of 60-100% of the average earnings;
- state reimbursement of 60% of the super-gross wage (amount paid by the employer, including social and health insurance contributions, with a maximum government compensation of CZK 29,000.

For both regimes there are conditions that have to be met by the employers applying for the

contribution. Full Handbook for Employers how to fill the application in English to be downloaded [here](#). The applications can be submitted **from April 6, 12:00**.

The Government **extended the Unemployment Support Program Antivirus regimes A and B until August 31.**

Antivirus C, waiver of social contributions.

The President signed [regime C of the employment support program Antivirus](#). Regime C will waive payments of social contributions and contributions to state employment policy for June to August for companies with up to 50 employees that had been impacted by the government's coronavirus measures. The employer can apply for the support if he has not reduced the number of employees or decreased the wages by more than 10% compared to March 2020. The company cannot have received support from regime B of Antivirus program.

deferral of social contributions paid by employers.

The Parliament approved the [deferral of social contributions paid by employers \(24.8%\)](#) for May, June and July. Any postponed payment from these months would be due by October 20th. The proposal would decrease the interest rate for late payments from the current 18% p.a. to 4% p.a. (1% per quarter) for the period of May 1 until October 20. The measure would be applied automatically once companies do not pay social contributions by the 20th of the relevant month. The companies will not pay penalty which is not exceeding CZK 1,000. Newly payment and documentation on contributions has to be sent electronically, they cannot be paid by cash anymore.

care-giver's allowance for employees and self-employed persons.

The Parliament and the Senate greenlighted the entitlement to [care-giver's allowance](#) for children under the age of 13 due to the closure of the school facility or for persons dependent on the assistance of another person classified at least at the level of light dependence, for the entire duration of the state of emergency. The Government later decided to increase the care-giver's allowance to 80% of daily wage for employees (from 60%) and include those working outside employment relationship (DPC, DPP, who will receive 60% of average wage). This is applicable retroactively from April 1 until the end of schools closure.

The authorities also approved this measure for the self-employed of the amount of CZK13,144. Self-employed are [relieved](#) from social and health insurance payments until August 2020. The Ministry of Industry and Trade will decide whether increase in the amount will also include self-employed persons. On May 18, the Government approved an additional CZK 2.5 billion to care-giver's allowance for self-employed persons.

On May 20, the Parliament approved extending the period for the measure until the end of school year, June 30. From July 1, conditions for care-giver's allowance will be applied [according to the initial legislation](#).

current "Petadvacitka" program for self-employed.

The Deputies supported "*Petadvacitka*" program for self-employed ([version approved by the parliamentary Committee for Budget on April 6](#)) negatively affected by coronavirus outbreak which can apply for a bonus amounting to CZK 25,000 for the period of March 12 until April 30. The application could be submitted online via email.

This will be paid if the following conditions are met:

- a) it is a self-employed person according to the pension insurance law,
- b) the activity performed is the principal activity (under clearly defined conditions it may also be an ancillary activity),
- c) the decrease in gross sales during the period from January to March 2020 was at least 10% compared to the period from January to March 2019 (if a business was set up after January 2019, the comparison counts for the first 3 months period after setting up the business),
- d) the entity achieved at least CZK 180,000 of gross income in 2019 or at least CZK 15,000/month in case the business was set up after January 2019.

extending "Petadvacitka" for self-employed

The Chamber of Deputies rejected Senate change proposals to the Ministry of Finance proposal to [extend the Petadvacitka program](#) for self-employed persons impacted by the COVID-19 emergency measures to the Chamber of Deputies. The Senators proposed to increase the amount of allowed compensation to CZK 700 in May and to CZK 900 in June. The Senate veto was [overridden](#) by the Chamber of Deputies and if the bill is signed by the President, the compensation will be CZK 500 per day for the period of May 1 until June 8. The amount per affected person would total CZK 19,500. It is possible to apply for the compensation from May 7.

employee's protection in the event of employer's insolvency

The Parliament also approved a proposal by the Ministry of Labour and Social Affairs to [protect employees in the event of the insolvency of their employers](#). The amendment either partially or fully restores the ability of employees to recover wages due to them by an insolvent employer. This ability had been suspended by the lex covid justice measure adopted April 24. The new measure will enable employees of an insolvent employer to receive wages through the Labour Office of the Czech Republic., from April 24 until August 31.

bonuses for health-care and social workers.

The Government will pay bonuses to health care and social workers who have been on the frontline in the fight with the coronavirus. Health care workers will receive a total of CZK 1.1 billion and social workers will receive a total of CZK 5.2 billion.

new jobs within "Outplacement" project.

Four thousand employees that have been or are about to be laid off will have the opportuni-

ty to find job through new national project “[OUTPLACEMENT](#)” run by the Ministry of Labour through the regional labour offices, excluding Prague. The project is to be financed from the European Social Fund and Czech Republic state budget as part of the Operational Program Employment. The project will start on June 1, 2020 until June 30, 2022. The total amount of financial support stands at CZK 484 million.

Czech Republic joining SURE agreement.

The Government approved that the Czech Republic could join the guarantee agreement for the EU program on temporary support to mitigate unemployment risks in an emergency (SURE). This temporary scheme can provide up to 100 million euros of loans under favourable terms to member states to help finance the increases of national public expenditure from February 1 for measures such as compensation of wages, direct financial support to the self-employed people or the purchase of medical equipment at the workplace. SURE loans will be backed by the EU budget and guarantees provided by members according to their share in the EU’s GNI (for the Czech Republic this is 1.5% (cca CZK 10 billion).

Compensation bonus for DPP, DPČ employees in effect.

Persons employed under DPP and DPČ contracts (contributing to sickness insurance) who could not work due to the Covid-19 pandemic are now eligible for a compensation bonus of 350 CZK per day for a period between March 12 and June 8. The new legislation [entered into force on August 7](#). The [applications](#) can be submitted until November 30.

Eligible applicants must have worked for at least 4 out of the 6 months prior to the crisis (in the period from October 1, 2019 to March 31, 2020) and the performance of their work had to be limited or completely prevented by the Covid-19 crisis (e.g. termination of employment by the employer). The bill is now heading to the Senate.

summary of economic measures supporting employment approved by czech authorities (lapsed)

proof of debtlessness.

According to an [amendment to the Act on Employment](#) the companies now will not be obliged to prove debtlessness for the duration of the state of emergency.