

EMPLOYMENT LAW BASIC FACTS OVERVIEW 2024 CZECH REPUBLIC

Information valid as of 1 July 2024



YOUR SAFE HARBOUR

Employment Contract / Alternatives	<ul style="list-style-type: none"> Must be in writing and include information about type of work, place of work and date of commencement Alternative flexible contracts: zero-hour contract (DPP), casual contract (DPČ) (both with limited time range) 									
Probation Period	<ul style="list-style-type: none"> Up to 3 months; up to 6 months for managers During probation period both parties may terminate the employment with immediate effect without stating a reason 									
Fixed-term Employment	<ul style="list-style-type: none"> Up to 3 years May be extended twice, each time for up to an additional 3 years 									
Working Time / Scheduling	<ul style="list-style-type: none"> Standard: 40 hours per week for single-shift operations, one shift up to 12 hours Mandatory 30 minute food and rest break after 6 hours of work Overtime: annual limit of 150 hours or up to 416 hours with employee's consent Various forms of flexible working hour schedules available 									
Minimum Salary	<ul style="list-style-type: none"> CZK 18 900 (approx. 764 EUR) / month CZK 112.50 (approx. 4.55 EUR) / hour 									
Extra Pay	<ul style="list-style-type: none"> Overtime work – additional payment of at least 25% of average earnings, which may be partially included in salary; compensatory paid time-off may be agreed instead Work on public holidays – compensatory paid time-off; additional payment of at least 100% of average earnings may be agreed instead Night work – additional payment of 10% of average earnings; may be decreased by agreement between employer and employee Weekend work – additional payment of 10% of average earnings; may be decreased by agreement between employer and employee Other (for health risks etc.) Additional payments are cumulative, i.e., if the employee works on a weekend night, he / she is entitled to an additional payment of 10% + 10%, i.e. 20% of average earnings 									
Statutory Levies	<table border="1"> <thead> <tr> <th></th> <th>Health Insurance</th> <th>Social Security Insurance</th> </tr> </thead> <tbody> <tr> <td>Employee</td> <td>4.5%</td> <td>7.1%</td> </tr> <tr> <td>Employer</td> <td>9%</td> <td>24.8%</td> </tr> </tbody> </table>		Health Insurance	Social Security Insurance	Employee	4.5%	7.1%	Employer	9%	24.8%
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Payments during Illness	<ul style="list-style-type: none"> 1st - 14th day: 60% of the reduced salary to be paid out by the employer From 15th day on: social security benefits paid by the state 									
Annual Leave	<ul style="list-style-type: none"> Minimum of 4 weeks of annual paid leave (5 weeks state employees, 8 weeks teachers) Salary compensation paid at the rate of average earnings; the leave must be ordered by the employer 2 weeks in advance Transfer of unused leave into following years, pay for unused leave possible only upon termination of employment 									
Maternity / Parental Protection	<ul style="list-style-type: none"> Maternity leave: 28 weeks (37 weeks if more children are born), social security benefits paid by the state Paternity leave: up to 14 days, social security benefits paid by the state Parental leave: until the child reaches 3 years of age 									
Employment Termination	<ul style="list-style-type: none"> Written agreement Written notice of termination – Employee may terminate at any time for any or no reason <ul style="list-style-type: none"> Employer may terminate only on grounds specified by law (organizational changes, health issues, failure to meet requirements, unsatisfactory work performance, and breach of duties); often special termination procedure must be followed Termination without reason may be agreed with top managers 2 months' notice period, may be extended by agreement (same length for both parties) Minimum severance payment depends on termination grounds – 1 to 3 average monthly earnings for organizational reasons <ul style="list-style-type: none"> 12 average monthly earnings if caused by occupational accident / illness Written immediate termination – Employer may terminate only in the case of an exceptional gross breach of employee's duties or a serious criminal offence Collective dismissals – mandatory special termination procedure for multiple redundancies Specially protected employees: employees temporarily unfit for work, pregnant employees, employees on maternity / parental leave, trade union officials Validity of termination may be disputed in court within 2 months from the last day of employment 									
Non-Compete Clauses	<ul style="list-style-type: none"> Valid for up to 12 months after termination Minimum compensation of 50% of average earnings for every month Limited practical usability, difficult withdrawal from the clause by the employer 									
Employees' Representation	<ul style="list-style-type: none"> Trade unions, work councils, representatives concerned with occupational safety and health protection Minimum number of employees required for establishment of a trade union: 3 Does not have much tradition, usually not in a strong position 									
Employment of Foreigners – Special Obligations	<ul style="list-style-type: none"> EU citizens – no restrictions, minimum conditions under EU Posting Directive to be provided, obligatory notification of employment towards Labour Office & other administrative obligations Citizens of Australia, Japan, Canada, the Republic of Korea, New Zealand, Great Britain, the USA and Singapore do not need an employment permit, but only a residence permit Other non-EU citizens – visa and employment permit generally needed Special conditions for Ukrainian refugees 									
Employment Private Agencies (Temporary Assignment)	<ul style="list-style-type: none"> Enable the employer to be more flexible with number of employees Agency employees must have the same salary and working conditions as regular employees 									
Country Specifics	<ul style="list-style-type: none"> Notice of termination by an employer possible only for a statutory termination reason (even if employee is paid severance) Achieving a certain (e.g. retirement) age does not automatically constitute a reason for termination Salary compensation (e.g. during paid leave or sickness) is calculated by use of "average earnings" and does not equal the salary agreed Documents may be delivered electronically to a digital data box. A simple and fast delivery method. Digital data boxes are compulsory for business entities 									

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