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## NEWSLETTER 25.9. 2020

Coronavirus – first aid legal guidebook (10)

Introduction of the „kurzarbeit“

**On 25<sup>th</sup> September 2020 the Government of the Czech Republic approved an amendment to the Act No. 435/2004 Coll., on Employment, which shall introduce a new legal concept of the active state employment policy into the Czech legislation - the financial support in the period of partial employment (so-called kurzarbeit / short-time work).**

**The proposal approved by the government shall now be submitted to the Parliament of the Czech Republic for further discussion and approval.**

## KURZARBEIT

- **Main characteristics of the new legislation:**

- the provision of the support will be subject to **the approval of the government**, which will activate it **by issuing the relevant regulation**. This will be possible if the state's economy (as whole) or particular industry sector is seriously endangered due to a natural event such as a natural disaster under directly applicable EU legislation, an epidemic, a cyber-attack, etc.,
- the support shall apply to **employees in the employment relationship** if the following legal conditions are met, as well as conditions specified by a government regulation in respect to specific circumstances,
- the support shall only concern employees and employers **in the business area**,
- **the support period** may not exceed **12 months**,
- the support shall apply to employee whose employment relationship has been agreed **for an indefinite period of time** and **lasts for at least 3 months** as of the date of submission of the employer's application for the support,

- the support shall apply to the employee **for the entire calendar month** in which he/she cannot perform work due to any obstacles at work according to Sections 207 to 209 of the Labour Code provided that the employer does not assign the employee work in the range of at least 20% and at most 80 % of his weekly working hours,
- **the support** shall apply to the employee only for that part of his/her weekly working hours during which the employer does not assign him/her work, and **it shall amount to 70%** of the average hourly net earnings,
- **the maximum amount of the support** will not exceed a monthly average wage in the Czech economy for the first three quarters of the preceding calendar year announced by the Czech Ministry of Labour and Social Affairs,
- the support will be provided to the employee by the Labour Office through the employer on the basis of the employer's written request (notification) including data relevant for the payment of the support for the past calendar month.

- The so-called kurzarbeit should become **effective as of 1<sup>st</sup> November 2020** and replace the Antivirus program, which is to be in place by the end of October 2020.
- Due to the fact that **the legislative process has not been completed yet**, the above-mentioned may be subject to changes.

We hope the above summary will ease your orientation in the newly proposed legislation. We are available for any of your additional requests or information or legal assistance in this area.

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