



NEWSLETTER 27.3.2020

Coronavirus – first aid legal guidebook

(3)

In relation to previous measures adopted by the government of the Czech Republic in connection with the occurrence of the coronavirus COVID-19 pandemic, there has been further development in recent days. Most of the governmental proposals were discussed and accepted in the parliament and further by the president. The following acts were published in the Collection of Laws.

- Act on Certain Social Security Adjustments in Connection with Emergency Measures in the 2020 Epidemic
- Act on Certain Adjustments in the Field of Sales Records in Connection with the Declaration of Emergency
- Amendment to Act No. 592/1992 Coll., on Public Health Insurance
- Act on Certain Adjustments in Social Security and State Employment Policy and Pension Insurance Contribution to the Emergency Measures in the 2020 Epidemic
- Act on Special Rules for Admission to and Completion of Certain Types of Education in the School Year 2019/2020

The above acts are available [here](#).

- I. **Support of the employers – Targeted employment support program. “Antivirus”**
- The Ministry of Labour and Social Affairs enlarged the announced support program to employers with additional regimes: C,D and E. The up-to-date regimes are as follows:
 - **Regime A)** concerns the employees under quarantine – the State shall compensate 100 % of the wage compensation paid by the employers during the first 14 days of the quarantine.
 - **Regime B)** concerns the employers who are directly concerned by the State anti-epidemic measures (prohibition of sales and services) and who were obliged to put employees on obstacles of work under par. 208 of the Labour Code with 100 % wage compensation – the State shall compensate 80 % of the wage compensation.
 - **Regime C)** concerns the employers with at least 30 % of the employees under quarantines which led to obstacles of work for the remaining employees – the State shall compensate 80 % from the 100% wage compensation.
 - **Regime D)** concerns the employers who suffer lack of supplies or deliveries and who put the employees on obstacles of work with 80 % of average wage – the State shall compensate 50 % from this wage compensation (par. 207 a) of the Labour Code).

- **Regime E)** concerns the employers who suffer lack of demands, requests and clients and who put the employees on obstacles of work with 60 % of wage – the State shall compensate 50 % from this 60 % wage compensation (par. 209 of the Labour Code). In relation to application of par. 209 of the Labour Code, please refer to our previous newsletters.
- **The program itself and detailed conditions have not yet been published**, but in cooperation with the Ministry of Labour and Social Affairs we managed to verify **that the methodology should be approved by the government at the beginning of next week**, when the program is to be published.
- At the moment, the support period is foreseen for the duration of the relevant measures, e.g. under scheme B the contribution is to be provided for the period 16.3. - 1.4.2020. If the relevant measures are extended, the support period should also be extended.
- **Applications for support will be available online from 1.4.2020.**
- In order to receive the support, it will be necessary to conclude **an agreement with the Labour Office**. Detailed conditions for the provision of these contributions will be concluded in these agreements.

II. Support of the Self-employed

- **Waiver of payments of minimum advances for social security insurance, state employment policy contribution and pension insurance (CZK 2,544 / month for 6 months - March-August).**
- **Waiver of minimum advances for public health insurance (CZK 2,352 / month for 6 months - March-August).**
- The **financial contribution of CZK 424 per day**, maximum CZK 13,144 per month, has been approved for all self-employed persons taking care of a child **under the age of 13** (without the lower age limit). Nevertheless, this contribution shall be provided only if the other parent is not already receiving the care allowance. This contribution will be paid by the Financial Offices upon request. The duration of this contribution is also limited to the duration of emergency measures during which children cannot attend school.
- On 26 March 2020, the Government approved the **intention to grant all self-employed persons** whose business was closed as a result of the measures adopted a **flat monthly contribution of CZK 15,000 per month** for the duration of these measures. More detailed terms will be presented in the coming week, and legislative changes will also have to be adopted to allow contributions to be paid by the Financial Offices.

III. Care allowance

- Parliament of the Czech Republic passed a law that newly applies **care allowance to children under 13 years of age**, and that **for the entire period of the extraordinary measures adopted in connection with the epidemic**, i.e. when schools and other child care facilities will be closed.
- Care allowance will be paid even if the establishment of the facility (kindergarten) decides to close the facility due to an epidemic.
- The care allowance will also be paid retroactively.
- After the emergency ends, the original conditions should apply again.

IV. Tax updates

- The Parliament approved the suspension of the EET (Electronic evidence of sales) for all entities subject to the obligation to record sales for the duration of the emergency period and the consequent 3 months.
- In addition to the measures already adopted by the Ministry of Finance, which for example waive fines for late filing of personal and corporate income tax returns until 1.7.2020 and which were adopted under “Liberation Package I”, the Government also approved “Liberation Package II”, in which the fine for late filing of the tax return for **real estate acquisition tax** or for late payment of real estate acquisition

tax or advance payment for this tax was waived across the board. The waiver applies to all late tax returns with filing deadlines from 31 March to 31 July 2020. **The real estate acquisition tax return can be filed by 31 August 2020 at the latest without the risk of paying a fine.**

Furthermore, we would like to add that on March 26, 2020 The Ministry of Health adopted an emergency measure no.: [MZDR 13361/2020-1/MIN/KAN](#), which modified the conditions for retail sale and sale of services in the establishments. The restriction regarding the operation of hotels remain in force until 1.4.2020, but one of the newly adopted exceptions **presents a possibility to sell and provide accommodation services to people for the business purposes, work/employment purposes or other similar activity.**

We continue to closely monitor the situation. The above information is up to date 27.3.2020, please note that due to the rapid evolution of the situation it is possible that some restrictions may be extended or otherwise modified. Do not hesitate to contact one of our lawyers for more information.

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