



HR Legal Alert

24 March 2020

Weinhold Legal

Other measures adopted at the government meeting of 23 March 2020

As a preliminary point, we would like to remind readers that information on the Antivirus project can be found in our previous HR Legal Alert dated 23 March 2020, which you can find [here](#).

Retail Restrictions

The Ministry of Health has ordered emergency measures to protect the population and prevent the risk of the formation and spread of COVID-19, restricting retail sales ("MoH Measure"). This measure follows Government Resolution No. 211 promulgated under No. 82/2020 Coll. The full text of the MoH Measure is available [here](#) (in Czech only).

However, in addition to some changes in content, the MoH measure could, in our opinion, bring significant legal changes that affect employers.

In the opinion of the Ministry of Labour and Social Affairs based on Government Resolution No. 211 and related resolutions there was:

- ▶ an obstacle to work on the part of the employer for those employers who had to close their businesses and were unable to assign other work to employees in accordance with the Labour Code; in this case, employees were entitled to 100% wage/salary reimbursement, 80% of which the state promised to compensate from the Antivirus program, if actually paid (so-called scheme B). This Regulation was in force from 14 March 2020 from 6.00 to 24 March 2020 until 6.00.

In our opinion, the Ministry of Health's new measure (effective from March 24, 2020):

- ▶ could be affected by Section 347 (4) of the Labour Code, which stipulates that certain other situations are treated as a quarantine-like regime, i.e. an obstacle to work on the part of the employee (as in the case of temporary inability to work); for which, for a limited period, the employee is

entitled to be paid 60% of wages/salary, 80% of which shall be drawn from the Antivirus program (so-called scheme A) as the state has promised. This regulation shall apply from 24 March 2020 from 6.00 to 1 April 2020 until 6.00.

The new regulation of the Ministry of Health is a measure issued under the Public Health Protection Act, unlike the previous measure issued by the Government of the Czech Republic under the Crisis Act.

The Ministry of Labour and Social Affairs has not yet confirmed our interpretation with regard to the changed legislative situation, thus we recommend awaiting its standpoint.

Further impact of government resolutions

The Government further:

- ▶ re-ordered that from 23 March 2020, during an emergency period, an affidavit (template available) may replace following documents:
 - a medical card for individuals carrying out epidemiologically serious activities;
 - entry medical examination;
- ▶ does not require periodic medical examinations of employees to be carried out during the emergency;
- ▶ renewed the validity of work permits and residence visas for employees temporarily seconded by employment agencies and regular employees who provide services under another contract, up to 60 days after the end of the state of emergency.

The Government annulled its previous resolutions No. 211, 214, 238, 241 and 264.

Cross-border workers commuting to Germany and Austria

By Government Resolution No. 281 of 23 March 2020, announced under No. 218/2020 Coll., the Government reduced the exemption from Government Resolution No. 198 of 12 March 2020 and No. 203 of 13 March 2020 for cross-border workers at the border with Austria and Germany, which newly only applies



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to persons traveling for more than 21 days. If a worker (a Czech citizen or a foreigner with a permanent or temporary residence over 90 days in the Czech Republic) returns to the Czech Republic from 26 March 2020, he /she will have to remain in a 14-day quarantine. Such a worker must arrange accommodation abroad at his own expense (or by agreement, at the employer's expense).

Medical staff and holiday

By Government Resolution No. 278 of 23 March 2020, proclaimed under No. 125/2020 Coll., the Government again banned all employees who carry out health care professions (medical and non-medical) from taking leave during the state of emergency, but allows leave to be taken by employees who have been quarantined. This also repeals Government Resolution No. 216.

Remission of advance payments for self-employed persons

The Government approved a bill (to be discussed by Parliament on 24 March 2020) stating that self-employed persons are not obliged to pay advance payments for pension insurance for the calendar months March to August 2020. If the advance payment has been paid, it shall be used to pay the outstanding commitments and advances for other calendar months of 2020. The premium will also be reduced by the minimum premium for this period, namely (i) CZK 2,544 per month for self-employed persons performing main self-employment and (ii) CZK 1,018 for self-employed persons performing secondary self-employment activities. If no advance payments are made, this period will be considered as an excluded period, but still counted for pension insurance purposes. In the framework of health insurance, after approval by Parliament, the deadline for submitting self-employed persons' reports for 2019 will be postponed to 3 August 2020. From March to August 2020 there will be no obligation to pay minimum advances (CZK 2,353 per month). Those who are obliged to pay higher advances may reduce their advance by the minimum advance.

Tax concessions

The government also approved the second liberalization package proposed by the Ministry of Finance, which in particular brings the following measures:

- ▶ postponement of the deadline for filing the tax on immovable property tax report until 31 August 2020;
- ▶ ET suspension;
- ▶ other liberalization measures in the area of remission of fines and fees (following the first liberalization package).

Furthermore, the government plans to discuss the introduction of the institute of retroactive effect of tax loss.

The information contained in this bulletin is presented to the best of our knowledge and belief at the time of going to press. However, specific information related to the topics covered in this bulletin should be consulted before any decision is made. At the same time, the information contained in this bulletin should not be construed as an exhaustive description of the relevant issues and any possible consequences. Furthermore, it should be noted that there are various legal opinions on some of the issues raised in this bulletin due to the ambiguity of the relevant provisions. It cannot therefore be ruled out that in the future an interpretation other than the one we give us will prevail.

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