

Covid-19: Antivirus Employment Retention Program for March – April 2020



The government has approved the Antivirus program to compensate employers' salary costs from March 12 until the end of April (for now).

Mode A Forced closure and quarantine

- Employee cannot work due to ordered closure of the establishment -> wage compensation of 100% of average earnings.
- Employee is in quarantine -> receives 'sickness benefit' for the first 14 days from the employer of 60% of the average reduced earnings.
- Contribution under scheme A will amount to **80% of the paid wage compensation, including insurance contributions** (max. CZK 39,000 per employee and month).

	Employer pays	Government contribution
1. Forced closure / restriction of business operations	100%	80% (max. 39.000 CZK / month)
2. Forced employee's quarantine	60% (only first 14 days)	

Mode B Economic difficulties related to coronavirus

- Due to the Covid-19 outbreak, the employer cannot assign work to the employee because of:
 - Absence of at least 30% of employees (e.g. quarantine or childcare) -> wage compensation of 100% of average earnings.
 - Supply chain issues -> wage compensation of 80% of average earnings.
 - Reduced demand for employer's services / products -> wage compensation of 60% - 100% of average earnings (reduction is possible by agreement with the trade union or by issuing an internal regulation).
- Contribution under scheme B will amount to **60% of the paid wage compensation, including insurance contributions** (max. CZK 29,000 per employee and month).

	Employer pays	Government contribution
1. Substantial staff absence	100%	60% (max. 29.000 CZK / month)
2. Supply shortage	80%	
3. Reduction in demand (partial unemployment)	60% - 100%	

Compensation for functioning companies

The government also plans an incentive support for companies that have seen a 30% decline in revenue or production but continue to pay 100% of their wages to employees. A wage compensation of 20% is provisionally foreseen. Specific conditions should be published by 6 April.

How to apply?

Applications can be electronically filed with the Labor Office from 6 April. The employer will apply for the allowance after the end of the calendar month for which it is applying, i.e. for March, the employer will submit the application at the beginning of April. There should be only a delay of a few days between the submission of an application and the payment of contributions. **It is expected that compliance with the subsidy rules will be subsequently strictly audited.** More detailed conditions of the programme will be published in the coming days.

Basic subsidy conditions

- Only employees with employment contract; zero-hour contracts are excluded (in Czech "DPP" and "DPČ").
- Terminated employees and employees in notice period are excluded (probably with exception for breach of duties).
- Salaries and insurance contributions were paid.
- The employer complies with the Labour Code and does not have overdue debts towards the state.

How we can help?

We are happy to discuss the specific conditions of the Antivirus measures. At the same time, we will help you to set up the most beneficial structure for compensation of employees in case of reduction or stopping of business operations.

For more information please contact



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**We will come
through this together**

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Assistance provided in all areas:

- Support measures
- Recovery of business interruption losses
- Contracts and force majeure
- Commercial leases

Experienced lawyers, both in the Czech Republic and Slovakia, are keen to help.

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