

News Flash

4 January 2021



Minimum, average and guaranteed wage 2021 in the Czech Republic

Minimum, average and guaranteed wage 2021 in the Czech Republic

From 1 January 2021, the **minimum wage** in the Czech Republic will increase by CZK 600 to **CZK 15,200 per month**. This applies to employees with a weekly standard working time of 40 hours. The **minimum hourly wage** will increase from CZK 87.30 to CZK 90.50.

The **average monthly wage** will increase from CZK 34,835 to **CZK 35,441** in 2021.

	2020	2021
Minimum wage	14,600.00	15,200.00
Average wage	34,835.00	35,441.00

The increase in the minimum wage will affect the lowest levels of the **guaranteed wage**. The lowest guaranteed wage will range from CZK 15,200 to CZK 30,400 per month, or from CZK 90.50 to CZK 181.00 per hour in 2021 depending on the work group.

Lowest levels of guaranteed wage 2021 (in CZK)

The following table shows the guaranteed wages for 2021 according to **the length of the weekly standard working time** of 40 hours / 37.75 hours / 38.5 hours.

Work group	Guaranteed wage per MONTH	Guaranteed wage per HOUR		
		40 hours per week	38.75 hours per week	37.5 hours per week
1	15,200.00	90.50	93.42	96.53
2	16,800.00	99.90	103.12	106.56
3	18,500.00	110.30	113.86	117.65
4	20,500.00	121.80	125.73	129.92
5	22,600.00	134.40	138.74	143.36
6	24,900.00	148.40	153.19	158.29
7	27,500.00	163.90	169.19	174.83
8	30,400.00	181.00	186.84	193.07

Other effects of the increase in the minimum and average wage

1. Minimum wage

- The maximum amount of the possible tax allowance for placing a child in a pre-school facility (**nursery-fees**) will increase to CZK 15,200 (for 2021).
- The **limit of the taxpayer's annual income** to receive tax bonuses, that are paid to taxpayers if their child tax allowance for the year exceeds their tax liability, has been abolished as of 2021.
- The limit for the exemption of **regularly paid pensions** will be increased to CZK 547,200 / year (36 times the minimum wage), i.e. CZK 45,600 / month.
- The **health insurance**, which must be deducted from the minimum wage, e.g. by the tax-exempted persons, will increase to CZK 2,052 / month (13.5% of the minimum wage).

2. Average wage

- The limit for the solidarity tax increase / second tax rate is increased – for income from dependent activities, the monthly limit is increased by **CZK 141,764** (4 times the average wage), and the annual limit is **CZK 1,701,168** (48 times the average wage).
- The maximum assessment base for social security premiums is increased by **CZK 1,701,168** (48 times the average wage).

If you have any questions, please do not hesitate to contact us. We will be happy to assist you!

Disclaimer

Please note that our publications have been prepared for general guidance on the matter and do not represent a customized professional advice. Furthermore, because the legislation is changing continuously, some of the information may have been modified after the publication has been released. Accace does not take any responsibility and is not liable for any potential risks or damages caused by taking actions based on the information provided herein.

Want more news like this?

[Subscribe!](#)

Contact

Andrea Drhová

Senior Associate

Email: andrea.drhova@accace.com

Phone: +420 222 753 480

Kateřina Hrůzová

Tax Manager

E-Mail: katerina.hruzova@accace.com

Phone: +420 222 753 480



About Accace Czech Republic

Accace Czech Republic was founded in 2007 in Prague, while the branches in Brno and Ostrava followed in 2009 and 2016. Accace ranks among the leading outsourcing and consultancy providers on the Czech market with almost 270 professionals and more than 500 clients. As a part of the Accace Group, we provide a comprehensive range of accounting, payroll, tax, legal and corporate services to over 2,000 customers, from local companies to large multi-country outsourcing projects.

About Accace Circle

Accace operates internationally as Accace Circle, a co-created business community of like-minded BPO providers and advisors who deliver outstanding services with elevated customer experience. Covering almost 40 jurisdictions with over 2,000 professionals, we support more than 10,000 customers, mostly mid-size and international Fortune 500 companies from various sectors, and process at least 170,000 pay slips globally.

Please visit www.accace.com and www.circle.accace.com for more information.

