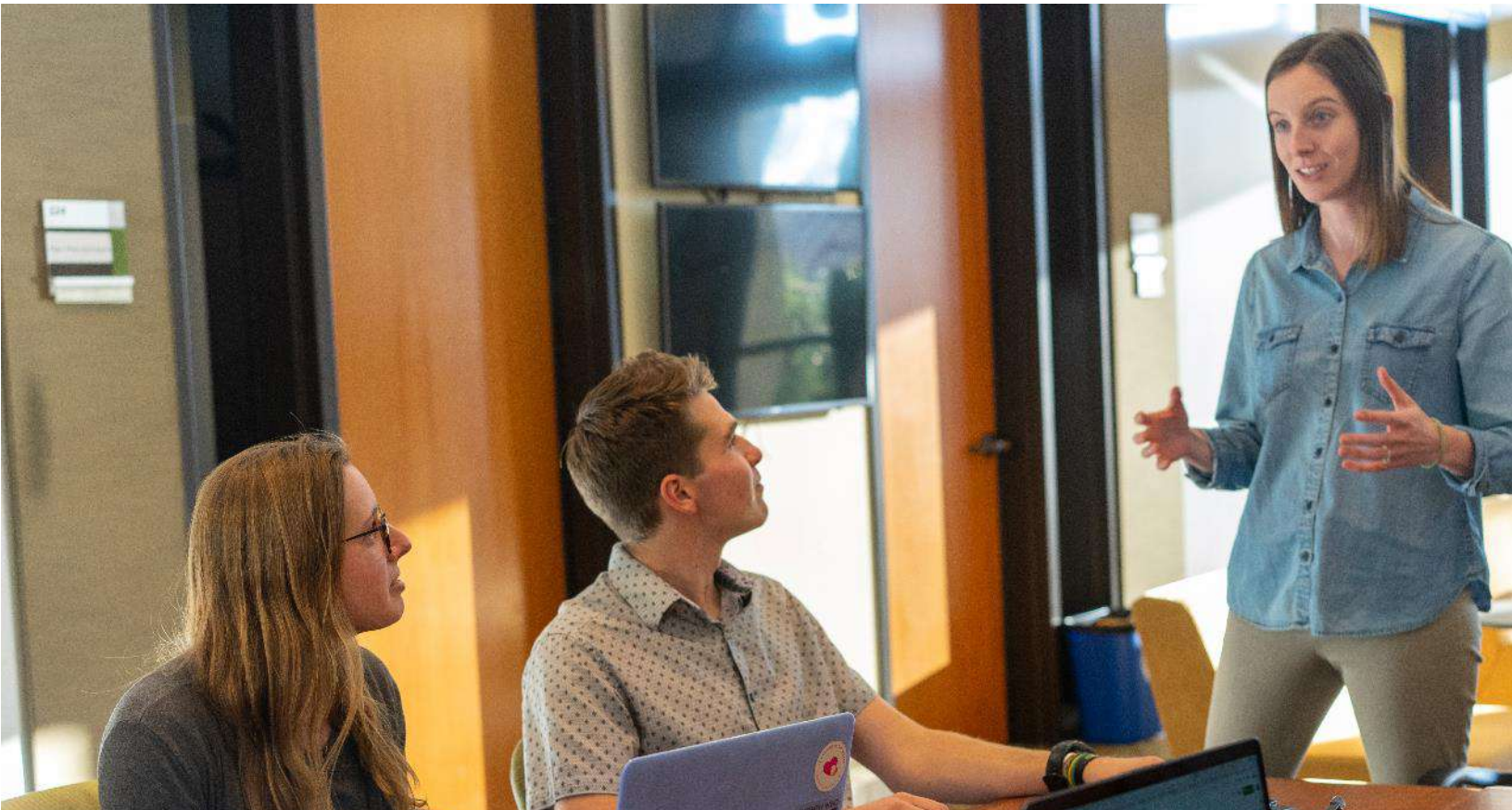


News Flash

6 April 2020



Targeted Antivirus employment sustainability programme in the Czech Republic

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The Ministry of Labour and Social Affairs (“MPSV”) issued a targeted Antivirus employment sustainability programme (“Antivirus Programme”) on 31 March 2020 after its approval by the government.

The web application for receiving applications and submitting bills was launched on 6 April 2020 and is available on the following website: www.antivirus.mpsv.cz.

1. Purpose and objectives

To mitigate the negative impact of anti-crisis, quarantine and other emergency measures taken in connection with the worldwide spread of COVID-19 caused by SARS-CoV-19 (“coronavirus”) on employment in the Czech Republic, i.e. in particular to prevent collective redundancies.

This objective is to be achieved, inter alia, by reducing the salary costs of employers, in the form of a contribution from the state to the total labour costs, i.e. partial reimbursement of salaries paid to employees in case of obstacles to work due to coronavirus.

2. Who the programme is intended for?

The Antivirus Programme is designed for employers whose wages are not covered by public budgets (private companies) and employ at least one employee who meets the following requirements:

- falls under the terms of Mode A or Mode B of the Antivirus Programme;
- participates in sickness and pension insurance under Czech legislation;
- has an employment contract under Czech law;
- was not dismissed as of the payroll submission date (see point 6.c. below), or is not in a notice period (except for particularly gross or serious breaches of legal obligations).

Mode	Description	Labour Code (Act No. 262/2006 Coll.) reference	Salary compensation amount („SCA“)	Monthly contribution
A	Obstacles to work comprising the quarantine of employees, or closure or restriction of operation due to crisis measures of the Government of the Czech Republic and extraordinary measures of public health protection authorities	Section 192 (quarantine)	60 %	80% SCA and social security and health insurance contributions max. CZK 39,000
		Section 208 (closure or restriction of employer’s operation)	100 %	
B	Obstacles to work on the part of the employer, where the causal link with coronavirus is presumed. In particular, those arising as a result of obstacles to work on the part of significant proportion of employees, a lack of production inputs or a reduction in demand	Section 207 (input shortages)	At least 80%	60% SCA and social security and health insurance contributions max. CZK 29,000
		Section 209 (partial unemployment)	At least 60%	
		Section 208 (other obstacles)	100%	

3. Contributed amounts

Mode A: 80% of eligible costs, but max. CZK 39,000 per employee

Mode B: 60 % of eligible costs, but max. CZK 29,000 per employee

The basis for calculation of these maximum amounts is the average wage for 4Q 2019, i.e. the amount of CZK 36,144.

4. Eligible costs (what is covered)

The contribution is paid to the employer as compensation for:

- **salary compensation,**
- **social security and health insurance contributions,** which were paid by the employers on their and the employees' behalf

The payment is conditional on the employer actually paying these amounts duly and on time.

5. For which period will the contributions be provided

For the period from **12 March 2020** (emergency state declaration) until **30 April 2020** (included) with the possibility of further extension until the end of May (government approval required for the extension).

6. Administrative procedure

a. Application:

- only electronically via (i) **data box** or (ii) **web app** (<https://antivirus.mpsv.cz/>) using an electronic signature
- Labour Office relevant to the registered seat
- Proof of the existing bank account to which aid shall be paid

b. Agreement on Contribution:

- generated by the web app automatically after application submission
- considered as signed by the applicant
- the Labour Office verifies fulfilment of conditions (authorisation of signatory, document proving existence of bank account, identification data of applicant and fulfilment of conditions for conclusion of agreement)
- **Non-fulfilment of conditions:** the application is cancelled, the applicant is informed, he can submit a new corrected application (even repeatedly)
- **Fulfilment of conditions:** Signing of the agreement by the Labour Office and its sending to the applicant via data box or by e-mail with a recognized electronic signature.

c. Payroll accounting

- The employer shall perform payroll accounting for the respective calendar month,

- The employer pays the salary compensations to the employees in due time and also pays the compulsory contributions
- The employer submits payroll information, including information on paid out salary compensations and compulsory contributions, on a separate form to the Labour Office via the web app; the information will also include a list of employees and their personal ID (birth) numbers or health insurance numbers
- An employer's affidavit on paid salaries and compulsory contributions, as well as occurrence of obstacles to work pursuant to the Labour Code, will be included.

d. Granting of contribution

- The Labour Office verifies with the Czech Social Security Administration whether the employees are indeed employed by the employer
- Fulfilment of conditions: payment of contribution to the stated bank account
- Non-fulfilment of conditions: Request to prove the claims by applicant (e.g. submitting the respective labour contracts, salary statements etc.).

e. Time frame

- Web app was launched on 6 April 2020
- Contribution payments should commence from 10 April 2020

7. Legal basis

The Antivirus Programme is issued pursuant to Section 120 of Act No. 435/2004 Coll., the Employment Act, according to which a targeted programme means "a set of measures aimed at increasing the possibilities of natural persons, or their groups, to find employment on the labour market". The programme includes setting of implementation conditions and a drawing schedule.

8. Sanctions for breach

The state warns that extensive interim and follow-up checks of compliance with labour regulations will be carried out in connection with the Antivirus Programme's implementation.

Misuse may be considered a criminal offense, and a breach of the conditions of agreement may constitute budgetary discipline breach pursuant to Section 44 of Act No. 218/2000 Coll., on Budgetary Rules, and be a reason for repayment.

The full Antivirus Programme (in Czech) can be found [HERE](#).

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Contact

Karel Ryšavý

Legal Partner

E-Mail: karel.rysavý@accace.com

Phone: +420 222 753 480

Zuzana Uhrinová

Associate

E-Mail: zuzana.uhrinova@accace.com

Phone: +420 222 753 480



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