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## **News Flash**

13 January 2023



Minimum, average and guaranteed wage 2023 in the Czech Republic

# Minimum, average and guaranteed wage 2023 in the Czech Republic

From 1 January 2023, the **minimum wage** in the Czech Republic will increase by CZK 1,100 to **CZK 17,300 per month**. This applies to employees with a weekly standard working time of 40 hours. The minimum **hourly wage** will increase from CZK 96.40 to **CZK 103.80**.

The average monthly wage will increase from CZK 38,911 to CZK 40,324 in 2023.

	2023	2022
Minimum wage	17,300.00	16,200.00
Average wage	40,324.00	38,911.00

#### Lowest levels of guaranteed wage 2023 (in CZK)

The increase in the minimum wage will affect the lowest levels of the **guaranteed wage**. The lowest guaranteed wage will range from CZK 17,300 to CZK 34,600 per month, or from CZK 103.80 to CZK 207.60 per hour in 2023 depending on the work group.

The following table shows the guaranteed wages for 2023 according to **the length of the weekly standard working time** of 40 hours / 38.75 hours / 37.5 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	17,300.00	103.80	107.20	110.70
2	17,900.00	106.50	109.90	113.60
3	19,700.00	117.50	121.30	125.30
4	21,800.00	129.80	134.00	138.50
5	24,100.00	143.30	147.90	152.90
6	26,600.00	158.20	163.30	168.80
7	29,400.00	174.70	180.30	186.40
8	34,600.00	207.60	214.30	221.40



#### 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 17,300 (for 2023).
- The limit for the exemption of regularly paid pensions will be increased to CZK 622,800 / year (36 times the minimum wage), i.e. CZK 51,900 / month.
- The **health insurance**, which must be deducted from the minimum wage, e.g. by the tax-exempted persons, will increase to CZK 2,336 / month (13.5% of the minimum wage).

#### 2. Average wage

- The limit for the application of the second tax rate is increased the monthly limit is increased by CZK 161,296 (4 times the average wage), and the annual limit is CZK 1,935,552 (48 times the average wage).
- The maximum assessment base for social security premiums is increased by **CZK 1,935,552** (48 times the average wage).

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

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