

AMENDMENT TO LABOUR CODE AND RELATED REGULATIONS

The long-awaited major amendment to the Labour Code has finally been passed. Here's what you shouldn't miss:

1. Delivery (*effective as of July 30, 2020*)

The employer must deliver written documents concerning the establishment, change or dissolution of an employment relationship, recall from a job position, wage assessment and record of breaking the rules for an insuree on temporary sick leave directly to the employee at the workplace. If this is not possible, the employer can choose how to deliver said document to the employee pursuant to the conditions under the Labour Code; **the previous mandatory order of delivery methods no longer applies**. The amendment to the Labour Code introduces a new option of delivering to an employee's data box. However, it requires the employee's prior written consent. The employee can also deliver a document to the employer by data box with the employer's consent. The document is delivered on the date of putting it on the data box. Another change for employers is that they will now be able to deliver documents by postal service to the address supplied by the employee in writing, not the last address known to the employer. The time frame for holding the parcel will now be set at 15 days (meaning the delivery slip with non-standard instructions will no longer be necessary). It will no longer be necessary to prepare a written record of informing the employee of the consequences of their actions if the employee refuses to accept the delivery or does not cooperate with the delivery.

2. Posting of workers to the Czech Republic (changes pursuant to EU Directive 2018/957), (*changes effective as of July 30, 2020*)

It will now be necessary to take into account the conditions within the principle of *equal treatment equal pay* **(i)** the conditions for extra pay for working on a holiday, overnight, in difficult working environment and on the weekend, **(ii)** the conditions for accommodation, if the employer provides accommodation to the employee, and **(iii)** provisions concerning reimbursing travel costs for business trips, where the regular place of work is considered the usual place of work in the Czech Republic. The rules now stipulate that if the posting period exceeds 12 months (with the option of extending for 18 months), the employee is subject to the other provisions of the Labour Code with the exception of provisions concerning the establishment, amendment and termination of the employment relationship. If the employer sends another employee to replace the posted employee, all posting periods of said employees, if they were/are performing the same work tasks at the same place, are added together for the purposes of assessing the posting period.

3. Annual leave (*effective as of January 1, 2021*)

The amendment to the Labour Code introduces a new system for accruing and using annual leave. We would highlight the following aspects as the most important:

- The minimum amount of annual leave per calendar year in the private sector remains four weeks. Now, however, it is calculated in hours. An employee whose employment lasted for **52 weeks** full time at the same employer without interruption becomes entitled to annual leave for the calendar year in the length of the weekly working hours multiplied by the amount of annual leave to which the employee is entitled in the relevant calendar year.

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- An employee who worked at least **four weeks** without interruption for the employer becomes entitled to a proportional amount of annual leave in the amount of 1/52 multiplied by the amount of annual leave to which the employee is entitled for each week when the employee worked the weekly working hours.
- An employee who works **more than 52 times** the weekly working hours according to the shift schedule becomes entitled to annual leave extended by 1/52 of the annual leave for the calendar year for each additional period of weekly working hours worked.
- The employee may also be entitled to additional annual leave under conditions set forth in the law. Employees performing work considered difficult (cleaning sewers, sludge areas, sewer waste, cesspools and other similar work) for at least half the weekly working hours will have the right to claim additional annual leave of one week.
- Annual leave above the legally stipulated minimum will be transferrable to the next year upon agreement between the parties.

4. Shared job position *(effective as of January 1, 2021)*

The employer can enter into agreements with two or more employees on part-time contracts performing the same time of work under which the employees will share a job position and schedule their working hours in shifts so they each meet their average weekly working hours over a period of no more than four weeks. The total working hours of the employees sharing a job position must not exceed the weekly working hours (with the exception of filling in for an absent employee on the same shared job position).

5. Transfer of rights and obligations under employment relationships *(effective as of July 30, 2020)*

This change clarifies the conditions for transfer of rights and obligations under employment relationships. The transfer takes place in the event of a transfer of the employer's activities under a different act (e.g. by merger or purchase of the enterprise) as well as upon transfer of the employer's activities if **(i)** the activity is performed in the same or similar manner and scope after the transfer, **(ii)** it does not consist entirely or primarily of supplying goods, **(iii)** a group of employees exists immediately before the transfer that was deliberately created by the employer for the exclusive or primary performance of the transferred activities, **(iv)** the activities are not intended to be short-term or to consist of a one-off task **and** **(v)** the transfer concerns assets or the enjoyment and/or use of assets if said assets are essential to the performance of the activities based on the nature of the activities, or a material portion of employees the previous employer used to perform the activities if said activities are largely dependent on the employees and not on the assets. The rights of the employee being transferred also change. Those rights are largely dependent on whether or not the employers perform their duty to inform and discuss in a due and timely manner.

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6. Other changes

The amendment involves other changes as well, such as in the area of compensation for harm to health (increasing the benefit amounts for the bereaved, modifying the definition of bereaved family members entitled to non-pecuniary damages, a new category of particularly serious harm to health), in the area of compensation for lost earnings after sick leave comes to an end if the former employee is on the list of job seekers; the employer's obligation to give the employee confirmation of employment upon termination of an agreement on the performance of work (DPP) is cancelled (with exceptions). The obstacle to work on the part of the employee is also newly amended in connection with organizing events for children and youth (leave entitled to a salary compensation for the period of one week).

7. We are planning a webinar and business breakfast for you

Are you interested in learning more about this major amendment to the Labour Code? We are planning a webinar for the second half of July 2020. Then in September we will have a business breakfast at our office to discuss the amendment further. We will email you invitations to both. As always, these events will be available to our clients free of charge.

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