



HR Legal Alert

28 May 2020

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Extension of the ANTIVIRUS; programme, waiver of social security contributions (ANTIVIRUS C); nursing allowance and shortening of the eight-day reporting period before the District Social Security Administration (DSSA)

Measures to support employers and employees in connection with the spread of COVID-19 are evolving rapidly, so we have prepared a further summary below. Antivirus Mode B has now been extended until August 2020.

Act No. 255/2020 Coll., On the reduction of penalties from social security premiums and contributions to the state employment policy paid by employers as taxpayers in connection with extraordinary measures during the epidemic in 2020 and on the amendment of certain acts ("Act"), Social security premium relief has been adopted for employers with up to 50 employees. The nursing allowance has been extended for employees who still cannot send their children to schools or kindergartens. However, the law also hides one essential hook for employers in the form of shortening the deadline for reporting employees to the DSSA. ATTENTION, do not overlook.

EXTENSION OF THE ANTIVIRUS PROGRAMME

By Measurement No. 581 of 25 May 2020, the Government approved the extension of the "Targeted Employment Support Programme Antivirus". This

programme applies to employers whose wage costs are not covered by public budgets. The programme covers the costs incurred by employers due to obstacles to work related to the spread of COVID-19 from 12 March 2020. The programme has now been extended again, until 31 August 2020. However, compared to the previous extension of the Antivirus programme, the new **extension only applies to the so-called Mode B** ("Related Economic Difficulties"), i.e. Mode A ("Forced Operation Restriction and Quarantine") will expire on 31 May 2020.

Mode B

Mode B applies to obstacles to work on the employer's side under part eight title III. of the Labour Code, arising in connection with the spread of COVID-19, which consist mainly of:

- ▶ the absence of a significant part of employees, where the employer pays employees wage compensation according to § 208 of the Labour Code in the amount of 100% of the average earnings of employees who are ready to perform work;
- ▶ downtime, when the employer pays the employees wage compensation according to § 207 letter a) the Labor Code in the amount of at least 80% of the average earnings of the employee; or
- ▶ partial unemployment, where the employer pays employees wage compensation in accordance with § 209 of the Labour Code in the amount of at least 60% of the average earnings of the employee.



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In these cases, the employer can apply for a contribution in the amount of 60% of eligible expenditures (i.e. paid wage compensation and the corresponding insurance premium paid for the employer for social security and health insurance), but a maximum of CZK 29,000 per month per employee. It is not necessary to prove the connection between the obstacle to work and COVID-19, as it is presumed.

WAIVER OF SOCIAL SECURITY PREMIUMS (ANTIVIRUS C) AND REDUCTION IN PENALTIES

If employers do not pay their part of the social security premium for May to July 2020 on time or in full and correct everything by 20 October 2020 (and at the same time duly pay the part of the premium paid for employees), the penalties will be reduced by 80%.

Smaller employers will then be released from their share of social security contributions for the months of June to August 2020 pro-minute. **ATTENTION:** these reliefs do not yet apply to public health insurance premiums.

Employers who meet the following conditions are entitled to a waiver of social security contributions:

- ▶ employ a maximum of 50 employees in employment relationship who are covered by sickness insurance; the number of employees is as of March 31, 2020;
- ▶ will not lay off more than 10% of employees compared to 31 March 2020, while maintaining 90% of wages as in March 2020; the conditions will be assessed on a monthly basis; and

- ▶ pay social security contributions for employees timely; and
- ▶ do not draw funds from the Antivirus programme in the relevant calendar month.

SHORTENING OF THE DEADLINE FOR REPORTING TO DSSA

Act No. 187/2006 Coll., On Sickness Insurance, stipulates in the provision of Section § 94 par. 1, the employer's obligation to notify the district social security administration (DSSA) of the date of the employee's commencement of employment, which established his participation in health insurance, within eight calendar days of the employee's commencement of employment or the date of termination of employment with the employee.

The Act shortened this period from eight days to one working day, i.e. the obligation must be fulfilled on the next working day after the day of commencement of employment and the next working day after the end of employment. This change will take effect on 1 September 2020.

NURSING ALLOWANCE UNTIL THE END OF JUNE

The Act also amended the right to nursing allowance until 30 June 2020 for parents, or more precisely persons caring for children in a situation where schools have been open for a limited time, but the employee does not send the child to school (or kindergarten):

- ▶ in view of the potential risk to his or her health or the health of others living with the child in the

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- household due to the occurrence of coronavirus; or
- ▶ due to a significant reduction in the capacity of this facility; or
 - ▶ because the operating hours of facilities for children or schools cannot be combined with the working hours of parents.

The employee is obliged to state the reason for not placing the child in a facility or school on the prescribed form, which is available on the Czech Social Security Administration website.

The support period for nursing allowance due to the closure of schools and other facilities, will automatically end on 30 June 2020 by law. It will not be necessary to report its termination in any way.

The information contained in this bulletin is presented to the best of our knowledge and belief at the time of going to press. However, specific information related to the topics covered in this bulletin should be consulted before any decision is made. The information contained in this bulletin should not be construed as an exhaustive description of the relevant issues and any possible consequences, and should not be fully relied on in any decision-making processes or treated as a substitute for specific legal advice, which would be relevant to particular circumstances. Neither Weinhold Legal, v.o.s. advokátní kancelář nor any individual lawyer listed as an author of the information accepts any responsibility for any detriment which may arise from reliance on information published here. Furthermore, it should be noted that there may be various legal opinions on some of the issues raised in this bulletin due to the ambiguity of the relevant provisions and an interpretation other than the one we give us may prevail in the future.

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