



Legal Update

Labour Law

September 2026

Weinhold Legal

Below, we provide an overview of the latest developments in Czech employment law for September. Should you have any questions regarding the matters outlined below, please do not hesitate to contact us.

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Legislative changes

Bill on Platform Work Submitted to the Chamber of Deputies

On 8 September 2026, a bill transposing Directive (EU) 2024/2831 on platform work was submitted to the Chamber of Deputies. We provided further details on this bill in our June Legal Update. The legislative process can be followed under Parliamentary Print No. 301.

The bill primarily introduces rules concerning algorithmic management, access to information and human review of certain

automated decisions. It also aims to facilitate a more accurate distinction between genuine self-employment and employment relationships. Under the bill, the majority of its provisions are expected to take effect on 1 December 2026.

Transposition of Directive (EU) 2023/970 on Pay Transparency

Also on 8 September 2026, a bill intended to transpose Directive (EU) 2023/970 on pay transparency into Czech law was submitted to the Chamber of Deputies. We provided further details on this bill in our April Legal Update and Summer Legal Update. The legislative process can be followed under Parliamentary Print No. 300.

Minimum Wage to Increase to CZK 24,900 in 2027

The Ministry of Labour and Social Affairs (the “**MLSA**”) announced the minimum wage for 2027 by Notice No. 171/2026 Coll. As of 1 January 2027, the minimum wage for a standard working week of 40 hours will amount to **CZK 24,900 per month** or **CZK 148.30 per hour**.

The minimum wage is determined using the indexation mechanism established by the Labour Code. For 2027, the Ministry of Finance announced a **forecast average gross monthly nominal wage in the national economy of CZK 55,627**. This amount is multiplied by the coefficient established by Government Regulation No. 164/2026 Coll., which is **0.446** for 2027. The coefficient for 2028 has been set at **0.458**.

The coefficient represents the ratio of the minimum wage to the forecast average wage. Accordingly, the initial calculation for 2027 is $\text{CZK } 55,627 \times 0.446$, with the resulting minimum wage set at CZK 24,900 after statutory rounding. The amount of CZK 55,627 does not represent the actual average wage but rather a **forecast issued by the Ministry of Finance** in Notice No. 150/2026 Coll., which serves as the basis for determining the minimum wage for the following year.



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The minimum guaranteed salary levels for 2027 have also been announced for four categories of work, ranging from CZK 24,900 to CZK 39,840 per month. These amounts concern the guaranteed salary applicable in the public sector, rather than a generally applicable guaranteed wage in the private sector. However, the Notice expressly states that these amounts will not apply if the proposed amendment to the Labour Code abolishing Section 112 of Act No. 262/2006 Coll., the Labour Code, as amended (the “**Labour Code**”), is adopted with effect from 1 January 2027.

The allowance for work in difficult working conditions ranges from **CZK 1,245 to CZK 3,735 per month**.

Change in Average Fuel Prices for Travel Expense Reimbursements

An amendment to the regulation governing travel expense reimbursements for 2026 takes effect **on 1 October 2026**.

Decree No. 175/2026 Coll. amends Decree No. 573/2025 Coll., as amended by Decree No. 78/2026 Coll., and increases the average fuel price specified in Section 4(a) from **CZK 34.70 to CZK 41.80**.

The new amount applies when calculating travel expense reimbursements under the Labour Code, unless the employee provides documentary evidence of the actual fuel price.

Employers should therefore update their internal travel expense reimbursement calculations and related payroll or accounting systems as of 1 October 2026.

Practical Information

Job Value Calculator

As part of its **Equal Pay** project, the MLSA has published a pilot version of the Job Value Calculator (KaHoP_13), together with a user manual. The tool is intended to help employers **objectively and in a gender-neutral manner evaluate job positions and establish categories of work of equal value**.

The calculator assesses four areas: knowledge and skills,

complexity and demands of work, responsibility, and working conditions. It also enables subsequent analysis of gender pay gaps.

The MLSA emphasises that this is currently a **test version** and that both the tool and the user manual may be further amended to reflect the final wording of the Czech legislation transposing the Pay Transparency Directive.

Case Law

Deliberate and Demonstrative Refusal to Comply with a Lawful Instruction from an Employer May, in Itself, Justify Immediate Termination of Employment

In its judgment of 28 August 2026, **Case No. 21 Cdo 2525/2025**, the Supreme Court of the Czech Republic (the “**Supreme Court**”) considered a case involving an employee who, during the COVID-19 pandemic, refused to undergo testing and wear the prescribed respiratory protective equipment. The employer subsequently instructed her to leave the workplace. The employee refused to comply with this instruction, and the situation ultimately resulted in her being escorted from the workplace by the municipal police. The employer subsequently terminated her employment with immediate effect pursuant to Section 55(1)(b) of the Labour Code.

Although the Court of Appeal concluded that the employee had breached her employment duties by failing to comply with the employer's lawful instruction to leave the workplace, it did not consider the breach to be of a particularly gross nature. The Supreme Court disagreed with this assessment of the seriousness of the breach.

The Supreme Court emphasised that an employee's **subordination to the employer's managerial and organisational authority is one of the fundamental characteristics of dependent work, and that the employer's trust in the employee's reliability and willingness to comply with lawful instructions is essential to the employment relationship**.



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In this case, the employee refused to comply with the lawful instruction to leave the workplace in an entirely deliberate and demonstrative manner, allowing the situation to escalate to the point where the municipal police had to intervene.

The Supreme Court therefore concluded that, by **failing to comply with the employer's instruction to leave the workplace, the employee had breached her duties arising from legal regulations relating to the work performed in a particularly gross manner**. The employer could not reasonably be required to continue employing her, even for the duration of the notice period. This conduct was, **in itself, sufficient to justify immediate termination of employment**, making it unnecessary to assess the other conduct cited in the notice of immediate termination.

An Employee May Be Entitled to Agreed Severance Pay Even in the Absence of Genuine Organisational Grounds

In its judgment of 27 August 2026, **Case No. 21 Cdo 1215/2025**, the Supreme Court considered an employee's entitlement to severance pay agreed in a mutual termination agreement. The parties stated in the agreement that the employment relationship was being terminated on grounds of redundancy under Section 52(c) of the Labour Code and that the employee was entitled to severance pay equal to three times his average monthly earnings. In reality, however, the employer had not adopted any organisational change, and both parties were aware when entering into the agreement that the actual reason for terminating the employment relationship was not organisational.

The Supreme Court addressed **the legal consequences of knowingly simulating a statutory ground for termination of employment where the parties had also agreed on severance pay**.

The Supreme Court stated that the law does not prevent an employer from providing severance pay to an employee in circumstances other than those specified in Section 67 of the

Labour Code. An entitlement to severance pay may therefore arise directly from an agreement between the employee and the employer, including, for example, where employment is terminated by mutual agreement without specifying any reason. The mere fact that the employee was **not entitled to statutory severance pay under Section 67 of the Labour Code** does not mean that an entitlement to severance pay could not arise on another legal basis.

According to the Supreme Court, a disguised legal act must be assessed according to its true nature and the parties' common intention. Therefore, **if the parties agree on severance pay in a mutual termination agreement in which they knowingly simulate the existence of a ground for termination under Section 52(c) of the Labour Code, the employee may nevertheless be entitled to severance pay if the interpretation of the actual legal act demonstrates that the parties shared an intention to provide severance pay irrespective of whether the statutory ground existed**.

The decisive factor is therefore not merely whether the stated organisational reason actually existed, but also **the parties' true common intention when agreeing on severance pay**.

Invalidity of an Agreement Intended to Protect an Employee Is Generally Relative and Cannot Be Invoked by a Person Whose Interests the Protective Rule Is Not Intended to Safeguard

In its judgment of 27 August 2026, **Case No. 21 Cdo 175/2026**, the Supreme Court considered the validity of an employee's dismissal on grounds of redundancy under Section 52(c) of the Labour Code. The employer had decided to reduce the number of operational chemists from sixteen to fifteen and selected the claimant for redundancy. However, one of the other employees was employed under a fixed-term employment contract scheduled to expire before the end of the claimant's notice period. The lower courts therefore examined whether the objective of the organisational change could have been achieved simply by allowing that employee's fixed-term employment to expire.



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The employer argued that it had entered into an agreement with that employee under which his employment relationship would subsequently be converted back into employment for an indefinite period if he proved suitable. The Court of Appeal considered this agreement absolutely invalid, *inter alia*, due to the failure to comply with the written form requirement and its conflict with statutory rules governing probationary periods. It therefore disregarded the agreement when assessing the redundancy.

The Supreme Court rejected this conclusion. It emphasised that, when determining whether a breach of a statutory rule results in **absolute or merely relative invalidity of a legal act**, it is necessary to examine primarily the purpose and objective of the rule that has been breached. In employment relationships, the special statutory protection of employees is one of the fundamental values protected by public policy.

In the case at hand, the disputed agreement was intended to secure the employee's future employment for an indefinite period. According to the Supreme Court, it would therefore be paradoxical to conclude that the agreement was absolutely invalid by relying on rules designed to protect that employee if such a conclusion would operate against his interests. The Supreme Court therefore held that **any invalidity of such an agreement could only be relative**.

The Supreme Court further reiterated that **relative invalidity of an employment-related legal act may be invoked only by the person whose interests the relevant rule is intended to protect, provided that the person did not cause the invalidity**. Accordingly, where the protected employee had not invoked the invalidity of the agreement, the court could not automatically proceed on the basis that the agreement was invalid.

A Creditor Fraudulently Misled by a Debtor Cannot Be Blamed for Failing to Take Steps to Uncover the Deception

In its judgment of 9 September 2026, **Case No. 21 Cdo 1228/2026**, the Supreme Court considered a dispute between an employer and a trade union concerning the repayment of funds provided

under several donation agreements. The employer claimed that the trade union had used the funds contrary to their agreed purpose and sought their repayment. A key issue was the limitation of the claims, particularly the possibility of suspending the running of **the limitation period under the second sentence of Section 650 of the Civil Code where a creditor had been fraudulently misled by the debtor**.

The Supreme Court reiterated that fraud involves intentional conduct whereby one party knowingly provides false information or conceals the true state of affairs with the intention of misleading the other party. Such conduct is fraudulent and dishonest and cannot enjoy legal protection. Where a creditor has been misled as a result of such conduct and has consequently failed to exercise their right, the creditor **cannot be blamed for relying on the other party's honesty and for not actively taking steps to uncover the deception**.

The Supreme Court therefore concluded that, **for the purposes of suspending the limitation period under the second sentence of Section 650 of the Civil Code, it is irrelevant whether the creditor could have discovered the debtor's fraud by exercising greater diligence**. If the reason for failing to exercise the right was that the creditor had been fraudulently misled by the debtor or a person close to the debtor, the creditor cannot be required to bear the adverse consequences of failing to uncover the other party's dishonest conduct.

The Court of Appeal therefore erred in concluding that the employer should bear the consequences of failing to exercise its right to inspect the use of the donated funds at an earlier stage. In the subsequent proceedings, the court must examine **whether the trade union had indeed fraudulently misled the employer and whether the conditions for suspending the limitation period were therefore satisfied**.

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