

CLOSURE OF BUSINESS PREMISES AND LIMITATION OF SERVICES AS A RESULT OF THE ADOPTION OF EMERGENCY MEASURES

Information for employers

Based on the emergency measures adopted by the government of the Czech Republic in connection with the coronavirus disease COVID-19, especially retail and the sale of services on premises (with the exception of certain specified exceptions, which are subject to dynamic adjustments and modifications) is banned temporarily until 24 March 2020, same as other operations and activities or the presence of the public in certain business premises. These measures have resulted in closure of shops and limitation or complete restriction of some operations and the related labour law and economic aspects.

What can I do as an employer?

- ➔ **Home office** – performance of work from home is only possible upon agreement with the employee, specific rules can be adjusted by an internal guideline;
- ➔ **Leave from work** – an employee must be ordered to take leave from work 14 days in advance at minimum, in writing, unless a shorter period of time is agreed;
- ➔ **Collective taking of leave from work** – the leave may only be ordered upon agreement with the trade unions and with the approval of the work council, if operating at the employer, and the duration must not exceed 2 weeks;
- ➔ **Performance of other work** – different work may be assigned to the employee, if belonging within the range of work arranged in the employment contract;
- ➔ **Transfer to different work** – an employee may only be transferred to a different kind of work with his approval (without approval only to avert or mitigate an emergency event for a strictly necessary period of time);
- ➔ **Agreement on unpaid time off** – it is possible to agree with an employee on provision of unpaid time off – but be careful about the effects in the area of leave, and health and sickness insurance premium.

What obstacles in work can be considered and what reimbursement of wages will the employees be entitled to?

Obstacles in work on the part of the employee

- ➔ **Quarantine** – in case an employee is ordered to observe quarantine, he is entitled to reimbursement of wages reaching **60 %** of the reduced average earnings for the period of the first 14 calendar days, from day 15 he is entitled to sickness insurance benefits;
- ➔ **Taking care of a child under the age of 10 years** – the employee is not entitled to reimbursement of wages from the employer, ale is entitled to caregiver allowance reaching **60 %** of the daily base of assessment (like sickness insurance benefits).

Obstacles in work on the part of the employer

- ➔ **Other obstacles in work on the part of the employer** (article 208 of the Labour Code) – according to the opinion of the Ministry of Labour and Social Affairs, in case of closure of the workplace or limitation of its operation, employees are entitled to **full reimbursement of wages**, there is currently a discussion regarding the option of applying article 347 paragraph 4 of the Labour Code - that is assessment of the adopted measures as quarantine;
- ➔ **Partial unemployment** (article 209 of the Labour Code) – in case the employer cannot assign work to employees in the extent of the weekly working hours due to a temporary limitation of demand for its products or the services provided by him, the reimbursement of wages will be determined by an agreement with the trade unions or an internal guideline – a reaching minimum of **60 %** of the average earnings;
- ➔ **Downtime** (article 207 of the Labour Code) – in case the employee cannot perform work due to a temporary fault caused by other operating causes, employees are entitled to reimbursement of wages reaching a minimum of **80 %** of the average earning.

Economic aspects – what can I request as an employer?

- ➔ **Compensation of damage** – an obligation of the state to compensate for damage caused to legal entities and natural persons that is causally linked to emergency measures and under the Emergencies Act;
- ➔ **Short-time work** – a contribution from the Labour Office at the time of partial unemployment subject to fulfilment of statutory conditions – requiring consent from the Government of the Czech Republic, however;
- ➔ **ÚVĚŘ COVID loan programme** – softened loans reaching CZK 500,000 to CZK 15m with zero interest rate and a one-year deferment period for instalments, provided by the Czech-Moravian Guarantee and Development Bank, intended for small and medium entrepreneurs, requests are being accepted already.

The actual application of the individual options will always depend on the specific situation of an entrepreneur and his business and operation. We will be happy to discuss your options with you.



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