



Situation in Czech Republic in connection with COVID-19

In the Czech Republic there is a state of emergency, as in all other European countries, which increases the powers of some State Authorities. They take many measures, which also have a direct impact on employees.

Many employees cannot work due to a variety of reasons. Some employees have been quarantined, they receive sickness benefits, which account for 60% of their daily earnings, based on average earnings but are somewhat reduced, so the benefits of some employees are relatively low. Trade unions are striving to increase them, so far without a concrete result.

Since all schools and most pre-school facilities are closed, many parents must stay with the children at home. In this case, they receive a sickness benefit, the so-called nursing benefit, for children of the age under 10 years. However, the current legislation only deals with short-term care, so the Government on 19.3. approved the extension of the benefit for the whole period of emergency and increased the age of children to 13 years. Since the levy is regulated by law, it has to be changed and it should undergo an accelerated legislative process next week and will apply retrospectively. Self-employed persons are not entitled to sickness benefits, so the Government approved the provision of a fixed daily subsidy of approximately EUR 15 also for these persons.

Since 14 March, the Government has ordered the closure of most shops, restaurants and other service establishments. Their employees are at home because of an “obstacle on the side of the employer” and are entitled to full pay. On 19.3. the first part of the Employment Support Program was adopted by the Government, which will partially compensate employers for these costs.

Companies in the metal industry, especially automotive companies, are also closing down. Their suppliers will follow. Trade unions in companies meet employers' wishes and conclude with them agreements on so-called partial unemployment with wage compensation ranging from 70 to 80%. The trade unions, together with employers, are seeking the Government to adopt a so-called “Kurzarbeit” that would be applicable to the current situation and would contribute to preserving jobs by bearing part of the costs of wage compensations by the State.

The Government also approved a Loan Program, from which interest-free loans for entrepreneurs are provided, and funds for entrepreneurship support programs were increased.

Trade unions demand following:

- Participation of the State in the wage costs of employees
- To stop and postpone mortgage payments
- To stop outflows of profits abroad

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