

Measures implemented in Czech Republic to 25.3.2020

The Government in the Czech Republic, or possibly the Parliament, is taking certain measures towards employees and other citizens. However, according to the opinion of the trade unions, these measures are not sufficient.

Parliament adopted a regulation amendment according to which the nursing care to parents who have to take care of children due to the closure of schools and pre-school facilities is provided. Parents of children up to 13 years old (up till now to 10 years old) are thus entitled to benefits for the whole time the school's facilities are closed. Unfortunately, it has not been possible to increase this benefit, so for example single parents with children will have difficulty paying the necessary living costs.

To protect seniors, a time was reserved only for them to buy products (food, etc) in larger stores. For this time period the hygiene requirements for shops (fresh disinfection, cleaning, etc.) are increasing.

The government has also adopted programs to compensate wages for employees who cannot work for various reasons.

The first group consists of employees of companies that were closed down by the Government order, which is the majority of service establishments (theatres, sports facilities, shops outside food and pharmacies, etc). These employees receive full wage compensation, the Government pays 80% to employers. Employers who cannot produce because at least 30% of their employees cannot come to work because they are quarantined or caring for children will be compensated in the same way.

Another group are employers who have to stop or reduce production because they do not have components or because of similar operational reasons. In such a case, employees receive compensation of 80% of their earnings, half of which will be paid by the State. Trade unions hoped for a higher share of the State, moreover, the amount is limited and the limiting factor is based on the average earnings in the country, but in the metal industry the earnings are higher, so even this additional part of the costs will not be compensated to employers.

The biggest disappointment for trade unions is the provision implemented in case an employer reduces production because of a decline in demand for its products or services. In this case, trade unions can agree with the employer on the amount of compensation with a minimum of 60% and the employer receives half of the costs. Trade unions are pushing employers to provide higher compensation than 60% in order not to reduce the purchasing power of employees. In many cases, this has been achieved. Here too, however, there is a ceiling on this contribution from the State, so if the wages in the company are average or above average, this increase will not be compensated at all.

Parliament has also taken further measures in the field of half-year relief of health and social insurance payments for self-employed. Interest-free loans for entrepreneurs continue to be provided, and the allocated funds have been increased. Again, in this context, Parliament approved a new State budget deficit for this year.

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