

'FLEXIBLE' AMENDMENT TO THE LABOUR CODE

No sooner have the rules resulting from the "big" October amendment to the Labour Code started to be successfully applied in practice than the government has already introduced another amendment, this time a "flexible" one. It was presented by the Minister of Labour and Social Affairs in mid-April and has now been approved by the government. The currently proposed effective date is still the beginning of 2025. The amendment will now go to the Chamber of Deputies and it is therefore questionable in what wording, when and whether we will see the below proposed changes at all in practice.

AGREEMENTS FOR PARENTS ON PARENTAL LEAVE

Now: One cannot work in main employment under an agreement to complete a job (DPP) or an agreement to perform work (DPC) with the same employer at the same time.

Amendment: Parents on parental leave have an exception and may enter into a DPP/DPC for the same job.

TRIAL PERIOD

Now: Standard employees no more than 3 months, managers no more than 6 months.

Amendment: Standard employees no more than 4 months, managers no more than 8 months.

RETURNING FROM PARENTAL LEAVE

Now: After returning from parental leave, the employee is reassigned according to their employment contract (type of work), but not necessarily to the same team/department.

Amendment: Parental leave up to two years = return to the specific original position.

H&P TIP: We recommend checking how specific or broad the definition is of the type of work agreed with employees.

WAGE PAYMENT METHOD

Now: Primarily in cash at the workplace, otherwise upon agreement.

Amendment: Primarily by a bank transfer to an account.

NOTICE PERIOD

Now: 2 months' notice period for all reasons of the notice. The notice period begins to run on the first day of the month following the delivery of the notice (delivered on 25 August – the notice period begins on 1 September). A longer notice period can also be agreed.

Amendment: In the case of breach of duties and failure to comply with the requirements on the part of the employee – 1 month's statutory notice period, 2 months' notice period for other reasons. The notice period begins to run on the day of delivery (delivered on 25 August – the notice period begins to run on 25 August – standard end of employment on 25 October). A longer notice period and a different start of its running can also be agreed.

H&P TIP: We recommend checking employment contracts. If the length of the notice period is expressly agreed in the contract, the new statutory rule does not apply – the contract will prevail.

WAGE CURRENCY

Now: Primarily in Czech koruna, in other currencies only upon agreement and only for employees with a place of performance of work abroad.

Amendment: Extends a circle of persons who can be paid wage in foreign currency upon agreement (it is sufficient that they are foreigners).

TIME LIMIT FOR PENALTIES FOR BREACH OF OBLIGATIONS

Now: The employer may impose a penalty on an employee for any breach of their employment duties within 2 months of becoming aware of the breach (such as including through the employee's supervisor), but no later than 1 year from the time of the breach.

Amendment: The time limits are extended; the subjective time limit could now be 3 months and the objective time limit 15 months.

H&P TIP: In practice, this can help in imposing penalties for breaches that typically arise from an internal audit carried out over a longer period of time. Even so, it is advisable to urge managerial employees not to delay addressing individual breaches.

TERMINATION FOR HEALTH REASONS

Now: Two medical grounds for termination: (i) for general reasons or (ii) following an industrial injury or occupational disease. Severance pay of 12 times the average earnings is only payable if the industrial injury or occupational disease is related to the work performed.

Amendment: One summary medical reason for termination. Severance pay/compensation would still only be provided for industrial injury/ occupational disease but would now be covered by the employer's statutory liability insurance.

DELIVERY OF WAGE ASSESSMENTS

Now: Wage assessments are still subject to the most stringent regime of delivery.

Amendment: A wage assessment is a kind of a separate category, combining elements of strict and more loose delivery (for example, consent to e-delivery is not required, but constructive notice does not apply).

H&P TIP: In practice, this means that this particular document is subject to more relaxed rules, which we certainly consider a step in the right direction.

SELF-SCHEDULING OF WORKING HOURS

Incorporated in another law and already approved with effect from 1 January 2025!

The above is not a detailed overview, but a selection of the most interesting changes affecting the practice. The amendment has currently been sent to the Chamber of Deputies and therefore may see significant changes to its content. However, these are topics that are certainly interesting and beneficial for practice. We will keep you informed of further developments.