

## ANTIVIRUS - EMPLOYMENT PROTECTION PROGRAM

### Dear Business Friends

Allow us to summarize fundamental information relating to the support of employment by the Ministry of Labour and Social Affairs, Labour Offices respectively at the time when emergency measures apply. The program aimed at support of employment got a specific name, Antivirus.

### 1. ANTIVIRUS - EMPLOYMENT PROTECTION PROGRAM

On 31 March 2020, The Government of the Czech Republic approved the proposal for the employment protection program and assigned it a name "Antivirus". The purpose of the Program is a partial contribution to wages compensations paid by the employers to their employees. The employers will pay the wage compensations to their employees,

- because of the obstacles to work on the employee's part (quarantine order), or
- in case when the obstacle to work on the part of employer is verifiably caused by the epidemic COVID-19 (e.g. employer was following the order of the Government and closed his/her business).

All of the above stated cases are related to the situation when particular employees did not perform work for the employer.

### 2. THE PERIOD FOR WHICH THE CONTRIBUTION SHALL BE PAID

For now, the Antivirus Program covers the contribution to wages compensations for the period from 12 March 2020 to 30 April 2020. Possible prolongation of the Program is subject to the approval of the Czech Government.

### 3. BASIC CONDITIONS FOR CONTRIBUTION TO WAGES COMPENSATIONS

#### a) Support of Employment

The reimbursement shall be paid solely to support the employees who were employed by the employer applying for the support. In time when the employer is filing the application for contribution, the employee should not have been made redundant or been in a notice period.

#### b) Employment Law Relationship Only

The Antivirus Program only applies to those employees who are in an employment law relationship (e.g. according to the Czech Labour Code). I.e. the employment protection program does not cover agreements on work performed outside employment law relationships. All employees concerned have to pay the sickness and pension insurance in accordance with Czech legislation.

- c) **Adherence to Czech Labour Code**  
In order to be entitled to contribution to wages compensations, the employer must strictly follow Czech Labour Code stipulations. The adherence to the Labour Code will be thoroughly reviewed by the State Labour Inspection Office. The employers will have to prove their entitlement to the contribution.
  
- d) **Payment of wages compensations to employees incl. obligatory health and social security insurance contributions**  
The contribution will only be paid in cases when employers really have paid their employees the wages, or wages compensations respectively, including obligatory health and social security insurance contributions, along with the state employment policy contributions and that both for the employee and the employer.

#### 4. AMOUNT OF THE CONTRIBUTION

- a) **Regime A**  
The reimbursement of wage compensation in Regime A shall be paid to employer, to whom, in contractual relation to his/her particular employee, one of the following situations occurs:
  - a) Quarantine order (the employer pays their employees wage compensation pursuant to section 192 of the Labour Code).
  - b) Impossibility to assign work to employees due to emergency measures imposed by the Government of the Czech Republic and emergency measures imposed by the authorities responsible for public health and safety abroad (the employees are paid wage compensation pursuant to section 208 of the Labour Code).

The amount of reimbursement is set to 80% of the paid wage compensation, including all obligatory payments. The maximum monthly reimbursement per one employee is CZK 39,000.
  
- b) **Regime B**  
The reimbursement of wage in Regime B shall be paid to the employer, who faces obstacles to work on its part caused by
  - a) The absence of the significant part of the employees at the workplace due to obstacles to work on their part,
  - b) The insufficient inputs or
  - c) Decrease in sales of employer's products or services.

The compensatory amount is set to 60% of the paid wage compensation, including all other obligatory payments. The maximum monthly reimbursement per one employee is CZK 29,000.

## **5. WHEN AND WHERE TO APPLY FOR CONTRIBUTION?**

The applications could, supposedly, be filed from 6 April 2020 at the relevant Labour Office (electronic filing only). HLB Proxy payroll professionals are ready to assist you in preparation of all the necessary documentation that the employers will have to submit.

We would like to point out that in accordance with the proposed Methodology issued by the Ministry of Labour and Social Affairs, strict sanctions will be imposed for possible abuse of the reimbursement. The abuse may be classified as a crime and the breach of set rules can be subject to the return of the reimbursement and additional sanctions.

Due to the above stated reasons we would recommend you to set up and follow strict rules in accordance with Labour Code and all related regulations.

Please, do not hesitate to contact us if you have any questions. Our expert staff is ready to assist you.

Kind regards

**Your HLB PROXY-Team**

1 April 2020