



In this year's first edition of our HR news (wrapped in a New Year's coat) we bring you information regarding a whole array of changes in the field of employment law, which the new calendar year regularly brings. These include notably **travel allowances, meal allowances, minimum and guaranteed wage, the maximum assessment base, the amount of meal tickets and the meal lump sum, remote working compensation and few other changes.**

We look forward to further inspiring cooperation in 2024.

Your Randls employment law team

MINIMUM AND GUARANTEED WAGE

The government decree No. 396/2023 Coll. effective from **1 January 2024** raised the monthly minimum wage to **CZK 18,900** and hourly minimal wage to **CZK 112.50**.

Minimum wage

The aforementioned minimum wage rates apply only to statutory 40-hour full-time working hours. For other statutory scopes of full-time weekly working hours – 37.5 or 38.75 work hours (such as at 2 or multiple-shift or continuous work regime) – it is necessary to proportionally increase the hourly rate of minimum wage.

STATUTORY weekly working hours	Minimum wage	
	hourly	monthly
40 hours	CZK 112.50	CZK 18,900
38.75 hours	CZK 116.10	CZK 18,900
37.5 hours	CZK 120	CZK 18,900

Conversely, if the employee works part-time, **the monthly minimum wage decreases** proportionally to the hours worked.

AGREED shorter weekly working hours (with full-time 40 hours)	Minimum wage rate	
	hourly	monthly
32 hours	CZK 112.50	CZK 15,120
20 hours	CZK 112.50	CZK 9,450
16 hours	CZK 112.50	CZK 7,560
10 hours	CZK 112.50	CZK 4,725

The minimum wage is the same for all types and categories of work. Thus, it applies the same to all basic employment relationships, i.e. also to the agreement to perform work and agreement to complete a job (DPP/DPC).

Extra pay for risky work

The amount of the extra pay for working in a difficult working environment for each aggravating factor remains at least 10% of the minimum wage rate. Thus, in 2024 for a standard 40-hour working week this amounts to at least **CZK 11.25** per hour for each factor.

Guaranteed wage

In this regard, some levels of the guaranteed wage have risen. Specifically, the **1st, 2nd, 3rd and 8th group**. The ministry thus, yet again, breached the established practice of always increasing the amounts for all categories proportionally. Rather, only categories which would have gotten too close/on par with minimum wage have risen, as well as the 8th group which legally amounts to 2 times the minimum wage. (Changes **underlined in bold**)

Group of works	Lowest guaranteed wage rate	
	hourly	monthly
1st	CZK 112.50	CZK 18,900
2nd	CZK 116.10	CZK 19,500
3rd	CZK 126.80	CZK 21,300
4 th	CZK 129.80	CZK 21,800
5 th	CZK 143.30	CZK 24,100
6 th	CZK 158.20	CZK 26,600
7 th	CZK 174.70	CZK 29,400
8th	CZK 225.00	CZK 37,800

TRAVEL ALLOWANCES AND MEAL VOUCHERS

Effective as of 1 January 2024, new MoLSA Decree No. 398/2023 Coll. changed the rates concerning business trips including reimbursement rate for usage of motor vehicles, rate for fuel and also the amounts of domestic catering fees.

The domestic rates

Again, the basic compensation rate for the use of single-track vehicles and tricycles rises only by CZK 0.10, from CZK 1.40 to **CZK 1.50**. However, the rate for the use of passenger road motor vehicles jumps to **CZK 5.60** per kilometre (previously CZK 5.20).

Fuel prices fluctuated a lot in 2023 yet again, average fuel prices changed twice in the duration of 2023. Especially the average price for Diesel varied greatly. (change just in 2023 amounted to CZK 10).

Compared to last numbers from 2023, the average price for gasoline will decrease, while the price for diesel will increase to:

- ▲ **CZK 38.20 for Gasoline – 95 oct.** (CZK 41.20 up until now),
- ▲ **CZK 42.60 for Gasoline – 98 oct.** (CZK 45.20 up until now),
- ▲ **CZK 38.70 for diesel** (CZK 34.40 up until now) per 1 litre of fuel
- ▲ **CZK 7.70** per 1 kilowatt-hour of electricity (CZK 8.20 up until now).

The minimum domestic meal allowances have also slightly increased by an amount in the range of CZK 11 to CZK 26 depending on length of the business trip. For a business trip that lasts:

- ▲ between 5 and 12 hours, the allowance increases to **CZK 140** (from CZK 129),
- ▲ over 12 to 18 hours to **CZK 212** (from CZK 196) and
- ▲ over 18 hours to **CZK 333** (from CZK 307) for each calendar day of the business trip.



Meal tickets and meal lump sum

Following the changes to the code, tax regime of both meal tickets and the lump sum has been unified. On the side of the employee, **the allowance will be tax-exempt up to a maximum of CZK 116.20** in 2024. Payments above this amount will be treated as wages/salary for tax and levy purposes. Importantly, the contribution to meal vouchers by employees and the related deductions from wages/salary are now **no longer necessary for a tax-optimal setting**.

Meal allowance abroad

The foreign meal allowance rates applicable from 1 January 2024 were published in the Collection of Laws under Decree No. 341/2023 Coll. The Decree sets out the new basic foreign meal allowance rates for the following calendar year. **The change affects 22 countries. Namely: Andorra, Armenia, Croatia, Cyprus, Egypt, Estonia, Georgia, Ghana, Hongkong, Hungary, Iceland, Iraq, Latvia, Liechtenstein, Luxembourg, Montenegro, Morocco, North Macedonia, Norway, Peru, Spain and Sweden.** Posted employees will receive an increased basic foreign meal allowance in these countries. Usually by EUR/USD/CHF 5 depending on country. The altered rates range from EUR/USD/CHF 40 to 70. In other countries, the rate remains the same.

**MORE PRACTICAL
INFORMATION FOR 2024**

Employment of Disabled Persons ("DPs") and compensation

The average wage in the national economy in Q1-Q3 of 2024 was CZK 42,427 (as per the announcement of the Ministry of Labour and Social Affairs from 7 December 2023). If the employer does not employ the statutory number of DPs (4% of employees, i.e.: 1 for every 25 employees) neither does sufficiently execute alternative fulfilment (i.e. instead of employing 1 DP the employer does not purchase products or services worth **CZK 296,989** during the year), the employer will have to contribute 2.5 times the average wage to the state budget for each DP. In accordance with the average wage for 2023, the amount of the contribution for one missing DP will be **CZK 106,067.5** in 2024.

Remote work reimbursement

The amendment to the Labour Code introduced a new regulation of remote working, which also deals with compensation of costs. One of the ways to compensate employees for their costs is with a lump sum. Ministry decree No. 397/2023 Coll. with effect from 1st January 2024 **sets this sum at CZK 4.50** for each hour of work started. Surprisingly, this is lower than previous amount in 2023 (CZK 4.60).

Salary compensation for temporary incapacity for work and reduction threshold for sick leave in 2024

With new year, there has been as well the traditional adjustment of the reduction thresholds for the sickness insurance benefits, by the issuing of MoLSA announcement No. 313/2023 Coll.

In the year 2024 the following values will be used to calculate the salary compensation for sick leave and quarantine:

- ▲ up to **CZK 256.55** – counting 90%,
- ▲ **CZK 256.56 to CZK 384.83** – counting 60%,
- ▲ **CZK 384.84 to CZK 769.48** – counting 30%,
- ▲ **CZK 769.49 and more** – does not count.

The reduction threshold for sickness insurance benefits in 2024 is also changed:

- ▲ first: **CZK 1,466** (CZK 1,345 in 2023)
- ▲ second: **CZK 2,199** (CZK 2,017 in 2023)
- ▲ third: **CZK 4,397** (CZK 4,033 in 2023).

Maximum assessment base

The maximum assessment base in a calendar year for calculating social security contributions is 48 times the average wage. The maximum assessment base is therefore:

- ▲ **CZK 2,110,416** in year 2024 (CZK 43,967 x 48)

Unemployment, Re-training

In accordance with the Act on Employment and the regularly amended implementing regulations, the maximum monthly amounts in 2024 are:

- ▲ **CZK 24,608** for the unemployment benefit,
- ▲ **CZK 27,578** for the re-training benefit,
- ▲ **CZK 9,450** as the maximum income allowing for registration as a job seeker at the Labour Office

Time off work relating to events for children and young people

MoLSA issued announcement No. 400/2023 Coll. stating, that 1/174 of average wage as the maximum amount of compensation for the purposes of the Section 203a of the Labour Code amounts in 2024 to **CZK 243,90**. Employees with monthly remuneration of approximately **CZK 42,420** and more (for 40-hour working week) will be entitled to this maximum compensation.

**RANDLS TRAINING
WINTER 2024**
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We look forward to seeing you in the new year at the following seminars:

24. 1. 2024, New agreements to perform work / to complete job
20. 2. 2024 9-13.00 *Petr Hůrka*

8. 2. 2024 Agency employment after the amendment
9-13.00 *Jakub Lejsek*

21. 2. 2024 Working time in practical and illustrative way, incl. the amendment and workshop
9-15.00 *Michal Peškar*

27. 2. 2024 Employment of Foreigners in the Czech Republic, incl. the amendment of Act on Residence of Foreigners
9-14.00 *Ladislav Mádl*

1. 3. 2024 Implementation problems of the new Labor Code
9-13.30 *Nataša Randlová
Kristýna Nehybová
Miroslav Nerad*

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