

As we promised you in the last issue of Randls HR News, the current topic is the so-called flexible amendment to the Labour Code ("flexinovela" in Czech). This amendment is not focused on one specific area but introduces a whole range of changes through the whole Labour Code and it should bring flexibility for both the employers and employees. This amendment should become effective on January 1, 2025. The government has already approved the amendment and it has been submitted to the Chamber of Deputies to be approved, however, the wording is not yet final.

The Randls employment law team wishes you pleasant reading

FLEXIBLE AMENDMENT TO THE LABOUR CODE

The government has approved the so-called flexible amendment to the Labour Code with incorporated comments at the meeting on August 21, 2024. The flexible amendment has been prepared in accordance with the Plan of legislative works of government for 2024 and is based on the suggestions of social partners and labour law experts and targets specific practical needs with a vision to increase the flexibility of the Labour Code for both employers and employees. In practice, however, especially for employers – see for yourselves:

Termination grounds

One of the most discussed topics in the flexible amendment is the adjustment of termination grounds. It is proposed **to merge the termination grounds for health reasons** (Sec. 52 (d) and (e)) into a new single termination ground, which will thus include long-term loss of medical capacity for so-called general illness as well as for work accidents, occupational diseases and occupational disease risks. Only the reason of reaching the maximum permissible exposure will remain in the original letter (e). This change will simplify the giving of notice, as it will no longer be necessary to establish the cause of the employee's loss of capacity. The cause of the loss will only affect any compensation (see below).

The repeatedly discussed termination without giving a reason is not part of the proposal. It is likely that it will be proposed to be added in the course of the discussion in the Chamber in the form of an amendment, but there is no consensus on its introduction so far.

Notice period

The notice period shall begin on the date of delivery to the other party, and not on the first day of the calendar month following the delivery of the notice, as is the case now.

Example: The notice given on September, 6, the end of the employment on November, 6.

The notice period will remain 2 months (a longer notice period can be agreed in writing). The shorter period – 1 month – will only be given if the employer gives notice because of an "issue" on the side of the employee – termination grounds under (f) - (h), i.e. breach of obligations, failure to meet prerequisites/requirements and unsatisfactory performance.

Period for termination in case of breach of obligations

There will also be an **extension of the period for giving notice or immediate termination to an employee for breach of obligations**:

- ▲ a subjective period (from the moment the employer became aware of the breach) will be **3 months** (previously 2); and
- ▲ an objective period (from the moment the breach occurred) will be **15 months** (previously 1 year).

Severance pay for health reasons

If the reason for termination of an employee's employment (whether by notice or agreement) is an occupational injury, occupational disease or threat of occupational disease, the employee will be entitled to a **lump sum payment** in lieu of severance pay **upon termination of employment**. The compensation will be the same as the current severance pay, i.e. 12 times the average monthly earnings. The main difference is that the severance pay has always been an employer's expense, but the lump sum will be covered by statutory insurance.

Invalid termination of the employment

In the event of an invalid termination of the employment, the employee will be entitled to **an annual leave** in addition to the compensation of the wage or salary. Wage or salary compensation may newly be reduced by the court not only in cases where the employee has been employed in the meantime but also in cases where the employee has been engaged in other gainful activity (e.g. as a self-employed person).

Probation period

The amendment will also extend the **probation period** to:

- ▲ **4 months** for ordinary employees (currently 3)
- ▲ **8 months** for managerial employees (currently 6)

Within these limits, it will even be possible to **extend it** by written agreement **additionally**. It will automatically be extended by a full day's absence from work (work-related obstacles, taking leave or unexcused absence).

Child labour

Another controversial element of the amendment is the possibility of allowing minor employees aged 14 and over to perform light work during the summer holidays. Until they reach the age of 15 or complete compulsory school education, these minor employees will be allowed to work a maximum of 7 hours per day and 35 hours per week. They will be prohibited from working overtime, working at night and working between 8pm and 10pm and will have

to take longer daily rest periods. They will need the **written consent of their legal guardian** to work.

Medical check-ups for minor agreement employees

In the case of work for all minors, it is newly proposed that the employer shall **always be obliged to carry out an initial medical check-up even before the commencement of an agreement to perform work (DPP) and agreement on working activity (DPČ).**

Salary assessments

The **electronic delivery of wage and salary assessments is to be simplified** so that they can be delivered via, for example, internal systems or to employees' private e-mail addresses. The salary assessment will have to be signed with a **recognised (qualified) electronic signature** and it will have to be ensured that the employee can save or print the salary assessment. A salary assessment is delivered when the employee confirms in writing that he/she has received it. If the employee fails to confirm receipt within 15 days of sending, delivery shall be ineffective.

Cashless payment

It will be newly introduced that wages, salary or remuneration from an agreement will be **paid in cashless form.** However, the employee will be able to disagree in writing and request payment in cash.

Payment of salary in a foreign currency

The list of cases when it will be possible to **pay salary in a foreign currency** with the employee's consent will be extended (the condition is that the Czech National Bank announces the exchange rate for this currency). It will only be possible to pay salary in this way if there is a link to the foreign country (e.g. the employee performs work abroad, is a foreigner or permanently lives abroad).

Average earnings

The new regulation also concerns average earnings after the termination of the employment relationship. If the average earnings after the end of the employment relationship are to be used, the **earnings last established during the employment relationship** shall be used. This is a method that has been applied in practice, but the Supreme Court has taken a different view.

The flexible amendment also provides for a new method of calculating the average monthly gross earnings when the employee's weekly working time changes. This is used, for example, in the payment of severance pay.

Stand-ins for parents

Fixed-term contracts can be agreed to for a maximum of 3 years and then repeated/extended no more than twice. However, in the case of employees who have been hired as **a substitute for employees on maternity, paternity**

or parental leave, it shall be possible to renegotiate their employment relationships without limitation on the number of times they can be repeated. However, this is limited to the total duration of the employment relationship so agreed/extended - the total duration must **not exceed 9 years.**

Return from parental leave

When returning from parental leave before the child is 2 years old, the employer will be obliged to place the employee in his/her original job and workplace (currently this applies only when returning from maternity and paternity leave).

Earnings on parental leave

On the other hand, employees on parental leave will now be allowed to conclude DPP or DPČ with their employer for the **same type of work.**

RANDLS TRAINING 2024

We would like to invite you to the latest Randls Trainings on new developments in employment law and other topics:

17. 9. **Amendments to the Labour Code + other news**
& 15. 10. **Michal Peškar**
2024

Current tax news after another amendment to the law and the use of AI in HR and salary accounting
18. 9. 2024 **Dita Hlaváčková, Ondřej Hlaváček**

More information and the complete programme can be found at www.randlstraining.com

Trade unions

The flexible amendment will also introduce the rules on how the **trade unions** will prove to the employer that they meet the minimum number of members requirement if simply informing the employer is not satisfactory. If the trade union does not prove the condition in any other way, it will be proved by means of a notarial record. The employer will be responsible for arranging and paying for the notary.

Uninterrupted daily rest

In the area of uninterrupted daily rest, it is proposed to reduce it to **6 hours** in the event of averting accidents, natural disasters and other emergencies.

Equal treatment for registered partners

Finally, there will be equal treatment for registered partners in the area of obstacles to work or pecuniary rights.

Join our closed **Randls HR group** full of news, tips and trivia:

www.linkedin.com/groups/6923082/



And follow our Instagram for the latest news and trainings **@randls.training:**

www.instagram.com/randls.training/



Randl Partners
advokátní kancelář attorneys at law

Budějovická 1550/15a
140 00 Praha 4
tel.: +420 222 755 311

info@randls.com www.randls.com

This issue of HR News is prepared for you by:
Michal Peškar, Natálie Mikolášková



Global
Human
Resources
Lawyers