

Bird & Bird

Amendment to the Labour Code - Overview

Legal news

July 2023



Amendment to the Labour Code

The Chamber of Deputies of the Czech Republic is currently deliberating a draft law amending the Labour Code which was returned by the Senate of the Czech Republic with minor amendments on 27 July 2023.

The amendments mainly concern the effectiveness of the amendment.

Depending on the outcome of the vote of the Chamber of Deputies, the amendment may enter into force either on 1 January 2024 or 1 September 2023.

The main objective of the amendment is to increase the awareness of employees and to strengthen their rights and position in balancing family and work life (this is primarily the transposition of EU directives).

The amendment also aims to bring the electronic delivery of documents and remote work closer to the needs of businesses.

We have focused on the key areas where changes are expected, and will take you through them:

Employer's
information obligation
in the employment
relationship

Remote work

Delivery of
documents and
electronic agreements

Agreements on work
performed outside the
employment
relationship

Extension of the employer's information obligation in the employment relationship

Employers will also be obliged to inform the employees of the following:

- The duration and conditions of the **probation period**, if stipulated.
- The procedure the employer and employee must follow when **terminating the employment relationship**, including the length of the notice period and its course.
- **Professional development** for the employee, if provided by the employer.
- The standard weekly **working hours**, the method of distribution of working hours, including the length of the settlement period if uneven distribution is applied, the extent of overtime work.
- The extent of the minimum **uninterrupted daily rest and uninterrupted rest during the week**, the provision of meal and rest breaks or reasonable rest and meal periods.
- The **social security body** to which the employer pays social security contributions in connection with the employee's employment relationship.

Further changes to the information obligation

Reducing the period for providing information

The period will be **7 days** from the commencement of the employment relationship, i.e., from the date of commencement of work agreed in the employment contract.

Changes to the data provided

The employer is obliged to inform the employee about the changes to the data provided to the employee **without undue delay - no later than on the day on which the change becomes effective.**

Electronic provision of data

Where data is provided to the employee electronically, it must be provided in such a way that the employee can **save it and print it**. The employer must keep **evidence that they provided** the information to the employee.

Remote work

Remote work is possible upon **written agreement** with the employee.

The remote work agreement can be terminated by written agreement or by written notice - even without any reason:

- The notice period will be 15 days from the delivery of the notice to the other party, unless a different length of the notice period is agreed upon with the employee.
- It can also be agreed that neither party can terminate the remote work agreement by giving notice.

The amendment also introduces the possibility of ordering remote work, but only if a public authority so provides under another regulation, such as the Crisis Management Act.

The remote work rules will apply to both **employees whose working hours are scheduled by their employer and employees who schedule their own working hours.**

Employees scheduling their own working hours will be entitled to a premium for overtime and for work during a public holiday.

Reimbursement of costs for remote work

The employee is explicitly entitled to reimbursement of costs related to remote work.

The reimbursement regimes for such costs are as follows:

Reimbursement of
costs in the
amount proven

or

Reimbursement of
costs in a flat-rate
amount

or

Exclusion of
reimbursement of
(part of) costs

Costs reimbursement

Exclusion of reimbursement of costs or part of costs

The employer and the employee may agree **in advance and in writing** that the employee is **not entitled** to reimbursement of all or part of the costs incurred in connection with remote work.

Unlike the provision of a flat-rate reimbursement, the complete or partial exclusion of reimbursement cannot be stipulated in an internal regulation.

Flat-rate amount

The flat-rate amount is provided for each working hour commenced and only if **agreed in writing or set out in an internal regulation**.

The flat-rate amount will be determined by a decree issued by the Ministry of Labour and Social Affairs on the basis of data published by the CSO.

Employers may provide a higher flat-rate amount - the difference between the amount set by the decree and the flat-rate amount provided by the employer will constitute the employee's income for tax purposes.

Electronic conclusion of legal acts

The amended Labour Code regulates the electronic conclusion of the following documents:

Employment contract and its amendments

Agreements on work performed outside the employment relationship ("DPP or DPČ") and their amendments

Agreement on termination of employment

Agreement on termination of the relationship from DPP or DPČ

Employer's obligation

In the event that the above documents are executed electronically, the employer is obliged to send their counterpart to the **employee's private electronic address** that the employee has provided to the employer **in writing** for these purposes.

Employee's right of withdrawal

An employee has the right to withdraw **in writing** from the employment contract and its amendment, DPP or DPČ and amendment thereto, **no later than 7 days** from the date of delivery of their counterpart to the employee's electronic address.

It will not be possible to withdraw if the employee has already commenced with the performance of the agreement.

Delivery of documents to employees

The rules for delivery under the Labour Code will apply only to the following categories of documents:

Unilateral termination of the employment relationship or of the relationship from DPP or DPČ

Discharge or resignation from a managerial position

Salary assessment

The employer must always deliver the document to the employee **by hand** in one of the following ways:

- By handing it over at the employer's workplace.
- By handing it over wherever the employee can be found.
- By data mailbox.
- Through an electronic communications network or service.
- Through a postal service provider **only if** delivery at the employer's workplace is not possible.

The amendment to the Labour Code thus puts delivery at the employer's workplace on the same level as other methods of delivery.

Delivery through an electronic communications network or service

The employee must **consent** to this method of delivery in a **separate written declaration** - consent cannot be included in the employment contract. In the declaration, the employee also provides an electronic address for delivery **that is not in possession of the employer**.

Before giving consent, the employer must **inform** the employee **in writing** of the conditions for the delivery of the document in this way.

The employee may **withdraw consent in writing** at any time.

The employee is no longer required to acknowledge receipt of the document by a recognised electronic signature.

Fiction of delivery

If the employee does not acknowledge receipt of the document within 15 days of its delivery, **the document will be deemed to have been delivered on the 15th day**.

Agreements on work performed outside the employment relationship

The amendment to the Labour Code brings the following fundamental changes in relation to agreements on work performed outside the employment relationship, i.e., agreement to perform work (DPČ) and agreement to complete a job (DPP) :

- Employees will have the right to annual leave, under the same conditions as employees in an employment relationship (i.e., with an employment contract).
- Employees will be entitled to premiums or compensatory time-off, or compensatory remuneration pursuant to the agreement, for work during a public holiday, for work on Saturdays and Sundays, for night work and for work in arduous working environment.
- Employers will now be obliged to schedule employees' working hours in advance and keep records of working hours.

Annual leave

A 'fictional' weekly working hours of **20 hours per week** is introduced for the purposes of determining the annual leave to which the employee is entitled.

The right to annual leave will become effective from 1 January 2024.

Any questions?

Do you need to review your existing employment documentation and adjust it in light of the amendment to the Labour Code?

Would you like to set up the correct processes for electronic conclusion and delivery of documents? Or do you have any other questions?

Please do not hesitate to contact us, we would be delighted to assist you.



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