

LEGAL ALERT

SELECTION OF LEGAL UPDATES

Changes in Employment Law



From January, Employees Can Arrange Their Own Work Schedules

Employers can now enter into an agreement with employees regarding work schedule arrangements, allowing employees to organize their working hours into shifts according to their needs, even when performing work at the employer's premises.

Despite the independent scheduling of shifts, minimum daily and weekly rest periods, the right to work breaks, and the maximum shift length must still be observed. The employer remains responsible for maintaining records of working hours in cooperation with the employee.

Amendment to the Labour Inspection Act

Since the beginning of this year, labour inspectors have been authorized to make audio, visual, and audiovisual recordings during inspections or in the course of actions preceding an inspection, without the knowledge of the persons being inspected.

In cases of inspections related to the facilitation of illegal work, covert employment mediation, or enabling work through covert employment mediation, inspectors are also entitled to request information from the tax authorities.

Legislative Status of the So-Called "Flexi Amendment" to the Labour Code

The third reading of the so-called "Flexi Amendment" to the Labour Code is scheduled for March 2025 in the Chamber of Deputies. This amendment aims to enhance flexibility for both employees and employers, particularly in areas such as probation and notice periods, methods of wage payment, return to employment, and the ability to earn additional income during parental leave.

Below, we outline the key areas covered by this amendment to the Labour Code.

Extension of the Probation Period and New Rules for the Notice Period

The Flexi Amendment proposes extending the probation period to a maximum of four months for regular employees and up to eight months for managerial employees.

Currently, the notice period is set at two months for all termination grounds. Under the amendment, if an employee is dismissed due to a breach of obligations or failure to meet legal requirements, the notice period will be shortened to one month.

Additionally, the notice period will now commence on the day the notice is delivered to the employee or employer. However, the employer and employee may mutually agree on a different notice period or a different starting date for its commencement.

Changes in Wage Payment, Wage Information Handling, and Delivery of Wage Statements

The Flexi Amendment allows wages to be paid in a currency other than Czech Crown (CZK) for employees with an international element. These employees include not only those working abroad but also, for example, EU citizens without permanent residence in the Czech Republic. However, the selected currency must be listed on the exchange rate list of the Czech National Bank.

Another change concerns the method of wage payment. The Labour Code currently stipulates that wages are to be paid in cash unless otherwise agreed between the employer and the employee. The Flexi Amendment establishes bank transfer as the default method of wage payment.

The amendment also introduces the delivery of wage and payment statements through the employer's internal

electronic systems (e.g., an internal employee account or work email) without requiring the employee's consent. In such cases, delivery is deemed effective once the employee confirms receipt in writing, which can also be done electronically (e.g., by clicking a confirmation button). Furthermore, employers will be required to attach a recognized electronic signature to the statement.

Additionally, a proposed amendment included in the resolution of the Committee on Social Policy prohibits employers from restricting employees in handling information regarding their wage amount and structure. If this prohibition is violated, the Labour Inspectorate may impose a fine of up to CZK 400,000 on the employer.

Opportunity for Additional Income During Parental Leave and Guaranteed Return to Work

The Flexi Amendment allows parents on parental leave to enter into an agreement to perform work (dohoda o provedení práce) or an agreement on work activity (dohoda o pracovní činnosti) with their employer for the same type of work as specified in their employment contract with that employer. The current legislation prohibits all employees from simultaneously holding an employment contract and an agreement for the same type of work with the same employer.

Additionally, the amendment imposes an obligation on employers to reinstate employees returning from parental leave to their original position. This job security is guaranteed until the employee's child reaches the age of two.

Renewal of Fixed-Term Employment for Substitutes During Maternity and Parental Leave

In cases where an employee is temporarily replacing another employee on maternity, paternity, or parental leave, a fixed-term employment contract may be extended more than twice. However, the total duration of such fixed-term employment must not exceed nine years from the commencement date of the first fixed-term contract.

Extension of Deadlines for Employee Misconduct

The amendment extends both the subjective and objective time limits for an employer to give notice or to terminate employment with immediate effect in cases where an employee breaches obligations arising from legal regulations related to their work.

The subjective time limit, which begins on the day the employer becomes aware of the reason for dismissal or immediate termination, is extended from the current two months to three months. The objective time limit, which starts from the moment the reason for dismissal or immediate termination arises, is extended from one year to fifteen months.

Transposition of the Pay Transparency Directive

The European Union has adopted the Pay Transparency Directive, aimed at eliminating pay disparities between men and women. Directive 2023/970 establishes requirements for pay transparency and enforcement mechanisms, including sanctions for employers who fail to comply. The directive must be implemented into Czech law by June 7, 2026.

Under this directive, employers will be required to inform employees about the fundamental conditions of remuneration, including gender-based pay distribution. Companies with more than 250 employees will be obligated to submit an annual report to the relevant national authority, disclosing gender pay gaps within their organization.

If you have any questions or require a consultation, please do not hesitate to contact us via email at info@sirokyzrzavecky.cz.

This document is intended for personal use only. Any use of this document for purposes other than those stated, including reproduction, distribution, or further disclosure, is prohibited without the consent of ŠIROKÝ ZRZAVECKÝ advokátní kancelář, s.r.o. ("ŠZ"). The use of this document does not create any legal relationship between the user and ŠZ, nor does it grant the user any rights against ŠZ arising from its use.

Making this document available to the general public does not constitute the provision of legal advice within the meaning of the Czech Advocacy Act. ŠZ assumes no responsibility for the use of this document without its direct assistance and review of the final content. The information contained herein is not exhaustive and should not be regarded as specific legal advice.