

The effects of revoking occupational disease status

In May, the Supreme Court dealt with the question of whether **the denial of an occupational disease can terminate the employer's obligation** to provide the employee with **a pension**.

The case concerned a miner who developed irritant dermatitis of the feet caused by work shoes. The disease was recognized as an occupational disease, for which the employer paid the employee compensation for loss of earnings after the end of incapacity for work within the meaning of Section 271b of the Labor Code (pension).

However, the employee subsequently experienced a regression of the condition, whereupon the employer stopped providing him with a pension. The employee defended himself by arguing that even though he currently has no symptoms of an occupational disease, he cannot return to his original job because the disease would develop again under the original conditions.

The Supreme Court concluded that the "remission" of an occupational disease **is not** an automatic reason for terminating the payment of a pension. It will depend on an assessment of whether the employee is actually able to perform his original job without the risk of recurrence of the occupational disease and whether the working conditions have been changed to such an extent that they no longer pose a threat to the health of employees.

The pension may be changed (or even terminated) provided that the employer **modifies the working environment** (e.g., by changing work equipment) so that it no longer poses a risk to these employees. However, if the illness is cured but the

employee is still unable to perform their original job without risk, their entitlement to a pension may continue. This gives employees the certainty that their compensation for loss of earnings will not be terminated solely based on a formal assessment, but that **actual working conditions** will also be taken into account.

(Supreme Court judgment ref. no. 21 Cdo 752/2025)

Equal pay, wage disclosure, and gender-neutral recruitment

A new EU directive, to be transposed in June 2026, aims to address the persistent **gender pay gap**. It will focus, for example, on the transparency of remuneration systems and the issue of the value of work.

1. Transparency

The transparency obligation is to apply even before the start of employment, in the form of **prior disclosure of the amount of remuneration** or **a ban on asking about salary history**.

2. Right to information

Upon request, employers will have to provide employees with written information on their individual remuneration levels and average levels in categories of workers broken down by gender.

3. Reporting differences to state authorities

The obligation to report pay differences to state authorities will apply to employers with more than 100 employees. Reporting intervals will be set, during which employers will be required to prepare a report on pay differences.

Employers should therefore focus on defining individual categories of employees (including in the recruitment

process) and, where necessary, **adjust their job evaluation methodology to ensure that it is gender-neutral** and based on clear, **auditable criteria**.

Change in rules for consumer loans and mortgages

By November 20, 2025, at the latest, EU member states must incorporate into their legal systems a directive that **tightens the rules for assessing the creditworthiness of applicants**.

This directive responds to the rapid development of modern technologies (including AI), which are increasingly being used by banks to process loan and mortgage applications. Artificial intelligence makes it possible to assess applicants' creditworthiness **more quickly and accurately**.

However, the use of AI poses **risks** in the area **of personal data protection**. The AI Act therefore categorizes systems designed to assess creditworthiness as **high risk**. Consumer credit and mortgage providers must ensure that algorithms assessing creditworthiness are sufficiently **transparent and operate under human supervision**. Transparency control criteria will become stricter in the future.

Consumers will have the right to a clear and comprehensible **explanation of the decision** on the basis of which their loan was (not) approved and the basis for that decision (i.e., what criteria were decisive and what data was used in the decision-making process). Banks must also ensure that consumers have the option **to challenge** the decision if necessary.

Change in the registration of liens in the Land Registry

The Czech Office for Surveying, Mapping and Cadastre (ČÚZK) has issued **an opinion on changes to liens** and other rights in rem, completely changing the current methodology of cadastral offices on whether it is possible to register

changes to an already registered lien and paving the way for the registration of changes to existing rights.

However, this change **does not alter the order of already registered rights**. The original principal remains in its original order, and the new part only takes effect from the moment the proposal is submitted. This ensures **transparency and legal certainty** for all parties involved.

In practice, this means an end to the artificial creation of "replacement" liens where it was in fact only a matter of adjusting existing financing. Banks and borrowers will thus avoid unnecessary formalities and risks, but lawyers must carefully formulate amendments to lien agreements so that it is clear that only the scope of security is changing, not the existence of the right itself.

The change in methodology does not mean a revolution (the principle of priority still applies), but it does bring **the necessary flexibility** and may open up the possibility of changing other rights in rem in the future.

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

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