

TIPS AND TRICKS IN LABOUR LAW

CORPORATE LAW
**TRANSACTIONS
& INVESTMENTS**
REAL ESTATE
IP LAW



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HOW DOES IT WORK

Under Czech law you can work as an employee having regular employment agreement, be an employee under temporary work performance agreements or be self-employed and provide services as independent consultant / tradesman.

Only an employment contract will create an employment relationship whereby you are protected from unauthorized termination, you are entitled to have a guaranteed wage, leave, sickness and other financial compensation if you are unable to work. The employer takes care of calculating all taxes and other charges. Temporary work performance agreements offer significantly lower protection and benefits. You should always carefully consider which employment type is the most appropriate.

Employers sometimes prefer to offer work on projects for self-employed consultants or IT developers. You should however be certain that you are doing business on your own and independently, as sometimes the organization of the project and its conditions lead to semi-employment and the financial and labor authorities tend to consider these schemes as illegal employment and impose fines on both employers and employees.

● EMPLOYMENT AGENCIES – READ CAREFULLY ANY CONTRACTS

When you have difficulty getting a job by yourself, the employment agency is the ideal way to get a job quickly.

The employment agency can either arrange for you to enter into an employment contract with a prospective employer, or to enter into a contract of employment with you directly and put you in an appropriate company according to your specialization.

Be careful about the content of the employment contract with the employment agency, especially the duration of the employment. Employment agencies often negotiate a fixed-term employment

relationship that will terminate as soon as the company you are seconded to is no longer interested in your work. In this case, your employment relationship will terminate without any legal compensation. Take care to find out whether you have the same benefits as other employees. If your salary or benefits differ, or you face any kind of discrimination, labor authorities and labor inspection can help you quickly.

● TEMPORARY WORK INCAPACITY – WHAT ARE YOU ABLE TO CLAIM?

If you are an employee and you work under an employment contract and you are temporarily incapacitated due to illness, you are entitled to proportional wage reimbursement after the first 3 days that you do not work paid by the employer. From the 15th day of illness onwards, you receive a proportional wage reimbursement from the state for each calendar day. In order to receive these wage refunds, you must visit your doctor immediately and receive confirmation of your temporary incapacity for work.

● SELF-EMPLOYED CONSULTANTS

As a self-employed person, you may pay lower taxes and less on social security and health insurance as opposed to employees, but you also have much lower social security and health insurance benefits. You are only entitled to a proportional wage reimbursement from the state after two weeks of illness and only if you pay a monthly social security contribution yourself.