

The Senate approved major Labor Code amendment

11th June 2020

On 10 June 2020, the Senate approved an amendment to the Labor Code, which is set to take effect on 30 July 2020, with selected parts applicable from 1 January 2021.

The amendment to the Labor Code contains, inter alia, the following important changes:

- ▶ From 2021, an employee's eligibility to annual leave will depend on the employee's set weekly working hours, rather than the number of days worked in the given calendar year.
- ▶ If the employer's activities are transferred to another employer, it will be specified whether also employees will transfer. In addition, the transferee employer will no longer be subject to uncertainty as to the number of transferred employees: employees will no longer be entitled to terminate their employment unilaterally with immediate effect before the very transfer; they will only be allowed to terminate employment within 15 days from the date of receipt of the employer's information on the transfer, with effect from the day immediately preceding the transfer.
- ▶ In the event of long-term assignment to the Czech Republic (i.e. for 12 or a maximum of 18 months), the assigned employee will be subject to the Czech Labor Code, with the exception of the rules governing the establishment, change and termination of employment.
- ▶ From 2021, employees will be entitled to take one week of paid leave per year to organize events for children and adolescents (camps and training courses). The state will compensate the employer for the compensatory wages paid to the employee.
- ▶ On the basis of an agreement with the employer, two or more employees will be able to share a single workplace (desk, office); they will be able to agree among themselves their working time schedule.
- ▶ The employer will be able to deliver important documents (e.g. termination of employment) to an employee by registered mail, if the employee is not available at the workplace. The employer will no longer be obliged (to make an attempt) to personally deliver the documents outside the workplace. Another option will be to use the data box for the delivery of documents in the context of employment relations, but only with the consent of the other party.

Another amendment to the Labor Code is now waiting to be discussed by the Chamber of Deputies in the second reading; this amendment should extend the minimum annual leave entitlement from the current four weeks to five weeks. According to the available information, the draft amendment (proposed by certain deputies) is expected to be approved.

We will keep you informed about further developments and practical implications of the changes.

If you have any questions, please contact the authors of the article or other members of EY Law or your regular EY team.



Ondřej Havránek

ondrej.havranek@cz.ey.com
+ 420 703 891 387



Barbora Suchá

barbora.sucha@cz.ey.com
+ 420 704 865 122