

Antivirus Program - final version

On 31 March 2020, the Czech Government approved the Targeted Employment Support Program "Antivirus", which should help employers better manage the current situation and protect employees' jobs.

The program's final version is far more favourable for employers than the originally considered options. Through Labour Offices, the State will partially compensate employers for the cost of wage compensation due to employees during periods of work-related obstacles caused by quarantine, emergency measures, crisis measures related to the spread of COVID-19 infection both in the Czech Republic and abroad and the related economic problems experienced by employers. Support will be provided under two schemes:

■ **Scheme A - forced operational restrictions and quarantine**

Scheme A is intended for cases of closure or restriction of operations as a result of crisis or emergency measures issued by the Government, the Ministry of Health or a Regional Hygiene Station (where the employee is entitled to wage compensation equal to his average earnings), and for situations where the employee could not work due to quarantine (where the employee is entitled to wage compensation of 60% of average reduced earnings).

The contribution to the employer will be provided in the amount of 80% of paid wage compensation, including the employer's statutory contributions, up to a maximum of CZK 39,000 per month per employee.

■ **Scheme B - related economic difficulties**

Scheme B applies to employer obstacles arising from economic difficulties ensuing from the spread of COVID-19.

These are situations where:

- ▶ The employer cannot allocate work to employees because of quarantine or childcare for more than 30% of employees (wage compensation is 100% of the employee's average earnings), or
- ▶ the availability of inputs (raw materials, products, services) necessary for the employer's activity will be limited due to quarantine measures (or, generally, production outages) at the supplier, including foreign suppliers (employees are entitled to wage compensation of 80% of their average earnings), or
- ▶ demand for services, commodities and other products of the employer will be reduced as a result of quarantine measures at the place of sale of the employer in the Czech Republic and abroad (partial unemployment) (employees are entitled to wage compensation of 60% of their average earnings).

The State contribution should reach 60% of paid wage compensation, including statutory contributions, up to a maximum of CZK 29,000 per employee per month.

Key conditions for entitlement to compensation under the Antivirus Program include:

- ▶ The employer is a company in the business sphere; wage costs are not covered from public budgets.
- ▶ Employees are in an employment relationship and participate in sickness and pension insurance.
- ▶ The employer proceeds in strict accordance with the Labour Code.
- ▶ The employee is not on notice and has not been dismissed.¹
- ▶ The employer must pay the employee wage compensation and pay the related social and health insurance premiums (for itself and for employees).
- ▶ If the employer is an employment agency, the employment relationship of the employee must have been negotiated before the date of the emergency declaration on 12 March 2020.

The program should start 1 April 2020 with a contribution to employer costs incurred after 12 March 2020 (inclusive).

The cost eligibility period is provisionally set to 30 April 2020; however, given the evolution of COVID 19, the Ministry of Labour and Social Affairs expects to extend to May 2020.

The web-based application should be launched on 6 April 2020, with the payment of wage compensation contributions starting 10 April 2020.

All operations will be carried out electronically via a web application, data boxes or email with a recognized electronic signature.

The eligibility of contributions and fulfilment of all conditions will be controlled across the board; intentional abuse of the program may then be classified as a criminal.

¹ Except for breach of duties during work performed according to the provision of Section 52 (g) and (h) of the Labor Code.”



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