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'Antivirus' Government Employment Protection Program - continued

On 23 March 2020, the Czech Government approved additional Antivirus program schemes designed to protect employment.

Under schemes A and B, which were approved last week, the State will compensate firms for the cost of wage compensation for incapacity for work during a mandated quarantine and, partly, (80%) wage reimbursement if there are obstacles on the part of the employer in cases in which the employer cannot allocate work to employees where the employer has been ordered by the Government to adopt emergency measures in connection with Covid-19.

Newly approved measures include the following schemes:

Scheme C is intended for situations in which the employer cannot assign work to employees due to quarantine or childcare for a significant portion of employees, meaning, in particular, 30% of employees of companies, establishments or other organizational parts according to the employer's operational situation. Employees are entitled to wage compensation of 100% of their average earnings. The State should provide a contribution equal to 80% of paid wage compensation.

Scheme D concerns obstacles on the part of the employer limiting the availability of inputs necessary for the employer's activity as a result of quarantine measures (or, generally, production failures) at suppliers, including suppliers from abroad. In such circumstances, the employee is entitled to compensation of 80% of average earnings and the State contribution should amount to 50% of the paid wage compensation.

Scheme E targets obstacles on the part of the employer as a result of a reduction in demand for the employer's services, commodities and other products as a result of quarantine measures at the employer's points of sale in the Czech Republic and abroad (partial unemployment). Under these conditions, the employee is entitled to wage compensation of at least 60% of the average wage and the State contribution is to reach 50% of the paid wage compensation.

The use of Antivirus measures in practice will depend on the conditions for claiming a state contribution, which should perhaps be specified as soon as possible. We will keep you informed about further developments.



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