

LEGAL ALERT

SELECTION OF LEGAL UPDATES Planned Changes in Labor Law



The So-Called "Flexible" Amendment to the Labor Code

The government has approved a draft amendment to the Labor Code and other related laws proposed by the Ministry of Labor and Social Affairs. The objective of this amendment is to increase the flexibility of the Labor Code in several areas, particularly concerning the scheduling of working hours, probationary and notice periods, methods of salary payment, and opportunities for returning to work and earning additional income during parental leave. **The draft amendment is currently undergoing the legislative process, and it is likely that further revisions will be made.** However, the amendment is expected to take effect on January 1, 2025.

We summarize the main areas of change in the Labor Code in the following article.

Scheduling of Working Hours

Under the new amendment, an employee will be able to enter into an agreement with their employer regarding the scheduling of working hours, allowing the employee to **independently manage their work schedule**. Currently, this flexible scheduling of working hours is only possible for remote work.

If such an agreement on the scheduling of working hours is concluded, certain rules will still apply. For instance, the length of a single shift must not exceed twelve hours, and the employee will still be required to adhere to work breaks. Even when this agreement is in place, the employer remains obligated to keep a record of the employee's working hours in cooperation with the employee.

The agreement on the scheduling of working hours must be concluded in writing, and its termination can be agreed upon by both parties or through a notice period of fifteen days (or another period as agreed upon).

This section has already been approved and will take effect on January 1, 2025.

Probationary and Notice Periods

Under the current Labor Code, the maximum probationary period is three months for standard employees and six months for managerial employees. The proposed amendment seeks to extend this probationary period to a maximum of **four months** for standard employees and **eight months** for managerial employees.

The notice period is currently set at two months for all termination reasons. The amendment introduces a change whereby, if the employee is dismissed due to violations of duties or failure to meet job requirements, the notice period will be shortened to **one month**.

Currently, the notice period begins on the first day of the month following the delivery of the notice. The amendment proposes that the notice period will now start on **the day the notice is delivered**. However, the Labor Code still allows flexibility, as the notice period and its start date can be mutually agreed upon by the employer and the employee.

Currency and Method of Salary Payment, Delivery of Payroll Statements

The amendment establishes two conditions under which salary may be paid in a **currency other than Czech crown**. The first condition is the presence of a foreign element, and the second is an agreement with the employer. Additionally, the currency must be listed on the exchange rate list of the Czech National Bank. This represents a significant change, as currently, salaries can only be paid in Czech crown, with payment in another currency allowed only by agreement and if the employee works abroad.

Another change concerns the method of salary payment. Currently, the Labor Code mandates that salary be paid in cash, at the workplace, and during working hours. A different method is possible only by agreement between the employee and employer. The amendment changes this,

making the primary method of salary payment a non-cash transfer to the employee's bank account.

The conditions for delivering payroll or salary statements are currently quite strict. The amendment will introduce greater flexibility by allowing these statements to be delivered through the employer's internal electronic systems.

Sanctions for Employee Misconduct

The amendment will extend both the subjective and objective deadlines for an employer to give notice or terminate employment immediately in cases of employee misconduct related to legal obligations associated with their work (§ 52 letter g) of the Labor Code). The subjective deadline (which begins on the day the employer becomes aware of the reason for the notice or immediate termination) will be extended from two to **three months**. The objective deadline (which begins at the moment the reason for the notice or immediate termination arises) will also be extended, from one year to **fifteen months**.

Possibility for Parents on Parental Leave to Enter Into Agreements Outside the Employment Relationship and Return After the Leave Ends

Currently, parents on parental leave cannot work under agreements outside the employment relationship agreement if they are already employed by the same employer under an employment contract (based on a work contract). The amendment will make it possible for parents on parental leave to enter into agreements outside the employment relationship with the same employer for the same job.

Additionally, the amendment introduces a guarantee of up to two years for the same job position for employees on parental leave. This means that employees should be assured of returning to the same job and the same position if they return before their child reaches **the age of two**.

Termination for Health Reasons

In cases of termination for health reasons, such as a work-related injury or loss of medical fitness, the current Labor Code requires the employer to pay severance. Under the proposed amendment, employees will also be entitled to a one-time compensation for non-material damage in the event of a work-related injury, occupational disease, or risk of such a disease. This compensation will no longer be paid by the employer, but by the **insurance company** with which the employer is legally required to have an insurance policy. Employees will still receive severance, but it will be paid by the employer's insurance company rather than directly by the employer. This one-time compensation will amount to twelve times the employee's average monthly earnings.

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

This document is for personal use only. Any use of this document for purposes other than those mentioned, including copying, distribution, or further dissemination, is prohibited without the consent of ŠIROKÝ ZRZAVECKÝ advokátní kancelář, s.r.o. ("ŠZ"). The use of this document does not establish any legal relationship between the user and ŠZ, and in particular, the user does not acquire any rights against ŠZ arising from the use of this document. Offering this document for use by the general public does not constitute the provision of legal advice within the meaning of the Advocacy Act. ŠZ is not responsible for the use of this document without its direct assistance and final content review. The information provided herein is not exhaustive and therefore cannot be considered as specific legal advice.