LEGAL ALERT

SELECTION OF LEGAL UPDATES

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Adjustments in the amount of levies on work performance agreements: the adopted changes, which were to apply from 1 January 2025, will probably not occur at all

From the New Year, legislation establishing new limits for the payment of insurance premiums from work performance agreements was due to come into force. In the future, a distinction was to be made between agreements in the so-called notified regime, where the decisive amount for participation in the insurance should be approximately CZK 500-1000 higher than before (the so-called "main agreement"), and the non-notified regime. In the event of concluding further agreements for the performance of work with the same employer, the obligation to pay insurance premiums would already arise when the amount exceeds CZK 4,500.

However, the amendment in question will most likely be repealed before it becomes effective by an amendment to one of the laws already under discussion in the Chamber of Deputies. However, according to Minister Jurečka, this will still be discussed within the Coalition.

However, the notification obligation for employers to provide the relevant district social security administration with information on employees working under agreements should remain, precisely for the purpose of obtaining a better overview of the number of such agreements and their overall use.

Invalidity of a legal act in case of initial impossibility of performance

In this case, the Supreme Court addressed the possibility or impossibility of the seller making repairs to the dwelling unit. The seller had undertaken to the buyer in the purchase agreement to provide repairs to the roof (due to leaks in the attic and the unit in question). However, when asked, he refused to make these repairs. It must be noted, however, that prior to the execution of this contract, the parties did not seek the consent of the other unit owners for the roof repairs. The whole situation subsequently depended on this lack.

The CFI confirmed that the repair of the common parts of the building - the roof sheathing, including the relevant plumbing elements (gutters, downspouts, flashings) - constituted an interference with the unit owners' shares in the immovable property and that the defendant, as the contractor, lacked a legal basis, i.e. a contract concluded with the HOA, to ensure such structural repairs.

A legal act, the object of which cannot be performed (in fact or in law) at the time of conclusion of the contract, is therefore not capable of producing legal consequences between the parties. Such a legal transaction, or a severable part thereof, is absolutely null and void (Section 588, second sentence, CC). The consequence must be an objective impossibility, i.e. performance of the obligation is impossible for any debtor and it is irrelevant whether or not the parties to the contract knew of the initial impossibility of performance.

The obligation to repair the parts of the immovable serving the unit owners jointly, which the defendant undertook to the plaintiff (the purchaser) in the purchase contract, constitutes a performance which is legally impossible from the outset and such performance, without a corresponding legal basis (the contract concluded with the HOA), interferes with the rights of the unit owners as co-owners of the immovable.

(according to the judgment of the Supreme Court of the Czech Republic, Case No. 33 Cdo 3725/2023)

Possibility of retroactive increase of maintenance by the court

Last month, the Constitutional Court ruled that retroactive alimony increases should be the rule rather than the exception. The general courts should reflect this conclusion in their future decisions.

The cases in question involved a similar factual situation, where one of the parents applied for an increase in maintenance on the grounds of a substantial change in the child's circumstances, but did not do so in court immediately but only after some time (approximately 2 years).

According to Section 922(1) CC, although maintenance can be increased up to three years retroactively from the date of the commencement of the proceedings, the courts try to appeal to the procedural activity of the parents by stating that if the conditions for the increase are met, the parent should not delay in filing the application (unless objective reasons prevent the filing).

One of the main reasons for this conclusion of the Constitutional Court was the consideration of the best interests of the child. The Court argued that the purpose of the possibility of a retroactive award or increase of maintenance is to protect children dependent on the maintenance of other persons. Maintenance is the minor's entitlement, and the minor must not be blamed for the fact that the parent in whose care he or she is, did not file an application for an increase in maintenance with the court immediately after the change in the minor's circumstances, but only some time after that point, or that the application for an increase in maintenance was not preceded by a request for such an increase addressed to the obligor parent.

(according to the ruling of the Constitutional Court, Case No. I. ÚS 871/24)

Issues of valorisation of contributions to the matrimonial property and its settlement

In mid-September, the Constitutional Court issued a ruling in which it addressed a constitutional complaint challenging a somewhat controversial decision of the Supreme Court. The case concerned a situation in which a married couple had jointly purchased land and a house in the 1990s, with the husband spending funds from his sole property on the purchase.

Subsequently (almost 30 years later), in settling the dissolved community property, the courts proceeded in accordance with section 742(1)(c) of the Civil Code, which provides that "unless the spouses or former spouses agree otherwise, each spouse is entitled to claim to be compensated for what he or she has spent out of his or her sole property on the community property". The second paragraph of this provision adds that the contribution of the spouse from the sole property to the community property is indexed in the settlement of the community property, i.e. the amount in question is credited with an increase or, where appropriate, a decrease depending on the change in the value of the property on which the sum of money was spent.

The Court of Appeal took the complainant's input into account in the settlement of the SJM, but only in the original amount (without taking into account the valorisation). The CFI subsequently confirmed this, stating that valorisation of the part of the property in question is possible only if the parties have agreed on it. However, this is not what the above-mentioned provision of the Civil Code reads.

The Constitutional Court has now overturned the judgment of the Supreme Administrative Court and stated that the condition for valorisation is not the agreement of the spouses - valorisation occurs automatically by law.

(according to the ruling of the Constitutional Court, Pl. ÚS 23/24)

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